

## SUPPLEMENTAL OFFERING MEMORANDUM

### MLUDI STEERS NOTES SERIES 2007-1 MXN80,000,000 (EQUIVALENT TO UDI 20,881,022.56) (UP TO MXN10,000,000,000) FACE AMOUNT OF ADDITIONAL CERTIFICATES

This supplemental Offering Memorandum (**Supplemental Offering Memorandum**) is supplemental to, and should be read in conjunction with, the Offering Memorandum dated April 25, 2007 (the **Offering Memorandum**) in relation to the MXN1,600,000,000 (equivalent to UDI 417,620,451.20) up to MXN10,000,000,000 Face Amount of Certificates issued by MLUDI STEERS Notes Series 2007-1 (the **Trust** or the **Issuer**), a newly organized trust established under the laws of the State of Delaware pursuant to an Amended and Restated Declaration of Trust and Trust Agreement (the **Amended and Restated Trust Agreement**), dated as of April 25, 2007, and executed by HSBC Bank USA, National Association, as trustee (the **Trustee**) and as Delaware Trustee (the **Delaware Trustee**) and by Merrill Lynch International, as Distributor (the **Distributor**). Unless the context otherwise requires, terms defined in the Offering Memorandum shall have the same meaning when used in this Supplemental Offering Memorandum.

This Supplemental Offering Memorandum has been prepared for the purpose of giving information about the issue of MXN80,000,000 Face Amount Certificates (the **Additional Certificates**) by the Trust. The Additional Certificates are a further issuance of (i) MXN1,000,000,000 on March 15, 2007 (the **Original Certificates**), (ii) MXN600,000,000 (the **First Upsize Certificates**) on April 25, 2007, (iii) MXN800,000,000 (the **Second Upsize Certificates**) on May 24, 2007, and (iv) MXN340,000,000 (the **Third Upsize Certificates** and, together with the Original Certificates, the First Upsize Certificates, the Second Upsize Certificates and the Additional Certificates, the **Certificates**) on August 23, 2007, and will be consolidated with and will form a single series with the Original Certificates, the First Upsize Certificates, the Second Upsize Certificates, and the Third Upsize Certificates. The total face amount of the Original Certificates, the First Upsize Certificates, the Second Upsize Certificates, the Third Upsize Certificates and the Additional Certificates now being issued will be MXN2,820,000,000 (equivalent to UDI 736,056,045.24).

The Additional Certificates will be delivered on or about September 5, 2007 in book-entry form through the facilities of Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream** and together with Euroclear, the **Clearing Systems**). The Certificates will be evidenced by a global certificate (the **Global Certificate**) deposited with HSBC Issuer Services Common Depositary Nominee (UK) Limited (the **Depositary**), acting as common depositary for Euroclear and Clearstream and registered in the name of HSBC Issuer Services Common Depositary Nominee (UK) Limited, a limited liability company, as common nominee of Euroclear and Clearstream. Transfers of beneficial interests in Certificates may be effected pursuant to Rule 144A under the Securities Act subject to the restrictions described herein. See "*The Certificates – Book-Entry Registration*" in the Offering Memorandum.

Holders of the Certificates may own beneficial interests in the Global Certificate through the facilities of S.D. Indeval, Institucion para el Deposito de Valores, S.A. de C.V., Mexico (**Indeval**), which is a participant in each of Clearstream, and Euroclear. Indeval is a privately owned securities depositary that is authorized and acts as a clearinghouse, depositary and central custodian for securities in Mexico. As such, Indeval provides settlement and transfer services and is the registration agent for Mexican securities transactions, eliminating the need for physical transfer of securities. In addition, holders who own beneficial interests in the Certificates through Indeval may be required to certify as to their residency in accordance with the procedures of Indeval.

This Supplemental Offering Memorandum does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Additional Certificates or the distribution of this Supplemental Offering Memorandum in any jurisdiction where such action is required.

**THE CERTIFICATES WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS AND THE TRUST WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "1940 ACT"). THE CERTIFICATES MAY NOT BE OFFERED, SOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES, ITS TERRITORIES OR POSSESSIONS OR TO "U.S. PERSONS" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT AND IN THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED). NEITHER THE CERTIFICATES NOR ANY INTEREST THEREIN MAY BE BENEFICIALLY OWNED BY ANY U.S. PERSON. SEE "THE CERTIFICATES—TRANSFER RESTRICTIONS."**

**THE CERTIFICATES HAVE NOT BEEN REGISTERED IN THE MEXICAN NATIONAL SECURITIES REGISTRY (REGISTRO NACIONAL DE VALORES), AND THEREFORE THEY ARE NOT THE SUBJECT OF A PUBLIC OFFER IN MEXICO. INTERMEDIATION OF THE CERTIFICATES IN MEXICO IS SUBJECT TO THE RESTRICTIONS OF THE MEXICAN SECURITIES MARKET LAW. ANY INVESTOR OF MEXICAN NATIONALITY THAT PURCHASES THESE CERTIFICATES, WILL DO SO UNDER ITS OWN RESPONSIBILITY.**

**THE INFORMATION CONTAINED IN THIS SUPPLEMENTAL OFFERING MEMORANDUM IS THE EXCLUSIVE RESPONSIBILITY OF THE ISSUER (OTHER THAN THE INFORMATION RELATING TO THE CERTIFICATES RATINGS AS PUBLISHED BY S&P) AND HAS NOT BEEN REVIEWED BY THE NATIONAL BANKING AND SECURITIES COMMISSION OF MEXICO (COMISIÓN NACIONAL BANCARIA Y DE VALORES).**

**See "*Special Considerations*" beginning on page 6 of the Offering Memorandum for certain risks relating to an investment in the Certificates.**

The Original Certificates, the First Upsize Certificates, the Second Upsize Certificates and the Third Upsize Certificates have been listed on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange's plc's Gilt-Edged and Fixed Interest Market. Furthermore; notification will be given for the Additional Certificates to be listed on the Official List of the UK Listing Authority and to have the Additional Certificates admitted to trading on the London Stock Exchange's plc's Gilt-Edged and Fixed Interest Market. The Original Certificates, the First Upsize Certificates, the Second Upsize Certificates and the Third Upsize Certificates have also been listed on the Bolsa Mexicana de Valores, S.A. de C.V. (the **Bolsa Mexicana de Valores**) under the Sistema Internacional de Cotizaciones. Furthermore, notification will also be given to the Bolsa Mexicana de Valores to have the Additional Certificates listed under the Sistema Internacional de Cotizaciones.

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**Merrill Lynch International**

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The date of this Supplemental Offering Memorandum is September 5, 2007.

## OFFERING SUMMARY

This summary highlights information not otherwise contained in the Offering Memorandum. Save as specified in this Supplemental Offering Memorandum, all terms and conditions applicable to the Additional Certificates are contained in the Offering Memorandum. This Supplemental Offering Memorandum must be read in conjunction with the Offering Memorandum.

Additional Certificates: MXN80,000,000 (equivalent to UDI 20,881,022.56) Face Amount of Certificates.

The Additional Certificates are a further issuance of the MXN2,740,000,000 Face Amount of Certificates and will be consolidated to form a single Series and to be fungible with the MXN1,000,000,000 face amount of the Original Certificates originally issued on March 15, 2007, with the additional MXN600,000,000 Face Amount of the First Upsize Certificates subsequently issued on April 25, 2007, with the MXN800,000,000 Face Amount of the Second Upsize Certificates subsequently issued on May 24, 2007 and with the MXN340,000,000 Face Amount of the Third Upsize Certificates subsequently issued on August 23, 2007. The total face amount of the previously issued Certificates and the Certificates now being issued will be MXN2,820,000,000 (equivalent to UDI 736,056,045.24). The Additional Certificates will have the same ISIN numbers as the previously issued MLUDI STEERS NOTES Series 2007-1 Certificates.

Issue Dates: March 15, 2007 (the **Initial Closing Date**); April 25, 2007 (the **First Upsize Date**); May 24, 2007 (the **Second Upsize Date**); August 23, 2007 (the **Third Upsize Date**); and September 5, 2007 (the **Fourth Upsize Date**).

Issue Price: 100 percent of the face amount of the Additional Certificates.

Use of Proceeds: The Additional Certificates will be issued to the Distributor in exchange for the purchase by the Trust of Underlying Securities in the amount of US\$7,184,000.

Initial Purchaser of the Additional Certificates: Merrill Lynch International (the **Distributor**).

Authorized Denomination: The minimum denomination shall be the greater of (a) MXN1,000,000 and (b) EUR50,000, with integral multiples of MXN1,000 in excess thereof.

Rating: The Certificates were rated "AA-" by S&P on the Initial Closing Date, the First Upsize Date, the Second Upsize Date, the Third Upsize Date and the Fourth Upsize Date. The rating assigned to the Certificates on each date applied only as of and for the purposes of the Initial Closing Date, the First Upsize Date, the Second Upsize Date, the Third Upsize Date and the Fourth

Upsize Date, respectively, and is not subject to ongoing surveillance by S&P. The rating does not address any risks associated with any Upsizes.

Form, Registration and Transfer of the Certificates:

The Certificates will be evidenced by a global certificate (**Global Certificate**) which will be deposited with HSBC Issuer Services Common Depositary Nominee (UK) Limited, acting as common depositary for Euroclear and Clearstream and registered in the name of HSBC Issuer Services Common Depositary Nominee (UK) Limited, as nominee of Euroclear and Clearstream.

Holders of the Certificates may own beneficial interests in the Global Certificate through the facilities of Indeval, which is a participant in each of Clearstream, and Euroclear. Indeval is a privately owned securities depositary that is authorized and acts as a clearinghouse, depositary and central custodian for securities in Mexico. As such, Indeval provides settlement and transfer services and is the registration agent for Mexican securities transactions, eliminating the need for physical transfer of securities. In addition, holders who own beneficial interests in the Certificates through Indeval may be required to certify as to their residency in accordance with the procedures of Indeval.

Listing:

The Financial Services Authority (the **FSA**) in its capacity as competent authority under the Financial Services and Markets Act 2000 (the **UK Listing Authority**) has approved the Original Certificates, the First Upsize Certificates, the Second Upsize Certificates and the Third Upsize Certificates to be admitted to the official list of the UK Listing Authority (the **Official List**), and the London Stock Exchange plc (the **London Stock Exchange**) has approved the Original Certificates, the First Upsize Certificates, the Second Upsize Certificates and the Third Upsize Certificates to be admitted to trading on the London Stock Exchange's Gilt-Edged and Fixed Interest Market (the **Market**). Furthermore, notification will be given to the UK Listing Authority for the Additional Certificates to be admitted to the Official List and to the London Stock Exchange for the Additional Certificates to be admitted to trading on the Market. The Original Certificates, the First Upsize Certificates, the Second Upsize Certificates and the Third Upsize Certificates have also been listed on the Bolsa Mexicana de Valores, S.A. de C.V. (the **Bolsa Mexicana de Valores**) under the Sistema Internacional de Cotizaciones. Furthermore, notification will also be given to the Bolsa Mexicana de Valores to have the Additional Certificates listed on the Bolsa Mexicana de Valores under the Sistema Internacional de Cotizaciones. There can be no assurance that such admission will be maintained. See "*General Information*" in the Offering Memorandum. In addition, there is currently no market for the Additional Certificates, and there can be no assurance that such a market

will develop.

Certain U.S. Federal Income Tax Consequences: See "*Certain U.S. Federal Income Tax Consequences*." in the Offering Memorandum.

Transfer Restrictions: The Additional Certificates are subject to substantial investor eligibility and transfer restrictions. See "*Certain ERISA Considerations and Other Considerations*" and "*Notice to Investors; Investor Deemed Representations*" in the Offering Memorandum.

You should rely only on the information contained in this Supplemental Offering Memorandum and the Offering Memorandum. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell the Additional Certificates. The information in this document may be accurate only on the date hereof.

## PLAN OF DISTRIBUTION

In connection with the issuance of the Additional Certificates, the Trust has entered into a distribution agreement (the **Distribution Agreement**) with the Distributor, pursuant to which the Distributor has agreed to purchase Additional Certificates from the Trust, and the Trust has agreed to sell Additional Certificates to the Initial Purchaser in exchange for the delivery of the additional Underlying Securities. The obligations of the Distributor to purchase Additional Certificates pursuant to the Distribution Agreement are subject to certain conditions. Resales of the Additional Certificates are restricted as described under "Notice to Investors; Investor Deemed representations" and "The Certificates – Transfer Restrictions" in the Offering Memorandum.

The Additional Certificates are being offered by the Distributor, subject to prior sale, when, as and if issued and subject to acceptance by the Trustee, approval of certain legal matters by counsel for the Distributor and certain other conditions. The Distributor reserves the right to offer Certificates at a price different from the initial offering price at any time.

The Additional Certificates may not be directly or indirectly offered, sold or delivered in any jurisdiction except in compliance with applicable law. No action has been or will be taken in any jurisdiction where action for that purpose is required that would permit a public offering of the Additional Certificates or possession or distribution of any Offering Memorandum or any amendment or supplement thereto or any other offering material relating to the Additional Certificates.

No dealer, salesperson or other person has been authorized to give any information or to make any representation other than those contained in this Supplemental Offering Memorandum in connection with the offer contained herein, and, if given or made, such information or representation must not be relied upon as having been authorized by the Trust or the Distributor. This Supplemental Offering Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any Additional Certificate in any jurisdiction where, or to any person to whom, it is not lawful to make any such offer or solicitation. Neither the delivery of this Supplemental Offering Memorandum nor any sale made hereunder shall, under any circumstance, create an implication that there has been no change in the affairs of the Trust since the date hereof or that the information herein or therein is correct as of any time subsequent to its date.

By acquiring an Additional Certificate, each Holder appoints the Trustee to act on its behalf pursuant to the terms of the Amended and Restated Trust Agreement and agrees to be bound by the terms and conditions of the Amended and Restated Trust Agreement to the same extent as if such Holder were a signatory thereto. The Additional Certificates and related documentation (including, without limitation, the Amended and Restated Trust Agreement and the Distribution Agreement) may be amended or supplemented from time to time, without the consent of, but upon notice to, the holders of Certificates sent to their registered addresses, on the terms and conditions set forth herein and in the Amended and Restated Trust Agreement.

## LISTING AND GENERAL INFORMATION

1. The Financial Services Authority (the **FSA**) in its capacity as competent authority under the Financial Services and Markets Act 2000 (the **UK Listing Authority**) has approved the Original Certificates, the First Upsize Certificates, the Second Upsize Certificates and the Third Upsize Certificates to be admitted to the official list of the UK Listing Authority (the **Official List**), and the London Stock Exchange plc (the **London Stock Exchange**) has approved the Original Certificates, the First Upsize Certificates, the Second Upsize Certificates and the Third Upsize Certificates to be admitted to trading on the London Stock Exchange's Gilt-Edged and Fixed Interest Market (the **Market**). Furthermore, notification will be given to the UK Listing Authority for the Additional Certificates to be admitted to the Official List and to the London Stock Exchange for the Additional Certificates to be admitted to trading on the Market. References in this Offering Memorandum to Certificates being listed (and all related references) shall mean that Certificates have been admitted to trading on the Market and have been admitted to the Official List. The Market is a regulated market for the purposes of the Investment Services Directive 93/22/EC.
2. The Original Certificates, the First Upsize Certificates, the Second Upsize Certificates and the Third Upsize Certificates have also been listed on the Bolsa Mexicana de Valores, S.A. de C.V. (the **Bolsa Mexicana de Valores**) under the Sistema Internacional de Cotizaciones, and a notice will also be given to the Bolsa Mexicana de Valores to have the Additional Certificates listed under the Sistema Internacional de Cotizaciones.
3. The International Securities Identification Number for the Certificates is XS0292395844.
4. The above pricing gave a yield of 4.25 per cent. The yield is calculated as of the closing date of the MXN 80,000,000 Face Amount of Certificates and may fluctuate in the future. It is not an indication of future yield.
5. The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) since the date of its formation which may have, or have in such period had, a significant effect on the financial position or profitability of the Issuer.
6. There has been no material adverse change in the financial position or prospects of the Issuer since its formation.
7. Copies of the Amended and Restated Trust Agreement may be inspected at the offices of Allen & Overy LLP, One Bishops Square, London, E1 6AO, during usual business hours on any weekday (Saturdays and public holidays excepted) for 14 days from the date of this document.
8. Interests of Holders of the Certificates to receive redemption amounts rank senior to other creditors of the Issuer up to the amount of the redemption amount.
9. The Trust Property has characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Certificates.

**OFFICE OF THE TRUST**

**MLUDI STEERS Notes Series 2007-1**  
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**TRUSTEE**

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