

**MEMORANDUM**

TO: All Option Members, Member Organizations and ROTs

FROM: Market Watch

DATE: July 13, 2007

RE: **PHLX Retail Sector (XRE<sup>SM</sup>) - Components and Specifications**

The following information pertains to the PHLX Retail Sector (XRE<sup>SM</sup>), which is scheduled to begin trading on the PHLX on Tuesday, July 17, 2007.

**PHLX Retail Sector (XRE<sup>SM</sup>)**

**Symbol:** XRE  
 Alternate Symbol: EKW  
 2.5 Strike Symbol: ELH  
 Settlement Symbol: RXK  
 Settlement Value: Based on the **opening** prices of the component stocks on the last trading day prior to expiration  
 Position/Exercise Limits: 31,500 contracts  
 Exercise Style: European  
 Trading Hours: 9:30 a.m. to 4:00 p.m., EST  
 Calculation method: Equal-dollar weighted  
 CUSIP Number: 693-91T-108  
**Index Divisor:** **1,199.9016**

<u>STOCK SYMBOL</u>	<u>COMPANY NAME</u>	<u>COMPONENT SHARES</u>
AEO	American Eagle Outfitters, Inc.	384
ANF	Abercrombie & Fitch Co.	129
ANN	AnnTaylor Stores Corporation	272
BBBY	Bed Bath & Beyond Inc.	263
BBY	Best Buy Co., Inc.	209
BJ	BJ's Wholesale Club, Inc.	264
BKS	Barnes & Noble, Inc.	246
COST	Costco Wholesale Corporation	178
CVS	CVS/Caremark Corporation	266
DKS	Dick's Sporting Goods	182
DDS	Dillard's Inc.	287
DSW	DSW Inc.	284
M	Macy's Inc.	257
GPS	The Gap, Inc.	527
HD	The Home Depot, Inc.	264
JCP	J.C. Penney Company, Inc.	132

JWN	Nordstrom, Inc.	189
KSS	Kohl's Corporation	140
LOW	Lowe's Companies, Inc.	317
LTD	Limited Brands, Inc.	381
ODP	Office Depot, Inc.	288
RSH	RadioShack Corporation	291
SHLD	Sears Holdings Corporation	57
SPLS	Staples, Inc.	400
TGT	Target Corporation	157
TJX	The TJX Companies, Inc.	349
TLB	The Talbot, Inc.	457
WAG	Walgreen Co.	226
WMT	Wal-Mart Stores, Inc.	203
WSM	Williams-Sonoma	297

Questions regarding this release may be directed to Market Watch at 1-800-THE-PHLX, choice #2, or (215) 496-5380.