



EQUITY INDEX DERIVATIVES

ISE Sector Indexes – ISE Gold™, ISE Homebuilders™, ISE-Revere Natural Gas™, ISE S/Index™, ISE Water™

OVERVIEW

U.S. Futures Exchange (USFE) provides investors with a new way to trade exciting sectors of the stock market with its cash-settled futures contracts on International Securities Exchange (ISE) Sector Indexes. Efficiently hedge specific portions of your portfolio, put on a long/short industry play or simply speculate on what's hot or what's not. Trading with USFE's growing portfolio of equity index futures contracts makes hedging your portfolio simple and efficient.

- **ISE Gold™ Index** includes companies that own or operate gold mines, or are involved in the production of gold and related products
- **ISE Homebuilders™ Index** includes residential construction companies and prefabricated house manufacturers
- **ISE-Revere Natural Gas™** allows investors to quickly take advantage of event-driven news and long-term trends in the natural gas industry. The securities selected for the index derive a substantial portion of their revenues from the exploration and production of natural gas
- **ISE S/Index™** includes owners and operators of casinos and gaming facilities, producers of beer and malt liquors, distillers, vintners and producers of other alcoholic beverages, and manufacturers of cigarettes and other tobacco products
- **ISE Water™ Index** includes companies engaged in water distribution, water filtration, flow technology and other water solutions

BENEFITS

- Trade electronically, real-time, any time during the U.S. market day
- Use your existing futures brokerage account or open a new account with any of the futures brokers connected to USFE
- Access continuous markets with competitive bid/ask spreads provided by USFE's dedicated market makers
- See free, live comprehensive order/quote books on USFE's website
- Enjoy the opportunity to place orders and get filled inside the quoted market
- Incorporate standard futures-style leverage long or short, thanks to margin trading
- Trade with all the safety, security, and protections that a fully U.S. regulated and cleared futures exchange provides

PERFORMANCE

Returns (as of August 23, 2007)						
ISE Sector Index	Index Level	1 Week	1 Month	3 Months	6 Months	1 Year
ISE Gold™	57.39	6.574	-12.735	-3.335	-13.426	-12.167
ISE Homebuilders™	17.36	1.938	-19.814	-36.634	-42.951	-33.41
ISE-Revere Natural Gas™	113.03	0.875	-10.816	-10.116	2.181	7.29
ISE S/Index™	124.09	5.34	-0.542	0.169	4.238	27.937
ISE Water™	83.61	2.2	-3.426	3.094	7.967	23.087

The table above illustrates ISE Sector Index returns over several trailing time periods. As you can see, sectors can diverge significantly from each other providing tremendous trading opportunities.

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COMPARISONS

ISE Sector Indexes are composed of a relatively small but carefully selected number of individual stocks. They can be traded via ETFs, options, and now futures. USFE's futures contracts provide several advantages, especially in conjunction with equity and/or options holdings:

- Futures are leveraged, requiring less capital for trading
- Futures trading profits are taxed at a much lower rate than ordinary income (please consult your tax accountant)
- Futures are generally less expensive to actively trade than stocks, when considering all-in transaction costs, including brokerage and market impact

ISE also offers options on its Sector Indexes. Please visit www.ise.com/indexoptions for more information.

CONTRACT DETAILS

UNDERLYING	QUOTATION	CONTRACT SIZE	DELIVERY	TICK SIZE	TICK VALUE
ISE Gold™ ISE Homebuilders™ ISE Revere Natural Gas™ ISE S/ndex™ ISE Water™	Index Points	\$100 per Index Point	Cash Settled	0.05	\$5

- **TRADING HOURS:** 7:15 a.m. – 4:00 p.m., Monday through Friday, Chicago time
- **CONTRACT MONTHS:** March, June, September, December
- **LAST TRADING DAY:** Third Friday of the contract month. Trading in the expiring contract ceases at 8:30 a.m. Chicago time on the third Friday of the expiration month
- **FINAL SETTLEMENT PRICE:** The final settlement price is based on the opening prices of the component stocks on the last trading day as reported by ISE

ADDITIONAL RESOURCES

Information including ISE Sector Index composition and performance can be found at www.ise.com/indexoptions

For more information about USFE's ISE Sector Index futures, please refer to www.usfe.com

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