



**TAX-ADVANTAGED GROWTH & INCOME TRUST, SERIES 12
(SMART TRUST 285)**

Smart Trust 285 consists of a unit investment trust designated Smart Trust, Tax-Advantaged Growth & Income Trust, Series 12. The sponsor is Hennion & Walsh, Inc. The trust seeks to provide investors with the possibility of a high level of total after-tax return, with an emphasis on income that is exempt from regular federal income tax or that qualifies for federal income taxation at long-term capital gains rates while also offering the potential for capital appreciation. The trust invests in common stocks of closed-end funds and other companies. The sponsor cannot assure that the trust will achieve these objectives.

An investment can be made directly in the closed-end funds held by the trust rather than through an investment in the trust and these direct investments can be made without paying the sales charge, operating expenses and organizational charges of the trust.

The Securities and Exchange Commission has not approved or disapproved these securities or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.

PROSPECTUS DATED: DECEMBER 20, 2016



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No person is authorized to give any information or to make any representations with respect to this trust not contained in this prospectus. The trust is registered as a unit investment trust under the Investment Company Act of 1940. Such registration does not imply that the trust or any of its units have been guaranteed, sponsored, recommended or approved by the United States or any state or any agency or officer thereof. This prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any state to any person to whom it is not lawful to make such offer in such state.

INVESTMENT SUMMARY

INVESTMENT OBJECTIVE. The trust seeks to provide investors with the possibility of a high level of total after-tax return, with an emphasis on income that is exempt from regular federal income tax or that qualifies for federal income taxation at long-term capital gains rates (“tax-advantaged income”) while also offering the potential for capital appreciation. There is no guarantee that the investment objectives of the trust will be achieved.

PRINCIPAL INVESTMENT STRATEGY. The trust seeks to achieve its investment objective by investing in a portfolio consisting primarily of (i) common stock of closed-end investment companies, known as closed-end funds, whose portfolios consist primarily of municipal bonds, the interest on which is exempt from regular federal income tax; (ii) common stocks that are eligible, as of the initial date of deposit, to pay dividends which qualify for federal income taxation rates applicable to long-term capital gain (“qualified dividend income”); and (iii) common stock of closed-end funds seeking tax-advantaged income as part of their investment strategies and/or policies or that pursue “tax managed” investment strategies and/or policies.

When selecting the funds for the trust, the following factors, among others, were considered by the sponsor: (i) the credit quality of the securities in each fund; (ii) the total assets and trading volume for each fund; (iii) the historical performance of the funds; (iv) the type of leverage strategies employed by the funds; and (v) the yield and price of the shares of the remaining closed-end funds and potential income to unitholders of the trust.

In selecting the common stocks of companies for the portfolio, the sponsor followed a disciplined process including both quantitative screening and qualitative screening. This portion of the portfolio, along with certain of the funds, has been selected to provide investors with the opportunity to take advantage of the decrease in the tax rate on qualified dividend income. The Jobs and Growth Tax Relief Reconciliation Act of 2003 (the “Tax Act”) lowered the top tax rate on qualified dividend income to 15% from rates of up to 38.6%. The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (the “2010 Tax Relief Act”) generally extended the tax rates enacted under the Tax Act, which was set to expire on December 31, 2010, for two additional years. In 2013, under the American Taxpayer Relief Act of 2012 (the “2012 Act”), qualified dividend income is permanently taxed at capital gains tax rates. Under the 2012 Act, if you are an individual, the maximum marginal stated federal tax rate for net capital gain is generally 20% for taxpayers in the 39.6% tax bracket, 15% for taxpayers in the 25%, 28%, 33% and 35% tax brackets and 0% for taxpayers in the 10% and 15% tax brackets. Capital gains may also be subject to a 3.8 percent “medicare tax.” There is, however, no guarantee that legislation increasing the tax rate on qualified dividend income will not be enacted in the future or that the dividends paid on common and preferred stocks will continue to be considered qualified dividend income. Certain holding period requirements must be satisfied for investors to be eligible to take advantage of the lower tax rate on qualified dividend income and there is no tax-advantaged benefit to investors who hold Units in qualified retirement accounts.

The trust invests in a portfolio of funds and common stocks that may pay tax-advantaged income. The trust’s income may consist of a combination of (i) income exempt from regular federal personal income tax (“tax-exempt income”), (ii) qualified dividend income, (iii) capital gain and (iv) other taxable income subject to ordinary

income tax rates. Only the portion of a distribution from the trust derived from tax-exempt income will be exempt from regular federal personal income tax. Distributions from sources other than federally tax exempt income from certain funds, including capital gain distributions, generally are not exempt from federal income tax. Tax-exempt income from the funds may be subject to state and local tax and the alternative minimum tax. Investors should consult their own tax advisors before making any tax-related investment decision.

PRINCIPAL RISK CONSIDERATIONS. Unitholders can lose money by investing in this trust. An investment in units of the trust should be made with an understanding of the risks related to the trust, such as the following:

- ***Security prices will fluctuate.*** The value of your investment may fall over time.
- ***The financial condition of an issuer may worsen or its credit ratings may drop, resulting in a reduction in the value of your units.*** This may occur at any point in time, including during the initial offering period.
- ***The issuer of a security may be unwilling or unable to make income and/or principal payments in the future.*** This may reduce the level of distributions the trust or a fund pays which could reduce your income and cause the value of your units to fall.
- ***The trust invests in shares of closed-end funds.*** Shares of closed-end funds tend to trade at a discount from their net asset value and are subject to risks related to factors such as the manager's ability to achieve a fund's objective, market conditions affecting a fund's investments. The trust and funds have management and operating expenses. You will bear not only your share of the trust's expenses, but also the expenses of the funds. By investing in other funds, the trust incurs greater expenses than you would incur if you invested directly in the funds.
- ***Certain funds held by the trust invest in municipal bonds.*** Municipal bonds are debt obligations issued by state and local governments or by their political subdivisions or authorities. States, local governments and municipalities issue municipal bonds to raise money for various public purposes such as building public facilities, refinancing outstanding obligations and financing general operating expenses. These bonds include general obligation bonds, which are backed by the full faith and credit of the issuer and may be repaid from any revenue source, and revenue bonds, which may be repaid only from the revenue of a specific facility or source.
- ***The municipal bonds held by certain funds are fixed-rate obligations and will decline in value with increases in interest rates, an issuer's worsening financial condition or a drop in bond ratings.*** The longer the maturity of a security, the greater the risk of a decline in value with increases in interest rates. The effective maturity of longer term securities may be dramatically different than shorter term obligations. Investors may receive early returns of principal when securities are called or sold before they mature. Investors may not be able to reinvest the proceeds they receive at as high a yield. The default of an issuer in making its payment obligations could result in the loss of interest income and/or principal to investors.

- ***Certain funds held by the trust may invest in securities rated below investment grade and considered to be “junk” securities.*** These securities are considered to be speculative and are subject to greater market and credit risks. Accordingly, the risk of default is higher than investment grade securities. In addition, these securities may be more sensitive to interest rate changes and may be more likely to make early returns of principal.
- ***The trust may invest in securities of small and mid-size companies.*** These securities are often more volatile and have lower trading volumes than securities of larger companies. Small and mid-size companies may have limited products or financial resources, management inexperience and less publicly available information.
- ***The trust’s investment objective is to provide a high level of total after-tax return, including attractive tax-advantaged income.*** The attractiveness of investing in securities that generate tax-qualified dividends in relation to other investment alternatives may be affected by changes in federal income tax laws and regulations, including changes in the qualified dividend income provisions. Distributions from the trust may be subject to the alternative minimum tax.
- ***The trust is not actively managed.*** Except in limited circumstances, the trust will hold, and continue to buy, shares of the same securities even if their market value declines.

ESSENTIAL INFORMATION

Unit Price on Initial Date of Deposit: \$10.00

Initial Date of Deposit: December 20, 2016

Mandatory Termination Date: December 20, 2018

Record Dates: 10th day of each month, commencing January 2017

Distribution Dates: 25th day of each month, commencing January 2017

Standard CUSIP Numbers: Cash: 83185N102

Reinvestment: 83185N110

Fee Based CUSIP Numbers: Cash: 83185N128

Reinvestment: 83185N136

Ticker Symbol: SMTALX

Minimum Investment: \$1,000/100 units (may vary by selling firm)

FEE TABLE

The amounts below are estimates of the direct and indirect expenses that you may incur based on a \$10 unit price. Actual expenses may vary.

| Unitholder Transaction Expenses (fees paid directly from your investment)* | As a % of Initial Unit Price | Amounts per 100 Units |
|--|---------------------------------|----------------------------------|
| Initial Sales Charge | 1.00% | \$10.00 |
| Deferred Sales Charge..... | 2.45 | 24.50 |
| Creation & Development Fee | <u>0.50</u> | <u>5.00</u> |
| Maximum Sales Charge | <u>3.95%</u> | <u>\$39.50</u> |
| Estimated Organization Costs | <u><u>0.717%</u></u> | <u><u>\$ 7.17</u></u> |
| Estimated Annual Operating Expenses (expenses deducted from trust assets) | As a % of Net Assets | Amounts per 100 Units |
| Trustee Fee..... | 0.110% | \$ 1.05 |
| Supervisor Fee | 0.037 | 0.35 |
| Other Operating Expenses | 0.082 | 0.78 |
| Acquired Fund Fees and Expenses** | <u>0.843</u> | <u>8.04</u> |
| Total | <u><u>1.072%</u></u> | <u><u>\$10.22</u></u> |

Example

Cumulative Expenses Paid for Period:

This example helps you compare the cost of this trust with other unit investment trusts and mutual funds. The example assumes that the expenses do not change and that the trust's annual return is 5%. Your actual returns and expenses will vary. Based on these assumptions, you would pay these expenses for every \$10,000 you invest in the trust

\$569

\$670

* The sales charge has both an initial and a deferred component. The initial sales charge is paid at the time of purchase and is the difference between the total sales charge (maximum of 3.95% of the public offering price) and the sum of the remaining deferred sales charge and the total creation and development fee. The initial sales charge will be approximately 1% of the public offering price per unit depending on the public offering price per unit. The deferred sales charge is fixed at \$0.245 per unit and is paid in three monthly installments beginning on April 20, 2017. The creation and development fee is fixed at \$0.05 per unit and is paid at the end of the initial offering period. If you redeem or sell your units prior to collection of the total deferred sales charge, you will pay any remaining deferred sales charge upon redemption or sale of your units. If you purchase units after the last deferred sales charge payment has been assessed, the secondary market sales charge is equal to 3.95% of the public offering price per unit and does not include deferred payments.

** Although not an actual trust operating expense, the trust, and therefore the unitholders, will indirectly bear similar operating expenses of the funds in which the trust invests in the estimated amount set forth in the table. These expenses are based on the actual expenses charged in the funds most recent fiscal year but are subject to change in the future. An investor in the trust will therefore indirectly pay higher expenses than if the funds were held directly.

**SMART TRUST,
TAX-ADVANTAGED GROWTH & INCOME TRUST,
SERIES 12
(SMART TRUST 285)**

STATEMENT OF FINANCIAL CONDITION AS OF DECEMBER 20, 2016

Investment in securities

| | |
|--|------------------|
| Contracts to purchase securities (1)(2)..... | \$110,154 |
| Total | <u>\$110,154</u> |

Liabilities and interest of investors

Liabilities:

| | |
|---|--------------|
| Organization costs (3)..... | \$ 798 |
| Deferred sales charge (4)(5) | 2,726 |
| Creation & development fee (4)(5) | <u>556</u> |
| Total liabilities | <u>4,080</u> |

Interest of investors:

| | |
|---|------------------|
| Cost to investors (5) | 111,270 |
| Less: initial sales charge (4)(5) | 1,116 |
| Less: deferred sales charge and creation & development fee (4)(5) ... | 3,282 |
| Less: organization costs (3) | <u>798</u> |
| Net interest of investors | <u>106,074</u> |
| Total | <u>\$110,154</u> |

| | |
|-------------------------------|-----------------|
| Number of units | <u>11,127</u> |
| Net asset value per unit..... | <u>\$ 9.533</u> |

- (1) Aggregate cost of the securities is based on the evaluations determined by the trustee at the evaluation time on the most recent business day prior to the initial date of deposit.
- (2) Cash or an irrevocable letter of credit has been deposited with the trustee covering the funds (aggregating \$200,000) necessary for the purchase of securities in the trust represented by purchase contracts.
- (3) A portion of the public offering price represents an amount sufficient to pay for all or a portion of the costs incurred in establishing the trust. These costs have been estimated at \$0.072 per unit for the trust. A distribution will be made as of the earlier of the close of the initial offering period or six months following the trust's inception date to an account maintained by the trustee from which this obligation of the investors will be satisfied. To the extent the actual organization costs are greater than the estimated amount, only the estimated organization costs added to the public offering price will be reimbursed to the sponsor and deducted from the assets of the trust.
- (4) The total sales charge consists of an initial sales charge, a deferred sales charge and a creation and development fee. The initial sales charge is equal to the difference between the maximum sales charge and the sum of the remaining deferred sales charge and the total creation and development fee. The maximum total sales charge is 3.95% of the public offering price per unit.
- (5) The aggregate cost to investors includes the applicable sales charge assuming no reduction of sales charges.

**SMART TRUST,
TAX-ADVANTAGED GROWTH & INCOME TRUST, SERIES 12
SMART TRUST 285**

PORTFOLIO OF INVESTMENTS

AS OF DECEMBER 20, 2016

| Number of Shares | Name of Issuer (1) | Ticker Symbol | Percentage of the Trust (2) | Market Value per Share (3) | Cost of Securities to the Trust (3) |
|---|--------------------------------------|------------------|-----------------------------------|----------------------------------|--|
| EQUITY SECURITIES — 41.97% | | | | | |
| <i>Energy — 10.50%</i> | | | | | |
| 71 | Oceaneering International, Inc. | OII | 2.00% | \$30.95 | \$ 2,197 |
| 38 | ONEOK, Inc. | OKE | 2.01 | 58.10 | 2,208 |
| 13 | Schlumberger Limited (4) | SLB | 1.00 | 85.12 | 1,107 |
| 90 | Targa Resources Corp. | TRGP | 4.49 | 54.95 | 4,945 |
| 36 | The Williams Companies, Inc. | WMB | 1.00 | 30.76 | 1,107 |
| <i>Industrials—5.48%</i> | | | | | |
| 12 | Caterpillar Inc. | CAT | 1.01 | 92.71 | 1,113 |
| 60 | Macquarie Infrastructure Corporation | MIC | 4.47 | 81.99 | 4,919 |
| <i>Materials — 4.02%</i> | | | | | |
| 122 | Cementos Pacasmayo S.A.A. (4) | CPAC | 1.01 | 9.16 | 1,118 |
| 25 | LyondellBasell Industries NV (4) | LYB | 2.00 | 88.14 | 2,204 |
| 19 | The Dow Chemical Company | DOW | 1.01 | 58.78 | 1,117 |
| <i>Telecommunication Services — 6.02%</i> | | | | | |
| 92 | AT&T Inc. | T | 3.52 | 42.12 | 3,875 |
| 52 | Verizon Communications Inc. | VZ | 2.50 | 52.91 | 2,751 |
| <i>Utilities — 15.95%</i> | | | | | |
| 17 | ALLETE, Inc. | ALE | 0.99 | 63.86 | 1,086 |
| 90 | CenterPoint Energy, Inc. | CNP | 2.00 | 24.46 | 2,201 |
| 11 | DTE Energy Company | DTE | 0.98 | 98.28 | 1,081 |
| 15 | Edison International | EIX | 0.97 | 71.61 | 1,074 |
| 79 | Great Plains Energy Incorporated | GXP | 2.00 | 27.84 | 2,199 |
| 14 | IDACORP, Inc. | IDA | 1.03 | 81.13 | 1,136 |
| 38 | MDU Resources Group, Inc. | MDU | 1.01 | 29.38 | 1,116 |
| 19 | National Fuel Gas Company | NFG | 1.00 | 58.00 | 1,102 |
| 19 | NorthWestern Corporation | NWE | 0.99 | 57.15 | 1,086 |
| 65 | OGE Energy Corp. | OGE | 1.99 | 33.77 | 2,195 |
| 17 | Spire Inc. | SR | 1.00 | 64.65 | 1,099 |
| 32 | The Empire District Electric Company | EDE | 0.99 | 34.18 | 1,094 |
| 19 | WEC Energy Group, Inc. | WEC | 1.00 | 58.16 | 1,105 |

| Number of Shares | Name of Issuer (1) | Ticker Symbol | Percentage of the Trust (2) | Market Value per Share (3) | Cost of Securities to the Trust (3) |
|--------------------------------------|---|------------------|-----------------------------------|----------------------------------|--|
| INVESTMENT COMPANIES — 58.03% | | | | | |
| <i>Closed-End Funds — 58.03%</i> | | | | | |
| 783 | BlackRock Long-Term Municipal Advantage Trust | BTA | 7.95% | \$11.19 | \$ 8,762 |
| 574 | BlackRock Strategic Municipal Trust | BSD | 7.04 | 13.50 | 7,749 |
| 732 | Deutsche Strategic Municipal Income Trust | KSM | 8.01 | 12.06 | 8,828 |
| 1,178 | Dreyfus Strategic Municipal Bond Fund, Inc. | DSM | 8.55 | 7.99 | 9,412 |
| 1,132 | Dreyfus Strategic Municipals, Inc. | LEO | 8.52 | 8.29 | 9,384 |
| 621 | Eaton Vance Tax-Advantaged Global Dividend Income Fund | ETG | 7.97 | 14.13 | 8,775 |
| 466 | Pioneer Municipal High Income Advantage Trust | MAV | 5.00 | 11.82 | 5,508 |
| 465 | Pioneer Municipal High Income Trust | MHI | 4.99 | 11.83 | 5,501 |
| | | | <u>100.00%</u> | | <u>\$110,154</u> |

See Notes to Portfolio of Investments.

NOTES TO PORTFOLIO OF INVESTMENTS

- (1) All securities are represented by contracts to purchase such securities. Contracts to purchase the securities were entered into on December 19, 2016. All such contracts are expected to be settled on or about the first settlement date of the trust, which is expected to be December 23, 2016.
- (2) Based on the cost of the securities to the trust.
- (3) Accounting Standards Codification 820, “Fair Value Measurements” establishes a framework for measuring fair value and expands disclosure about fair value measurements in financial statements for the trust. The framework under the standard is comprised of a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the trust has the ability to access as of the measurement date.

Level 2: Significant observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the trust’s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing those securities.

Changes in valuation techniques may result in transfers in or out of an investment’s assigned level as described above.

The following table summarizes the trust’s investments as of the trust’s inception, based on inputs used to value them:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
|----------------------|------------------|----------------|----------------|
| Equity Securities | \$ 46,235 | \$ — | \$ — |
| Investment Companies | 63,919 | — | — |
| Total | <u>\$110,154</u> | <u>\$ —</u> | <u>\$ —</u> |

The cost of the securities to the sponsor and the sponsor’s profit or (loss) (which is the difference between the cost of the securities to the sponsor and the cost of the securities to the trust) are \$110,154 and (\$0), respectively.

- (4) This is a security issued by a foreign company. Equity securities comprise approximately 41.97% of the investments in the trust, broken down by country of organization as set forth below:

Curaçao 1.00%
 Netherlands 2.00%
 Peru 1.01%
 United States 37.96%

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

THE UNITHOLDERS, SPONSOR AND TRUSTEE
SMART TRUST 285

We have audited the accompanying statement of financial condition, including the portfolio of investments on pages A-8 through A-10, of Smart Trust 285 as of December 20, 2016. The statement of financial condition is the responsibility of the trust's sponsor. Our responsibility is to express an opinion on this statement of financial condition based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. We were not engaged to perform an audit of the trust's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trust's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition, assessing the accounting principles used and significant estimates made by the sponsor, and evaluating the overall statement of financial condition presentation. Our procedures included confirmation with The Bank of New York Mellon, trustee, of cash or an irrevocable letter of credit deposited for the purchase of securities as shown in the statement of financial condition as of December 20, 2016. We believe that our audit of the statement of financial condition provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Smart Trust 285 as of December 20, 2016, in conformity with accounting principles generally accepted in the United States of America.

GRANT THORNTON LLP

Chicago, Illinois
December 20, 2016

Smart Trust™

THE TRUST

The trust is a unit investment trust registered under the Investment Company Act of 1940. The trust was created under the laws of the State of New York pursuant to a trust agreement among Hennion & Walsh, Inc., The Bank of New York Mellon and Hennion & Walsh Asset Management, Inc. Hennion & Walsh, Inc. is the sponsor and principal underwriter of the trust. The Bank of New York Mellon is the trustee of the trust. Hennion & Walsh Asset Management, Inc. is the portfolio supervisor of the trust. The sponsor created the trust on the initial date of deposit and the trust will terminate on the mandatory termination date unless terminated earlier as described in this prospectus. The initial date of deposit and mandatory termination date are set forth under “Essential Information.”

The trust is a unit investment trust and is not an actively managed fund. Traditional methods of investment management for a managed fund often involve frequent changes in a portfolio of securities on the basis of economic, financial and market analysis. The portfolio of the trust, however, will not be actively managed and therefore the adverse financial condition of an issuer will not necessarily require the sale of its securities from the portfolio.

To create the trust, the sponsor deposited the initial portfolio securities (or contracts to purchase the securities along with an irrevocable letter of credit, cash or other consideration to pay for the securities) with the trustee on the initial date of deposit. In exchange for the deposited securities, the trustee registered the sponsor’s ownership of the initial units of the trust on the registration books of the trust. A unit represents an undivided fractional interest in the trust. As the sponsor sells units, the sponsor will create additional units of the trust by depositing additional portfolio securities (or contracts to purchase securities and/or cash or a letter of credit with instructions for the trust to purchase securities) with the trustee. Units will remain outstanding until redeemed or until the trust terminates. At the close of the New York Stock Exchange on the initial date of deposit (or on the first day units are sold to the public, if later) the number of units may be adjusted so that the public offering price per unit equals \$10. The number of units and fractional interest of each unit in the trust will increase or decrease to the extent of any adjustment.

RISK CONSIDERATIONS

All investments involve risk. This section describes various risks that can impact the value of the securities in the trust. You should understand these risks before you invest. If the value of the securities falls, the value of the units will also fall. No one can guarantee that the trust will achieve its objective or that your investment return will be positive over any period.

MARKET RISK. Market risk is the risk that the value of the securities in the trust will fluctuate. This could cause the value of your units to fall below your original purchase price. Market value fluctuates in response to various factors. These can include changes in interest rates, inflation, the financial condition of a security’s issuer,

perceptions of the issuer, or ratings on a security. Even though the portfolio is supervised, you should remember that the portfolio is not managed. The trust will not sell a security solely because the market value falls as is possible in a managed fund.

EQUITY SECURITIES. The trust invests in securities representing equity ownership of a company. Investments in such securities are exposed to risks associated with the companies issuing the securities, the sectors and geographic locations they are involved in and the markets that such securities are traded on, among other risks as described in greater detail below.

CLOSED-END FUNDS. The trust invests in shares of closed-end funds. Closed-end funds are a type of investment company that holds an actively managed portfolio of securities. Closed-end funds issue shares in “closed-end” offerings which generally trade on a stock exchange (although some closed-end fund shares are not listed on a securities exchange). Since closed-end funds maintain a relatively fixed pool of investment capital, portfolio managers may be better able to adhere to their investment philosophies through greater flexibility and control. In addition, closed-end funds don’t have to manage fund liquidity to meet potentially large redemptions. Closed-end funds are subject to various risks, including management’s ability to meet the closed-end fund’s investment objective, and to manage the closed-end fund portfolio when the underlying securities are redeemed or sold, during periods of market turmoil and as investors’ perceptions regarding closed-end funds or their underlying investments change.

Shares of closed-end funds frequently trade at a discount from their net asset value in the secondary market. This risk is separate and distinct from the risk that the net asset value of closed-end fund shares may decrease. The amount of such discount from net asset value is subject to change from time to time in response to various factors.

Certain of the closed-end funds included in the trust may employ the use of leverage in their portfolios through the issuance of preferred stock. While leverage often serves to increase the yield of a closed-end fund, this leverage also subjects the closed-end fund to increased risks. These risks may include the likelihood of increased volatility and the possibility that the closed-end fund’s common share income will fall if the dividend rate on the preferred shares or the interest rate on any borrowings rises. The use of leverage may cause a closed-end fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet any required asset segregation requirements.

Certain closed-end funds held by the trust may engage in borrowing. Borrowing may exaggerate changes in the net asset value of a closed-end fund’s shares and in the return on a closed-end fund’s portfolio. Borrowing will cost a closed-end fund interest expense and other fees. The costs of borrowing may reduce a closed-end fund’s return. Borrowing may cause a closed-end fund to liquidate positions when it may not be advantageous to do so to satisfy its obligations.

Certain closed-end funds held by the trust may engage in securities lending. Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, a closed-end fund could lose money and there may be a delay in recovering the loaned securities. A closed-end fund could also lose money if it does not recover the securities and/or the value of the collateral falls, including the value of investments made with cash collateral. These events could trigger adverse tax consequences for a closed-end fund.

Only the trustee may vote the shares of the closed-end funds held in the trust. The trustee will vote the shares in the same general proportion as shares held by other shareholders of each closed-end fund. Your trust may be required, however, to reject any offer for securities or other property in exchange for portfolio securities as described under “Trust Administration—Portfolio Administration”

MUNICIPAL BONDS. Each of the funds held by the trust invests in tax-exempt municipal bonds. Municipal bonds are debt obligations issued by states or by political subdivisions or authorities of states. Municipal bonds are typically designated as general obligation bonds, which are general obligations of a governmental entity that are backed by the taxing power of such entity, or revenue bonds, which are payable from the income of a specific project or authority and are not supported by the issuer’s power to levy taxes. Municipal bonds are long-term fixed rate debt obligations that generally decline in value with increases in interest rates, when an issuer’s financial condition worsens or when the rating on a bond is decreased. Many municipal bonds may be called or redeemed prior to their stated maturity, an event which is more likely to occur when interest rates fall. In such an occurrence, a fund may not be able to reinvest the money it receives in other bonds that have as high a yield or as long a maturity.

Many municipal bonds are subject to continuing requirements as to the actual use of the bond proceeds or manner of operation of the project financed from bond proceeds that may affect the exemption of interest on such bonds from federal income taxation. The market for municipal bonds is generally less liquid than for other securities and therefore the price of municipal bonds may be more volatile and subject to greater price fluctuations than securities with greater liquidity.

In addition, an issuer’s ability to make income distributions generally depends on several factors including the financial condition of the issuer and general economic conditions. Any of these factors may negatively impact the price of municipal bonds held by a fund and would therefore impact the price of both the fund shares and the trust units. The funds invest primarily in municipal bonds that pay interest that is exempt from regular federal income tax. Income from these bonds may be subject to the federal alternative minimum tax.

FIXED INCOME SECURITIES. The funds held by the trust invest in fixed income securities and similar securities. Fixed income securities involve certain unique risks such as credit risk and interest rate risk, among other things as described in greater detail below.

CREDIT RISK. Credit risk is the risk that a borrower is unable to meet its obligation to pay principal or interest on a security. This could cause the value of your units to fall and may reduce the level of dividends a fund pays which would reduce your income.

INTEREST RATE RISK. Interest rate risk is the risk that the value of fixed income securities and similar securities will fall if interest rates increase. Bonds and other fixed income securities typically fall in value when interest rates rise and rise in value when interest rates fall. Securities with longer periods before maturity are often more sensitive to interest rate changes. The securities held by the funds may be subject to a greater risk of rising interest rates than would normally be the case due to the current period of historically low rates.

FOREIGN ISSUER RISK. An investment in securities of foreign issuers involves certain risks that are different in some respects from an investment in securities of domestic issuers. These include risks associated with future political and economic developments, international trade conditions, foreign withholding taxes, liquidity concerns, currency fluctuations, volatility, restrictions on foreign investments and exchange of securities, potential for expropriation of assets, confiscatory taxation, difficulty in obtaining or enforcing a court judgment, potential inability to collect when a company goes bankrupt and economic, political or social instability. Moreover, individual foreign economies may differ favorably or unfavorably from the U.S. economy for reasons including differences in growth of gross domestic product, rates of inflation, capital reinvestment, resources, self-sufficiency and balance of payments positions. There may be less publicly available information about a foreign issuer than is available from a domestic issuer as a result of different accounting, auditing and financial reporting standards. Some foreign markets are less liquid than U.S. markets which could cause securities to be bought at a higher price or sold at a lower price than would be the case in a highly liquid market.

Securities of certain foreign issuers may be denominated or quoted in currencies other than the U.S. dollar. Foreign issuers also pay dividends and conduct business in foreign currencies. Many foreign currencies have fluctuated widely in value against the U.S. dollar for various economic and political reasons. Changes in foreign currency exchange rates may affect the value of foreign securities and dividend payments. Generally, when the U.S. dollar rises in value against a foreign currency, a security denominated in that currency loses value because the currency is worth fewer U.S. dollars. Conversely, when the U.S. dollar decreases in value against a foreign currency, a security denominated in that currency gains value because the currency is worth more U.S. dollars. The U.S. dollar value of dividend payments on foreign securities will fluctuate similarly with changes in foreign currency values.

Brokerage and other transaction costs on foreign exchanges are often higher than in the U.S. and there is generally less governmental supervision of exchanges, brokers and issuers in foreign countries. The increased expense of investing in foreign markets may reduce the amount an investor can earn on its investments and typically results in a higher operating expense ratio than investments in only domestic securities. Custody of certain securities may be maintained by a global custody and clearing institution. Settlement and clearance procedures in certain foreign markets differ significantly from those in the U.S. Foreign settlement and clearance procedures and trade regulations also may involve certain risks (such as delays in payment for or delivery of securities) not typically associated with the settlement of domestic securities. Round lot trading requirements exist in certain foreign securities markets which could cause the proportional composition and diversification of the portfolio to vary when the trust buys or sells securities.

Certain foreign securities may be held in the form of American Depositary Receipts (“ADRs”), Global Depositary Receipts (“GDRs”), or other similar receipts. Depositary receipts represent receipts for foreign securities deposited with a custodian (which may include the trustee of the trust). Depositary receipts may not be denominated in the same currency as the securities into which they may be converted. ADRs typically trade in the U.S. in U.S. dollars and are registered with the Securities and Exchange Commission. GDRs are similar to ADRs, but GDRs typically trade outside of the U.S. and outside of the country of the issuer in the currency of the country where the GDR trades. Depositary

receipts generally involve most of the same types of risks as foreign securities held directly but typically also involve additional expenses associated with the cost of the custodian's services. Some depositary receipts may experience less liquidity than the underlying securities traded in their home market. Certain depositary receipts are unsponsored (i.e. issued without the participation or involvement of the issuer of the underlying security). The issuers of unsponsored depositary receipts are not obligated to disclose information that may be considered material in the U.S. Therefore, there may be less information available regarding these issuers which can impact the relationship between certain information impacting a security and the market value of the depositary receipts.

SMALL AND MID-SIZE COMPANIES. The trust may invest in securities issued by small and mid-size companies. The share prices of these companies are often more volatile than those of larger companies as a result of several factors common to many such issuers, including limited trading volumes, products or financial resources, management inexperience and less publicly available information.

BOND QUALITY RISK. Bond quality risk is the risk that a bond will fall in value if a rating agency decreases or withdraws the bond's rating.

CALL/PREPAYMENT RISK. Certain funds held by the trust may invest in securities that include call provisions which expose the trust or funds to call risk. Call risk is the risk that the issuer prepays or "calls" a security before its stated maturity. An issuer might call a security if interest rates, in general fall and the security pays a higher interest rate or if it no longer needs the money for the original purpose. If an issuer calls a security, the investor holding such security will receive principal but future interest distributions will fall. Investors might not be able to reinvest this principal at as high a yield. A security's call price could be less than the price paid for the security and could be below the security's par value. Certain securities may also be subject to extraordinary optional or mandatory redemptions if certain events occur, such as certain changes in tax laws, the substantial damage or destruction by fire or other casualty of the project for which the proceeds of the securities were used, and various other events.

EXTENSION RISK. When interest rates rise, among other factors, issuers of a security may pay off obligations more slowly than expected causing the value of such obligations to fall.

MARKET DISCOUNT. Certain funds held by the trust may invest in bonds whose current market values were below the principal value on the purchase date. A primary reason for the market value of such bonds being less than the principal value is that the interest rate of such bonds is at a lower rate than the current market interest rates for comparable bonds. Bonds selling at market discounts tend to increase in market value as they approach maturity.

PREMIUM BONDS. Certain funds held by the trust may invest in bonds whose current market values were above the principal value on the purchase date. A primary reason for the market value of such bonds being higher than the principal value is that the interest rate of such bonds is at a higher rate than the current market interest rates for comparable bonds. The current returns of bonds trading at a market premium are initially higher than the current returns of comparable bonds issued at currently prevailing interest rates because premium bonds tend to decrease in market value as they approach maturity when the principal value becomes payable. Because part of the purchase price is effectively returned not at maturity but through current income payments, early

redemption of a premium bond at par or any other amount below the purchase price will result in a reduction in yield. Redemption pursuant to call provisions generally will, and redemption pursuant to sinking fund provisions may occur at times when the bonds have a market value that represents a premium over par or, for original issue discount securities, a premium over the accreted value.

HIGH YIELD OR “JUNK” SECURITIES. Certain funds held by the trust may invest in high yield securities or unrated securities. High yield, high risk securities are subject to greater market fluctuations and risk of loss than securities with higher investment ratings. The value of these securities will decline significantly with increases in interest rates, not only because increases in rates generally decrease values, but also because increased rates may indicate an economic slowdown. An economic slowdown, or a reduction in an issuer’s creditworthiness, may result in the issuer being unable to maintain earnings at a level sufficient to maintain interest and principal payments. High yield or “junk” securities, the generic names for securities rated below “BBB” by Standard & Poor’s or “Baa” by Moody’s, are frequently issued by corporations in the growth stage of their development or by established companies who are highly leveraged or whose operations or industries are depressed. Securities rated below BBB or Baa are considered speculative as these ratings indicate a quality of less than investment grade. Because high yield securities are generally subordinated obligations and are perceived by investors to be riskier than higher rated securities, their prices tend to fluctuate more than higher rated securities and are affected by short-term credit developments to a greater degree. The market for high-yield securities is smaller and less liquid than that for investment grade securities. High yield securities are generally not listed on a national securities exchange but trade in the over-the-counter markets. Due to the smaller, less liquid market for high yield securities, the bid-offer spread on such securities is generally greater than it is for investment grade securities and the purchase or sale of such securities may take longer to complete.

TAX RISK. Because the trust’s investment objective is to provide a high level of total after-tax return, including attractive tax-advantaged income, the attractiveness of investing in funds investing in municipal securities and common stocks that pay tax-qualified dividends in relation to other investment alternatives may be affected by changes in federal income tax laws and regulations, including changes in the qualified dividend income provisions. The provisions of the Internal Revenue Code applicable to qualified dividend income may be changed at any time. Any proposed or actual changes in such rates or the exempt status of municipal securities, therefore, can significantly affect the demand for and supply, liquidity and marketability of municipal securities and the funds’ investments in municipal securities and the trust’s investments in equity securities that pay qualified dividend income. This could in turn affect the value of units of the trust. There can be no assurance as to the portion of the trust’s distributions that will be tax-exempt or tax-qualified. Tax-exempt income may in any case be subject to state or local income taxes and/or the alternative minimum tax.

ALTERNATIVE MINIMUM TAX. While certain distributions from the trust may be exempt from federal income taxes, a portion of such distributions may be taken into account in computing the alternative minimum tax.

LIQUIDITY RISK. Liquidity risk is the risk that the value of a security will fall if trading in the security is limited or absent. No one can guarantee that a liquid trading market will exist for any security.

LEGISLATION/LITIGATION. From time to time, various legislative initiatives are proposed in the United States and abroad which may have a negative impact on certain of the securities held by the trust or funds. In addition, litigation regarding any of the issuers of the securities or of the industries represented by these issuers may negatively impact the share prices of these securities. No one can predict what impact any pending or threatened litigation will have on the share prices of the securities.

SELECTION RISK. Selection risk is the risk that the securities selected for inclusion in the trust or by a fund's management will underperform the markets, relevant indices or the securities selected by other funds with similar investment objectives and investment strategies. This means you may lose money or earn less than other comparable investments.

UNMANAGED PORTFOLIO. The trust is a unit investment trust and is not an actively managed fund. Unlike a managed investment company in which there may be frequent changes in the portfolio of securities based upon economic, financial and market analyses, the trust's portfolio will remain relatively fixed and is not subject to such frequent changes based upon continuous analysis. The trust will generally sell securities: to pay expenses, in limited circumstances to protect the trust, to take actions in response to corporation actions and other events impacting the portfolio securities, to make required distributions or avoid imposition of taxes on the trust or as permitted by the trust agreement. Since the trust will not sell securities in response to ordinary market fluctuations, the amount realized upon the sale of portfolio securities may not be the highest price attained by an individual security during the life of the trust.

NO FDIC GUARANTEE. An investment in the trust is not a deposit of any bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

PUBLIC OFFERING

OFFERING PRICE. Units of the trust are offered at the public offering price. The public offering price per unit is equal to the net asset value per unit plus organization costs plus the applicable sales charge described in this prospectus. The "net asset value per unit" is the value of the securities, cash and other assets in the trust reduced by the liabilities of the trust divided by the total units outstanding. The public offering price of units is sometimes referred to as the "offer price" or "purchase price." Unit prices are available at www.smarttrustuit.com or through your financial professional.

The offer price will be effective for all orders received prior to the close of regular trading on the New York Stock Exchange (normally 4:00 p.m. Eastern time), provided that on the first day units are sold the unit price will be computed as of the time the registration statement filed with the Securities and Exchange Commission becomes effective, if later. If the sponsor receives your order prior to the close of regular trading on the New York Stock Exchange, or authorized financial professionals receive your order prior to that time, then in most instances you will receive the price computed on the date of receipt. If the sponsor receives your order after the close of regular trading on the New York Stock Exchange, or if authorized financial professionals receive your order after that time, then in most instances you will receive the price computed on the date of the next determined offer price provided that your order is received in a timely manner on that date. It is the responsibility of the authorized financial professional to transmit the

orders that they receive to the sponsor in a timely manner. Certain broker-dealers may charge a transaction or other fee for processing unit purchase orders.

The minimum purchase is generally 100 units for individual purchasers and for purchases by certain custodial accounts or Individual Retirement Accounts, self-employed retirement plans, pension funds and other tax-deferred retirement plans. The minimum purchase requirements are subject to waiver and may vary by selling firm.

VALUE OF SECURITIES. The trustee determines the value of the securities as of the close of regular trading on the New York Stock Exchange on each day that exchange is open. The trustee generally determines the value of securities using the closing sale price for securities traded on a national or foreign securities exchange. In some cases the trustee will price a security based on its fair value after considering appropriate factors relevant to the value of the security. The trustee will only do this if a security is not principally traded on a national or foreign securities exchange or if current market quotes are unavailable or inappropriate.

The trustee determined the initial prices of the securities shown under “Portfolio of Investments” as described above at the close of regular trading on the New York Stock Exchange on the business day before the date of this prospectus. On the first day units are sold, the trustee will value the securities as of the close of regular trading on the New York Stock Exchange or the time the registration statement filed with the Securities and Exchange Commission becomes effective, if later.

ORGANIZATION COSTS. During the initial offering period, part of the value of the securities represents an amount that will pay the costs of creating the trust. These costs include the costs of preparing the registration statement and legal documents, federal and state registration fees, the portfolio consultant’s security selection fee (if applicable), any one-time license fee (if applicable), the initial fees and expenses of the trustee and the initial audit. The trust will sell securities to reimburse the sponsor for these costs at the end of the initial offering period or after six months, if earlier. The value of the units will decline when the trust pays these costs.

SALES CHARGE. You pay a fee in connection with purchasing units. This is referred to as the “transactional sales charge.” The transactional sales charge has both an initial and a deferred component and equals 3.45% of the public offering price per unit based on a \$10 public offering price per unit. This percentage amount of the transactional sales charge is based on the unit price on the initial date of deposit. The transactional sales charge equals the difference between the total sales charge and the creation and development fee. As a result, the percentage and dollar amount of the transactional sales charge will vary as the public offering price per unit varies. The transactional sales charge does not include the creation and development fee which is described in more detail under “Trust Expenses and Charges.”

The maximum total sales charge equals 3.95% of the public offering price per unit at the time of purchase. You pay the initial sales charge at the time you buy units. The initial sales charge is the difference between the total sales charge percentage (maximum of 3.95% of the public offering price per unit) and the sum of the remaining fixed dollar deferred sales charge and the total fixed dollar creation and development fee. The initial sales charge will be approximately 1.00% of the public offering price per unit depending on the public offering price per unit. The deferred sales charge is fixed at \$0.245 per unit. The trust pays the deferred sales charge in equal monthly installments as described

in the “Fee Table.” If you redeem or sell units prior to collection of the total deferred sales charge, you will pay any remaining deferred sales charge upon redemption or sale of units. The creation and development fee is fixed at \$0.05 per unit and is paid at the end of the initial offering period. If you redeem or sell units prior to the end of the initial offering period, you will not pay the remaining creation and development fee. Because the deferred sales charge and creation and development fee are fixed dollar amounts per unit, the actual charges will exceed the percentages shown in the “Fee Table” if the public offering price per unit falls below \$10 and will be less than the percentages shown in the “Fee Table” if the public offering price per unit exceeds \$10. In no event will the total sales charge exceed 3.95% of the public offering price per unit.

Since the deferred sales charge and creation and development fee are fixed dollar amounts per unit, the trust must charge these amounts per unit regardless of any decrease in net asset value. However, if the public offering price per unit falls to the extent that the maximum sales charge percentage results in a dollar amount that is less than the combined fixed dollar amounts of the deferred sales charge and creation and development fee, your initial sales charge will be a credit equal to the amount by which these fixed dollar charges exceed the sales charge at the time you buy units. In such a situation, the value of securities per unit would exceed the public offering price per unit by the amount of the initial sales charge credit and the value of those securities will fluctuate, which could result in a benefit or detriment to unitholders that purchase units at that price. The initial sales charge credit is paid by the sponsor and is not paid by the trust. The “Fee Table” shows the sales charge calculation at a \$10 public offering price per unit and the following examples illustrate the sales charge at prices below and above \$10. If the public offering price per unit fell to \$7, the maximum sales charge would be \$0.2765 (3.95% of the public offering price per unit), which consists of an initial sales charge of -\$0.0185, a deferred sales charge of \$0.245 and a creation and development fee of \$0.05. If the public offering price per unit rose to \$13, the maximum sales charge would be \$0.5135 (3.95% of the public offering price per unit), consisting of an initial sales charge of \$0.2185, a deferred sales charge of \$0.245 and a creation and development fee of \$0.05. The actual sales charge that may be paid by an investor may differ slightly from the sales charges shown herein due to rounding that occurs in the calculation of the public offering price and in the number of units purchased.

If you purchase units after the last deferred sales charge payment has been assessed, the secondary market sales charge is equal to 3.95% of the public offering price and does not include deferred payments.

DISCOUNTS. There are a variety of ways for you to reduce the sales charge you pay. It is your financial professional’s responsibility to alert the sponsor of any sales charge discount when you order units. Except as expressly provided herein, you may not combine discounts. Since the deferred sales charge and the creation and development fee are fixed dollar amounts per unit, the trust must charge these fees per unit regardless of any discounts. However, if you are eligible to receive a discount such that your total sales charge is less than the fixed dollar amounts of the deferred sales charge and the creation and development fee, the sponsor will credit you the difference between your total sales charge and these fixed dollar fees at the time you buy units.

Volume Discount. This volume discount will result in a reduction of the sales charge applicable to such purchases. The reduced sales charge on the public offering price applicable to such purchases is as follows:

| <u>Amount of Purchase*</u> | <u>Sales Charge</u> |
|---|---------------------|
| Less than \$50,000 | 3.95% |
| \$50,000 but less than \$100,000 | 3.70% |
| \$100,000 but less than \$250,000 | 3.45% |
| \$250,000 but less than \$500,000 | 3.10% |
| \$500,000 but less than \$1,000,000 | 2.95% |
| \$1,000,000 or greater | 2.45% |

* The volume discount is also applied on a unit basis utilizing a breakpoint equivalent in the above table of one unit per \$10. For example, the purchase of either units with a value of \$250,000 or 25,000 units would be entitled to the reduced sales charge of 3.10% even if at the time of purchase the value of 25,000 units was less than \$250,000.

Except as described in this paragraph, these discounts will apply only to purchases of units by the same purchaser on a single day from a single broker-dealer. Units purchased by the same purchaser in separate transactions on a single day will be aggregated for purposes of determining if such purchaser is entitled to a discount provided that such purchaser must own at least the required dollar amount of units at the time such determination is made. Units purchased in the name of a purchaser's spouse or children under 21 living in the same household as the purchaser will be deemed to be additional purchases by the purchaser for the purposes of calculating the applicable quantity discount level. Purchases of units of the trust offered in this prospectus may be combined with purchases of units of any other unit investment trusts sponsored by the sponsor in the initial offering period which are not already subject to a reduced sales charge, if such purchases are made by the same person on a single day from a single broker-dealer. The reduced sales charge levels will also be applicable to a trustee or other fiduciary purchasing units for a single trust, estate (including multiple trusts created under a single estate) or fiduciary account. To be eligible for aggregation as described in this paragraph, all purchases must be made on the same day through a single broker-dealer or selling agent. A purchaser must inform his/her broker-dealer of any combined purchases before the purchase to be eligible for a reduced sales charge.

If you purchase units that qualify for the rollover/exchange discount described below and also purchase additional units on the same day from the same broker-dealer that do not qualify for the rollover/exchange discount, you may aggregate all units purchased for purposes of qualifying for the volume discount on the additional units, but such additional units will not qualify for the rollover/exchange discount.

The discounts described above apply only to initial offering period purchases.

Rollover/Exchange Discount. A portion of the sales charge is waived on units of the trust offered in this prospectus if you buy units with redemption or termination proceeds from any unit investment trust (regardless of sponsor). The discounted public offering price per unit for these transactions is equal to the regular public offering price per unit less 1.00%. However, if you invest \$500,000 or more in units of the trust

offered in this prospectus, the maximum sales charge on units will be limited to the maximum sales charge for the applicable amount invested in the table under “Volume Discount” above. To qualify for this rollover/exchange discount, the termination or redemption proceeds used to purchase units of the trust offered in this prospectus must be derived from a transaction that occurred within 30 calendar days of your purchase of units of the trust offered in this prospectus. In addition, the discount will only be available for investors that utilize the same broker-dealer (or a different broker-dealer with appropriate notification) for both the unit purchase and the transaction resulting in the receipt of the termination or redemption proceeds used for the unit purchase. You may be required to provide appropriate documentation or other information to your broker-dealer to evidence your eligibility for this sales charge discount.

If you purchase units that qualify for the rollover/exchange discount and also purchase additional units of the trust offered in this prospectus on the same day from the same broker-dealer that do not qualify for the rollover/exchange discount, you may aggregate all units purchased for purposes of qualifying for the volume discount described above on the additional units, but such additional units will not qualify for the rollover/exchange discount.

Please note that if you purchase units of the trust in this manner using redemption proceeds from other unit investment trusts which assess the amount of any remaining deferred sales charge at redemption, you should be aware that any deferred sales charges remaining on those units will be deducted from those redemption proceeds. The rollover/exchange discount applies only to initial offering period purchases.

Employee Discount. A portion of the sales charge is waived for purchases by officers, directors and employees (including their spouses and children under 21 living in the same household, and trustees, custodians or fiduciaries for the benefit of such persons) of the sponsor and its affiliates and dealers and their affiliates. These purchases may be made at the public offering price per unit less the applicable dealer concession. These discounts apply during the initial offering period and in the secondary market. All employee discounts are subject to the policies of the related selling firm. Only officers, directors and employees of companies that allow their employees to participate in this employee discount program are eligible for the discounts.

Fee Accounts. Investors may purchase units through registered investment advisers, certified financial planners or registered broker-dealers who in each case either charge investor accounts (“Fee Accounts”) periodic fees for brokerage services, financial planning, investment advisory or asset management services, or provide such services in connection with an investment account for which a comprehensive “wrap fee” charge (“Wrap Fee”) is imposed. You should consult your financial advisor to determine whether you can benefit from these accounts. To purchase units in these Fee Accounts, your financial advisor must purchase units designated with one of the Fee Based CUSIP Numbers set forth under “Essential Information,” if available. Please contact your financial advisor for more information. If units of the trust are purchased for a Fee Account and the units are subject to a Wrap Fee in such Fee Account (i.e., the trust is “Wrap Fee Eligible”) then investors may be eligible to purchase units of the trust in these Fee Accounts that are not subject to the transactional sales charge but will be

subject to the creation and development fee that is retained by the sponsor. For example, this table illustrates the sales charge you will pay as a percentage of the initial \$10 public offering price per unit (the percentage will vary with the unit price).

| | |
|------------------------------------|--------------|
| Initial sales charge | 0.00% |
| Deferred sales charge | <u>0.00%</u> |
| Transactional sales charge | <u>0.00%</u> |
| Creation and development fee | <u>0.50%</u> |
| Total sales charge | <u>0.50%</u> |

This discount applies only during the initial offering period. Certain Fee Account investors may be assessed transaction or other fees on the purchase and/or redemption of units by their broker-dealer or other processing organizations for providing certain transaction or account activities. The sponsor reserves the right to limit or deny purchases of units in Fee Accounts by investors or selling firms whose frequent trading activity is determined to be detrimental to the trust.

DISTRIBUTION OF UNITS. Units will be distributed to the public at the public offering price by the sponsor and through broker-dealers and other selling firms. The sponsor generally qualifies units for sale in various states in the United States. The sponsor does not register units for sale in any foreign country. This prospectus does not constitute an offer of units in any state or country where units cannot be offered or sold lawfully. The sponsor may reject any order for units in whole or in part.

The sponsor compensates broker-dealers and other selling firms when they sell units. This compensation includes the broker-dealer concessions or agency commissions described in the table below and other compensation described in this section. Any sales charge discount is borne by the broker-dealer or selling firm out of the dealer concession unless provided otherwise below. The broker-dealer concession or agency commission for initial offering period transactions is 3.15% of the public offering price per unit, subject to reduction for unit purchases eligible for the “Volume Discount” sales charge discount described in this prospectus as follows:

| <u>Amount of Transaction</u> | <u>Concession or Agency Commission</u> |
|---|--|
| Less than \$50,000 | 3.15% |
| \$50,000 but less than \$100,000 | 2.90% |
| \$100,000 but less than \$250,000 | 2.65% |
| \$250,000 but less than \$500,000 | 2.35% |
| \$500,000 but less than \$1,000,000 | 2.25% |
| \$1,000,000 or greater | 1.80% |

The sponsor applies these concessions or agency commissions as a percent of the public offering price per unit at the time of the transaction. The sponsor also applies the different levels on a unit basis using a \$10 unit equivalent. For example, purchases of units with a value of \$250,000 or 25,000 units would be entitled to a dealer concession of 2.35%, even if at the time of purchase the value of 25,000 units was less than \$250,000. For transactions involving unitholders of other unit investment trusts who use their redemption or termination proceeds to purchase units of the trust at the “Rollover/Exchange Discount” described in this prospectus, the dealer concession is 2.20%. No dealer concession is paid to broker-dealers or other selling firms in connection with unit

sales in Fee Accounts subject to a Wrap Fee that are eligible to receive the “Fee Account” sales charge discount described in this prospectus. The broker-dealer concession or agency commission for secondary market sales is 3.15% of the public offering price per unit, provided however that any sales charge discount is borne by the broker-dealer or selling firm out of the dealer concession for transactions in the secondary market. The sponsor reserves the right to change the amount of concessions or agency commissions from time to time.

The sponsor may enter into wholesaling arrangements with certain broker-dealers that market and promote the sponsor’s unit investment trusts to other broker-dealers and selling agents. The sponsor compensates these wholesaling firms out of its own assets. The amount of compensation paid to a particular firm may vary and will generally comprise an amount up to 0.20% of the price of units of Hennion & Walsh-sponsored unit investment trusts sold during the initial offering period in the region(s) or by the firms covered by the particular firm pursuant to its agreement with the sponsor.

In addition to the concessions set forth in the table above, broker-dealers and other selling firms will be eligible to receive additional compensation for volume sales of eligible units of certain Hennion & Walsh-sponsored unit investment trusts. This additional volume concession is based on total initial offering period sales of eligible trusts during a calendar quarter as set forth in the following table:

| <u>Initial Offering Period Sales During Calendar Quarter</u> | <u>Volume Concession</u> |
|--|--------------------------|
| Less than \$10,000,000 | 0.000% |
| \$10,000,000 but less than \$25,000,000 | 0.050% |
| \$25,000,000 but less than \$50,000,000 | 0.075% |
| \$50,000,000 but less than \$100,000,000 | 0.100% |
| \$100,000,000 but less than \$250,000,000 | 0.110% |
| \$250,000,000 or greater | 0.120% |

This volume concession will be paid on units of eligible Hennion & Walsh-sponsored trusts sold in the initial offering period. For a trust to be eligible for this additional volume concession for calendar quarter sales, the trust’s prospectus must include disclosure related to this additional concession; a trust is not eligible for this additional volume concession if the prospectus for such trust does not include disclosure related to this additional volume concession. Broker dealers and other selling firms will not receive additional volume compensation unless it sells at least \$10.0 million of units of eligible trusts during a calendar quarter. For example, if a firm sells \$9.5 million of units of eligible trusts in the initial offering period during a calendar quarter, the firm will not receive any additional compensation with respect to such trusts. Except as described below, once a firm reaches a particular breakpoint during a quarter, the firm will receive the stated volume concession on all initial offering period sales of eligible trusts during the applicable quarter. For example, if the firm sells \$17.5 million of units of eligible trusts in the initial offering period during a calendar quarter, the firm will receive additional compensation of 0.05% of \$17.5 million. There will be no additional volume concessions on the sale of units which are not subject to a transactional sales charge. However, such sales will be included in determining whether a firm has met the sales level breakpoints for volume concessions, subject to the policies and instructions of the related selling firm. Eligible broker dealers and other selling firms include clearing firms that place orders with the sponsor and provide the sponsor with information with respect to the representatives who initiated such transactions. Eligible broker-dealers and other

selling firms will not include firms that solely provide clearing services to other broker-dealer firms or firms who place orders through clearing firms that are eligible dealers. Redemptions of units during the initial offering period will reduce the amount of units used to calculate the additional volume concessions. Secondary market sales of all units are excluded for purposes of these additional volume concessions. The sponsor will pay these amounts out of its own assets within a reasonable time following each calendar quarter.

The sponsor may provide, at its own expense and out of its own profits, additional compensation and benefits to broker-dealers and selling firms that sell units of the trust and the sponsor's other products. This compensation is intended to result in additional sales of the sponsor's products and/or compensate broker-dealers, selling firms and financial advisors for past sales. A number of factors are considered in determining whether to pay these additional amounts. Such factors may include, but are not limited to, the level or type of services provided by the intermediary, the level or expected level of sales of our products by the intermediary or its agents, the placing of the sponsor's products on a preferred or recommended product list and access to an intermediary's personnel. The sponsor may make these payments for marketing, promotional or related expenses, including, but not limited to, expenses of entertaining retail customers and financial advisors, advertising, sponsorship of events or seminars, obtaining information about the breakdown of unit sales among an intermediary's representatives or offices, obtaining shelf space in intermediary firms and similar activities designed to promote the sale of the sponsor's products. The sponsor may make such payments to a substantial majority of intermediaries that sell its products. The sponsor may also make certain payments to, or on behalf of, intermediaries to defray a portion of their costs incurred for the purpose of facilitating unit sales, such as the costs of developing or purchasing trading systems to process unit trades. Payments of such additional compensation described in this paragraph and the volume concessions described above, some of which may be characterized as "revenue sharing," may create an incentive for financial intermediaries and their agents to sell or recommend the sponsor's products, including the trust, over other products. These arrangements will not change the price you pay for your units.

The sponsor may gain or lose money when it holds units in the primary or secondary market due to fluctuations in unit prices. The gain or loss is equal to the difference between the price the sponsor pays for units and the price at which it sells or redeems them. The sponsor may also gain or lose money when it deposits securities to create units. The amount of the sponsor's profit or loss on the initial deposit of securities into the trust is shown in the "Notes to Portfolio of Investments." The trustee may utilize the services of the sponsor for the purchase or sale of all or a portion of the portfolio securities in the trust and the sponsor may receive brokerage commissions from the trust in connection with these transaction in accordance with applicable law.

REDEMPTION AND SALE OF UNITS

You may sell or redeem units on any business day the New York Stock Exchange is open through your financial professional or the trustee. The sale and redemption price of units is equal to the net asset value per unit, provided that you will not pay any remaining creation and fee and organization costs if you sell or redeem units during the initial offering period. The sale and redemption price is sometimes referred to as the

“liquidation price.” You may pay any remaining deferred sales charge when you sell or redeem units. Certain broker-dealers may charge a transaction or other fee for processing unit redemptions.

SALES OF UNITS. The sponsor intends to repurchase units from unitholders throughout the life of the trust at the current net asset value of the units, provided that you will not pay any remaining creation and fee and organization costs if you sell units during the initial offering period. The sponsor may resell repurchased units to other investors at the public offering price or redeem them for the redemption price. The sponsor’s secondary market repurchase price is the same as the redemption price. Certain broker-dealers might also maintain a secondary market in units. You should contact your financial professional for current repurchase prices to determine the best price available. The sponsor is not obligated to maintain a market and may stop doing so without prior notice for any reason. If a market is not maintained, you will be able to redeem units with the trustee at the same price as the sponsor’s repurchase price. If you sell units prior to the collection of the entire deferred sales charge, you will be assessed the amount of the remaining deferred sales charge at the time of sale.

REDEMPTION OF UNITS. You may also redeem units directly with the trustee on any day the New York Stock Exchange is open. The redemption price that you will receive for units is equal to the net asset value per unit, provided that you will not pay any remaining creation and development fee or organization costs if you redeem units during the initial offering period. You will pay any remaining deferred sales charge at the time you redeem units. You will receive the net asset value for a particular day if the trustee receives your completed redemption request prior to the close of regular trading on the New York Stock Exchange. Redemption requests received by authorized financial professionals prior to the close of regular trading on the New York Stock Exchange are priced based on the date of receipt in most instances. Redemption requests received by the trustee after the close of regular trading on the New York Stock Exchange, or redemption requests received by authorized financial professionals after that time, are priced based on the date of the next determined redemption price provided they are received in a timely manner by the trustee on such date. It is the responsibility of authorized financial professionals to transmit redemption requests received by them to the trustee so they will be received in a timely manner. If your request is not received in a timely manner or is incomplete in any way, you will receive the next net asset value computed after the trustee receives your completed request.

If you redeem units, the trustee will generally send you a payment for units no later than seven days after it receives all necessary documentation (this will usually only take three business days). The only time the trustee can delay your payment is if the New York Stock Exchange is closed (other than weekends or holidays), the Securities and Exchange Commission determines that trading on that exchange is restricted or an emergency exists making sale or evaluation of the securities not reasonably practicable, and for any other period that the Securities and Exchange Commission permits.

You can request an in-kind distribution of the securities underlying units if you tender at least 2,500 units for redemption (or such other amount as required by your financial professional’s firm). This option is generally available only for securities traded and held in the United States. The trustee will make any in-kind distribution of securities by distributing applicable securities in book entry form to the account of your financial

professional at The Depository Trust Company. You will receive whole shares of the applicable securities and cash equal to any fractional shares or securities not distributed in-kind. You may not request this option in the last 30 days of the trust's life. This option may be discontinued upon 60 days notice.

EXCHANGE OPTION. When you sell or redeem your units in the trust offered in this prospectus, you may be able to exchange them for units of other Smart Trust unit investment trusts at a reduced sales charge. You can contact your financial professional for more information about trusts currently available for exchanges. Before you exchange units, you should read the prospectus carefully and understand the risks and fees. You should then discuss this option with your financial professional to determine whether your investment goals have changed, whether current trusts suit you and to discuss tax consequences. The sponsor may discontinue this option at any time upon 60 days notice.

DISTRIBUTIONS

The trust generally pays distributions of its net investment income along with any excess capital on each distribution date to unitholders of record as of the preceding record date, provided that the total cash held for distribution equals at least 0.1% of the trust's net asset value as determined under the trust agreement. The record and distribution dates are shown in the "Essential Information." An investor becomes a unitholder of record on the settlement date of the unit purchase (generally three business days following the purchase date). You may elect to either reinvest your distribution proceeds in additional units of the trust (as described below) or receive distributions in cash. In some cases, the trust might pay a special distribution if it holds an excessive amount of cash pending distribution. For example, this could happen as a result of a merger or similar transaction involving a company whose stock is in the trust portfolio.

The issuers in the trust's portfolio make dividend payments at various times during the year. When the trust receives dividends from issuers, the trustee credits the dividends to the trust's accounts. Because the trust does not necessarily receive dividends or income payments from the issuers at a constant rate throughout the year, the trust's income distributions to unitholders will fluctuate. The amount of your distributions will also vary from time to time as companies change their dividends, securities are liquidated from the portfolio or trust expenses change.

Distributions may be reinvested into additional units of the trust by participating in the trust's reinvestment option. In order to participate in the reinvestment option, investors should purchase units with a "Reinvestment" CUSIP number set forth in the "Essential Information." You may also make or change your reinvestment election by contacting your financial professional or the trustee at least 10 days before the next applicable record date. This reinvestment option may be subject to availability or limitation by the broker-dealer or selling firm. In certain circumstances, broker-dealers may suspend or terminate the offering of a reinvestment option at any time. Once you have elected to participate in the reinvestment option, each distribution of income or principal on the participant's units will be automatically applied by the trustee to purchase additional units of the trust. The sponsor reserves the right to modify or terminate the reinvestment plan at any time without prior notice. Distributions on units may be reinvested by participating in the trust's reinvestment plan. Units acquired by reinvestment are not subject to a sales charge as described in "Public Offering."

TRUST ADMINISTRATION

PORTFOLIO ADMINISTRATION. The trust is a unit investment trust and is not an actively managed fund. Unlike a managed fund, the trust's portfolio will remain relatively fixed. The trust will generally sell securities: to pay expenses, in limited circumstances to protect the trust, to take actions in response to corporation actions and other events impacting the portfolio securities, to make required distributions or avoid imposition of taxes on the trust or as permitted by the trust agreement.

When the trust sells securities, the composition and diversification of the securities in the portfolio may be altered. If a public tender offer has been made for a security or a merger, acquisition or similar transaction has been announced affecting a security, the sponsor may direct the trustee to sell the security or accept a tender offer if the supervisor determines that the action is in the best interest of unitholders. The trustee will distribute any cash proceeds to unitholders unless it is used to pay expenses or unit redemptions. If an offer by the issuer of any of the portfolio securities or any other party is made to issue new securities, or to exchange securities, for portfolio securities, the trustee will reject the offer. If any such issuance, exchange or substitution occurs (regardless of any action or rejection by the trust), any securities and/or property received will be deposited into the trust and will be promptly sold by the trustee pursuant to the sponsor's direction, unless the sponsor advises the trustee to keep such securities or property. In determining whether to dispose of or hold portfolio securities, new securities or property, the sponsor may be advised by the trust's portfolio supervisor. If any contract for the purchase of securities fails, the sponsor will refund the cash and sales charge attributable to the failed contract to unitholders on or before the next distribution date unless substantially all of the moneys held to cover the purchase are reinvested in substitute securities in accordance with the trust agreement.

The size of the trust will increase as units are sold and the trust will acquire additional portfolio securities. When additional units are created, the existing portfolio will be replicated to the extent practicable. When the trust buys securities, it may pay brokerage or other acquisition fees. You could experience a dilution of your investment because of these fees and fluctuations in security prices between the time units are created and the time the trust buys the securities. When the trust buys or sells securities, it may place orders with and pay brokerage commissions to certain directed brokers that sell units or are affiliated with the trust or the trustee.

REPORTS. The trustee or your financial professional will make available to you a statement showing income and other receipts of the trust for each distribution. Each year the trustee will also provide an annual report on the trust's activity and certain tax information. You can request copies of security evaluations to enable you to complete your tax forms and audited financial statements for the trust, if available.

AMENDING THE TRUST AGREEMENT. The sponsor and the trustee can change the trust agreement without your consent to correct any provision that may be defective or to make other provisions that will not materially adversely affect your interest (as determined by the sponsor and the trustee). The sponsor and trustee cannot change the trust agreement to reduce your interest in the trust without your consent. Investors owning two-thirds of the units in the trust may vote to change the trust agreement.

TRUST TERMINATION. The trust will terminate on the mandatory termination date set forth under “Essential Information.” The trustee may terminate the trust early if the value of the trust is less than 40% of the original value of the securities in the trust at the time of deposit. At this size, the expenses of the trust may create an undue burden on your investment. Investors owning 100% of the units in the trust may also vote to terminate the trust early. The trustee will liquidate the trust in the event that a sufficient number of units not yet sold to the public are tendered for redemption so that the net worth of the trust would be reduced to less than 40% of the value of the securities at the time they were deposited in the trust. If this happens, the sponsor and your financial professional will refund any sales charge that you paid.

The trustee will notify you of any termination and sell any remaining securities. The trustee will send your final distribution to you within a reasonable time following liquidation of all the securities after deducting final expenses. Your termination distribution may be less than the price you originally paid for your units. When the trust terminates, you may be able to roll your investment into a subsequent series of the trust at a reduced sales charge as described under “Rollover” below.

ROLLOVER. The sponsor may offer a subsequent series of the trust when the trust offered in this prospectus terminates. In this case, when the trust terminates you will have the option to (1) participate in a rollover and have your units reinvested into a subsequent trust series through a rollover as described in this section, if available, or (2) receive a cash distribution as described above under “Trust Termination.”

If you elect to participate in a rollover, your units will be redeemed on the trust’s termination date. As the redemption proceeds become available, the proceeds (including dividends) will be invested in a new trust series, if available, at the applicable public offering price for the new trust. The trustee will attempt to sell securities to satisfy the redemption as quickly as practicable on the termination date. The sponsor does not anticipate that the sale period will be longer than one day, however, certain factors could affect the ability to sell the securities and could impact the length of the sale period. The liquidity of any security depends on the daily trading volume of the security and the amount available for redemption and reinvestment on any day.

The sponsor intends to make subsequent trust series available for sale at various times during the year. Of course, the sponsor cannot guarantee that a subsequent trust or sufficient units will be available or that any subsequent trusts will offer the same investment strategies or objectives as the current trust. The sponsor cannot guarantee that a rollover will avoid any negative market price consequences resulting from trading large volumes of securities. Market price trends may make it advantageous to sell or buy securities more quickly or more slowly than permitted by the trust’s procedures. The sponsor may, in its sole discretion, modify a rollover or stop creating units of a trust at any time regardless of whether all proceeds of unitholders have been reinvested in a rollover. The sponsor may decide not to offer the rollover option upon 60 days notice. Cash which has not been reinvested in a rollover will be distributed to unitholders shortly after the termination date. Rollover participants may receive taxable dividends or realize taxable capital gains which are reinvested in connection with a rollover but may not be entitled to a deduction for capital losses due to the “wash sale” tax rules. Due to the reinvestment in a subsequent trust, no cash will be distributed to pay any taxes. See “Tax Status.”

THE SPONSOR. The sponsor is Hennion & Walsh, Inc., a New Jersey corporation. The sponsor is a full service broker-dealer, registered under the Securities Exchange Act of 1934. The sponsor was established in 1989 and is a member of the Financial Industry Regulatory Authority, Inc. and the Securities Investor Protection Corporation. The sponsor maintains its principal business office in Parsippany, New Jersey. If the sponsor fails to or cannot perform its duties as sponsor or becomes bankrupt, the trustee may replace the sponsor, continue to operate the trust without a sponsor or terminate the trust. The sponsor may also resign by notifying the trustee.

The sponsor and the trust have adopted a code of ethics requiring the sponsor's employees who have access to information on trust transactions to report personal securities transactions. The purpose of the code is to avoid potential conflicts of interest and to prevent fraud, deception or misconduct with respect to the trust.

The sponsor or an affiliate may use the list of securities in the trust in its independent capacity (which may include acting as an investment adviser or broker-dealer) and distribute this information to various individuals and entities. The sponsor or an affiliate may recommend or effect transactions in the securities. This may also have an impact on the price the trust pays for the securities and the price received upon unit redemption or trust termination. For example, some or all of the securities in the trust may also be owned by other clients of the sponsor and its affiliates. However, because the trust is not a managed fund or because these clients have differing investment objectives, the sponsor or its affiliates may sell or recommend the sale of certain securities from those accounts in instances where a sale by the trust would not occur or would be impermissible, such as to maximize return by taking advantage of market fluctuations. The sponsor may act as agent or principal in connection with the purchase and sale of securities, including those held by the trust, and may act as a specialist market maker in the securities. The sponsor may also issue reports and make recommendations on the securities in the trust. The sponsor or an affiliate may have participated in a public offering of one or more of the securities in the trust. The sponsor, an affiliate or their employees may have a long or short position in these securities or related securities. An officer, director or employee of the sponsor or an affiliate may be an officer or director for the issuers of the securities.

THE SUPERVISOR. The supervisor is Hennion & Walsh Asset Management, Inc., a New Jersey corporation. The supervisor is an affiliate of the sponsor and is an investment adviser registered with the Securities and Exchange Commission. The sponsor may remove and replace the supervisor in some cases without your consent. The supervisor may also resign by notifying the sponsor and trustee.

THE TRUSTEE. The Bank of New York Mellon is the trustee of the trust with its principal unit investment trust division offices located at 2 Hanson Place, 12th Floor, Brooklyn, New York 11217. You can contact the trustee by calling the telephone number on the back cover of this prospectus or by writing to its unit investment trust office. The sponsor may remove and replace the trustee in some cases without your consent. The trustee may also resign by notifying the sponsor.

TRUST EXPENSES AND CHARGES

The trust will pay various fees and expenses to conduct its operations. The "Fee Table" in this prospectus shows the estimated amount of these fees and expenses.

The sponsor will receive a fee from the trust for creating and developing the trust, including determining the trust's objectives, policies, composition and size, selecting service providers and information services and for providing other similar administrative and ministerial functions. This "creation and development fee" is a charge of \$0.05 per unit outstanding at the end of the initial offering period. The trustee will deduct this amount from the trust's assets as of the close of the initial offering period. The sponsor does not use this fee to pay distribution expenses or as compensation for sales efforts. This fee will not be deducted from proceeds received upon a repurchase, redemption or exchange of units before the close of the initial public offering period.

The trust will pay a fee to the trustee for its services. The trustee also benefits when it holds cash for the trust in non-interest bearing accounts.

The supervisor will be compensated for providing portfolio supervisory services as well as bookkeeping and other administrative services to the trust. This fee may exceed the actual cost of providing portfolio supervisory, bookkeeping and administrative services for the trust, but at no time will the total amount received for such services rendered to all series of the Smart Trusts in any calendar year exceed the aggregate cost to the portfolio supervisor of supplying such services in such year.

The sponsor may receive brokerage fees when the trust uses it as agent in buying or selling securities. As authorized by the trust indenture, the trustee may employ a subsidiary or affiliate of the trustee to act as broker to execute certain transactions for a trust. The trust will pay for such services at standard commission rates.

The portfolio supervisor fee for bookkeeping and other administrative services and the trustee's fee are based on the largest aggregate number of units of the trust outstanding at any time during the period for which the compensation is paid. These fees may be adjusted for inflation without unitholders' approval, but in no case will the annual fee paid to the sponsor or its affiliates for providing services to all unit investment trusts be more than the actual cost of providing such services in such year.

The trust will also pay general operating expenses, such as trustee expenses (including legal and auditing expenses), various governmental charges, fees for extraordinary trustee services, costs of taking action to protect the trust, costs of indemnifying the trustee and the sponsor, legal fees and expenses, and expenses incurred in contacting you. The trust may pay the costs of updating its registration statement each year. The trustee will generally pay trust expenses from distributions received on the securities but in some cases may sell securities to pay trust expenses.

The trust will also indirectly bear the expenses of any funds in the trust portfolio. While the trust will not pay these expenses directly out of its assets, these expenses are shown in the trust's annual operating expenses in the "Fee Table" in this prospectus to illustrate the impact of these expenses.

TAX STATUS

This section summarizes some of the main U.S. federal income tax consequences of owning units of the trust. This section is current as of the date of this prospectus. Tax laws and interpretations change frequently, and these summaries do not describe all of the tax consequences to all taxpayers. For example, these summaries generally do not

describe your situation if you are a corporation, a non-U.S. person, a broker/dealer, or other investor with special circumstances. In addition, this section does not describe your state, local or foreign tax consequences.

This federal income tax summary is based in part on the advice and opinion of counsel to the sponsor. The Internal Revenue Service could disagree with any conclusions set forth in this section. In addition, our counsel was not asked to review, and has not reached a conclusion with respect to the federal income tax treatment of the assets to be deposited in your trust. This may not be sufficient for you to use for the purpose of avoiding penalties under federal tax law.

As with any investment, you should seek advice based on your individual circumstances from your own tax advisor.

ASSETS OF THE TRUST. Your trust is expected to hold one or more of the following: (i) shares of stock in corporations (the “Stocks”) that are treated as equity for federal income tax purposes, (ii) equity interests (the “REIT Shares”) in real estate investment trusts (“REITs”) that constitute interests in entities treated as real estate investment trusts for federal income tax purposes, and (iii) shares (the “RIC Shares”) in funds qualifying as regulated investment companies (“RICs”) that are treated as interests in regulated investment companies for federal income tax purposes.

It is possible that your trust will also hold other assets, including assets that are treated differently for federal income tax purposes from those described above, in which case you will have federal income tax consequences different from or in addition to those described in this section. All of the assets held by your trust constitute the “Trust Assets.” Neither our counsel nor we have analyzed the proper federal income tax treatment of the Trust Assets and thus neither our counsel nor we have reached a conclusion regarding the federal income tax treatment of the Trust Assets.

TRUST STATUS. The trust is considered a grantor trust under federal income tax laws. In grantor trusts, investors are deemed for federal income tax purposes, to own the underlying assets of the trust directly. All taxability issues are taken into account at the unit owner level. Income passes through to unit owners as realized by the trust.

Income is reported gross of expenses. Expenses are separately reported based on a percentage of distributions. Generally, the cash received by unit owners is the net of income and expenses reported.

The grantor trust structure is a widely held fixed investment trust (“WHFIT”), and falls under what is commonly referred to as the WHFIT regulations.

If your trust is at all times operated in accordance with the documents establishing your trust and certain requirements of federal income tax law are met, your trust will not be taxed as a corporation for federal income tax purposes. As a unit owner, you will be treated as the owner of a pro rata portion of each of the Trust Assets, and as such you will be considered to have received a pro rata share of income (e.g., dividends and capital gains, if any) from each Trust Asset when such income would be considered to be received by you if you directly owned the Trust Assets. This is true even if you elect to have your distributions reinvested into additional units. In addition, the income from Trust Assets that you must take into account for federal income tax purposes is not reduced by amounts used to pay sales charges or trust expenses. Income from the trust may also be subject to a 3.8 percent “medicare tax.” This tax generally applies to your

net investment income if your adjusted gross income exceeds certain threshold amounts, which are \$250,000 in the case of married couples filing joint returns and \$200,000 in the case of single individuals. Interest that is excluded from gross income, including exempt-interest dividends from any RIC Shares held by the trust, are generally not included in your net investment income for purposes of this tax.

YOUR TAX BASIS AND INCOME OR LOSS UPON DISPOSITION. If your trust disposes of Trust Assets, you will generally recognize gain or loss. If you dispose of your units or redeem your units for cash, you will also generally recognize gain or loss. To determine the amount of this gain or loss, you must subtract your tax basis in the related Trust Assets from your share of the total amount received in the transaction. You can generally determine your initial tax basis in each Trust Asset by apportioning the cost of your units, including sales charges, among the Trust Assets ratably according to their values on the date you acquire your units. In certain circumstances, however, you may have to adjust your tax basis after you acquire your units (for example, in the case of certain dividends that exceed a corporation's accumulated earnings and profits, or in the case of certain distributions with respect to any REIT Shares that represent a return of capital, as discussed below).

If you are an individual, the maximum marginal stated federal tax rate for net capital gain is generally 20% for taxpayers in the 39.6% tax bracket, 15% for taxpayers in the 25%, 28%, 33% and 35% tax brackets and 0% for taxpayers in the 10% and 15% tax brackets. Note that some portion of any capital gain dividends you receive might be attributable to a RIC's interest in a master limited partnership which may be subject to a maximum marginal stated federal income tax rate of 28%, rather than the rates set forth above. In addition, capital gain received from assets held for more than one year that is considered "unrecaptured section 1250 gain" (which may be the case, for example, with some capital gains attributable to equity interests in real estate investment trusts that constitute interests in entities treated as real estate investment trusts for federal income tax purposes) is taxed at a maximum stated tax rate of 25%. In the case of capital gain dividends, the determination of which portion of the capital gain dividend, if any, is subject to the 28% tax rate or the 25% tax rate, will be made based on rules prescribed by the United States Treasury. Capital gains may also be subject to the "medicare tax" described above.

Net capital gain equals net long-term capital gain minus net short-term capital loss for the taxable year. Capital gain or loss is long-term if the holding period for the asset is more than one year and is short-term if the holding period for the asset is one year or less. You must exclude the date you purchase your units to determine your holding period. The tax rates for capital gains realized from assets held for one year or less are generally the same as for ordinary income. The Internal Revenue Code, however, treats certain capital gains as ordinary income in special situations.

DIVIDENDS FROM STOCKS. Certain dividends received with respect to the Stocks held by the trust, if any, may qualify to be taxed at the same rates that apply to net capital gain (as discussed above), provided certain holding period requirements are satisfied.

DIVIDENDS FROM RIC SHARES AND REIT SHARES. Some dividends on REIT Shares or RIC Shares, if any, held by the trust, may be reported by the REIT or RIC as "capital gain dividends," generally taxable to you as long-term capital gains.

Some dividends on RIC Shares may qualify as “exempt-interest dividends,” which generally are excluded from your gross income for federal income tax purposes. Some or all of the exempt-interest dividends, however may be taken into account in determining your alternative minimum tax, and may have other tax consequences (e.g., they may affect the amount of your social security benefits that are taxed). Other dividends on the REIT Shares or the RIC Shares will generally be taxable to you as ordinary income. Certain ordinary income dividends from a RIC may qualify to be taxed at the same rates that apply to net capital gain (as discussed above), provided certain holding period requirements are satisfied and provided the dividends are attributable to qualifying dividends received by the RIC itself. Regulated investment companies are required to provide notice to their shareholders of the amount of any distribution that may be taken into account as a dividend that is eligible for the capital gains tax rates. In limited circumstances, some of the ordinary income dividends from a REIT may also qualify to be taxed at the same rates that apply to net capital gains. If you hold a unit for six months or less or if your trust holds a RIC Share or REIT Share for six months or less, any loss incurred by you related to the disposition of such RIC Share or REIT Share will be disallowed to the extent of the exempt-interest dividends you received. To the extent, if any, it is not disallowed, it will be treated as a long-term capital loss to the extent of any long-term capital gain distributions received (or deemed to have been received) with respect to such RIC Share or REIT Share. Distributions of income or capital gains declared on the REIT Shares or the RIC Shares in October, November or December will be deemed to have been paid to you on December 31 of the year they are declared, even when paid by the REIT or the RIC during the following January.

DIVIDENDS RECEIVED DEDUCTION. Generally, a domestic corporation owning units in a trust may be eligible for the dividends received deduction with respect to such unit owner’s pro rata portion of certain types of dividends received by the trust. However, a corporation generally will not be entitled to the dividends received deduction with respect to dividends from most foreign corporations or from REITs or RICs. However, certain dividends on RIC Shares that are attributable to dividends received by the RIC itself from certain domestic corporations may be reported by the RIC as being eligible for the dividends received deduction.

IN-KIND DISTRIBUTIONS. Under certain circumstances as described in this prospectus, you may request an In-Kind Distribution of Trust Assets when you redeem your units or at your trust’s termination. By electing to receive an In-Kind Distribution, you will receive Trust Assets plus, possibly, cash. You will not recognize gain or loss if you only receive whole Trust Assets in exchange for the identical amount of your pro rata portion of the same Trust Assets held by your trust. However, if you also receive cash in exchange for a Trust Asset or a fractional portion of a Trust Asset, you will generally recognize gain or loss based on the difference between the amount of cash you receive and your tax basis in such Trust Asset or fractional portion.

ROLLOVERS AND EXCHANGES. If you elect to have your proceeds from your trust rolled over into a future trust, it is considered a sale for federal income tax purposes and any gain on the sale will be treated as a capital gain, and any loss will be treated as a capital loss. However, any loss you incur in connection with the exchange of your units of your trust for units of the next series will generally be disallowed with respect to this deemed sale and subsequent deemed repurchase, to the extent the two trusts have substantially identical Trust Assets under the wash sale provisions of the Internal Revenue Code.

LIMITATIONS ON THE DEDUCTIBILITY OF TRUST EXPENSES.

Generally, for federal income tax purposes, you must take into account your full pro rata share of your trust's income, even if some of that income is used to pay trust expenses. You may deduct your pro rata share of each expense paid by your trust to the same extent as if you directly paid the expense. You may be required to treat some or all of the expenses of your trust as miscellaneous itemized deductions. Individuals may only deduct certain miscellaneous itemized deductions to the extent they exceed 2% of adjusted gross income. Some individuals may also be subject to further limitations on the amount of their itemized deductions, depending on their income.

If any of the RICs pay exempt-interest dividends, which are treated as tax-exempt interest for federal income tax purposes, you will not be able to deduct some of your share of the trust expenses. In addition, you will not be able to deduct some of your interest expense for debt that you incur or continue to purchase or carry your units.

FOREIGN INVESTORS, TAXES AND INVESTMENTS. Distributions by your trust that are treated as U.S. source income (e.g., dividends received on Stocks of domestic corporations) will generally be subject to U.S. income taxation and withholding in the case of units held by nonresident alien individuals, foreign corporations or other non-U.S. persons, subject to any applicable treaty. If you are a foreign investor (i.e., an investor other than a U.S. citizen or resident or a U.S. corporation, partnership, estate or trust), you may not be subject to U.S. federal income taxes, including withholding taxes, on some or all of the income from your trust or on any gain from the sale or redemption of your units, provided that certain conditions are met. You should consult your tax advisor with respect to the conditions you must meet in order to be exempt for U.S. tax purposes. Distributions in respect of units may be subject to a U.S. withholding tax of 30% in the case of distributions to (i) certain non-U.S. financial institutions that have not entered into an agreement with the U.S. Treasury to collect and disclose certain information and are not resident in a jurisdiction that has entered into such an agreement with the U.S. Treasury and (ii) certain other non- U.S. entities that do not provide certain certifications and information about the entity's U.S. owners. Dispositions of units by such persons may be subject to such withholding after December 31, 2018. You should also consult your tax advisor with respect to other U.S. tax withholding and reporting requirements.

Some distributions by your trust may be subject to foreign withholding taxes. Any income withheld will still be treated as income to you. Under the grantor trust rules, you are considered to have paid directly your share of any foreign taxes that are paid. Therefore, for U.S. tax purposes, you may be entitled to a foreign tax credit or deduction for those foreign taxes.

Under certain circumstances, a RIC may elect to pass through to its shareholders certain foreign taxes paid by the RIC. If a RIC makes this election with respect to RIC Shares, you must include in your income for federal income tax purposes your portion of such taxes and you may be entitled to a credit or deduction for such taxes.

If any U.S. investor is treated as owning directly or indirectly 10 percent or more of the combined voting power of the stock of a foreign corporation, and all U.S. shareholders of that corporation collectively own more than 50 percent of the vote or value of the stock of that corporation, the foreign corporation may be treated as a controlled foreign corporation (CFC). If you own 10 percent or more of a CFC (through your trust and in combination with your other investments) or possibly if your trust owns

10 percent or more of a CFC, you will be required to include certain types of the CFC's income in your taxable income for federal income tax purposes whether or not such income is distributed to your trust or to you.

A foreign corporation will generally be treated as a passive foreign investment company ("PFIC") if 75 percent or more of its income is passive income or if 50 percent or more of its assets are held to produce passive income. If your trust purchases shares in a PFIC, you may be subject to U.S. federal income tax on a portion of certain distributions or on gains from the disposition of such shares at rates that were applicable in prior years and any gain may be recharacterized as ordinary income that is not eligible for the lower net capital gains tax rate. Additional charges in the nature of interest may also be imposed on you. Certain elections may be available with respect to PFICs that would limit these consequences. However, these elections would require you to include certain income of the PFIC in your taxable income even if not distributed to the trust or to you, or require you to annually recognize as ordinary income any increase in the value of the shares of the PFIC, thus requiring you to recognize income for federal income tax purposes in excess of your actual distributions from PFICs and proceeds from dispositions of PFIC stock during a particular year. Dividends paid by PFICs are not eligible to be taxed at the net capital gains tax rate.

NEW YORK TAX STATUS. Under the existing income tax laws of the State and City of New York, your trust will not be taxed as a corporation subject to the New York state franchise tax or the New York City general corporation tax. You should consult your tax advisor regarding potential foreign, state or local taxation with respect to your units.

OTHER MATTERS

LEGAL MATTERS. Chapman and Cutler LLP acts as counsel for the sponsor and the trust. Dorsey & Whitney LLP acts as counsel for the trustee.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM. The "Statement of Financial Condition" and the "Portfolio of Investments" in this prospectus are included herein in reliance upon the report of Grant Thornton LLP, independent registered public accounting firm, and upon the authority of that firm as experts in accounting and auditing.

ADDITIONAL INFORMATION. This prospectus does not contain all the information in the registration statement that the trust filed with the Securities and Exchange Commission. The Information Supplement, which was filed with the Securities and Exchange Commission, includes more detailed information about the investment risks and certain information about the trust. You can obtain the Information Supplement by contacting the sponsor or the Securities and Exchange Commission as indicated on the back cover of this prospectus. This prospectus incorporates the Information Supplement by reference (it is legally considered part of this prospectus).



**TAX-ADVANTAGED GROWTH & INCOME TRUST,
SERIES 12
(SMART TRUST 285)**

(A UNIT INVESTMENT TRUST)

PROSPECTUS

DATED: DECEMBER 20, 2016

SPONSOR:

HENNION & WALSH

2001 Route 46, Waterview Plaza
Parsippany, New Jersey 07054
973-299-8989

TRUSTEE:

THE BANK OF NEW YORK MELLON
2 Hanson Place, 12th Floor
Brooklyn, New York 11217
877-363-3613

This prospectus does not contain all of the information set forth in the registration statement, filed with the Securities and Exchange Commission under the Securities Act of 1933 (file no. 333-213885), and the Investment Company Act of 1940 (file no. 811-21429), and to which reference is made. Information, including the information supplement, may be reviewed and copied at the Securities and Exchange Commission's Public Reference Room in Washington, D.C., and information on the Public Reference Room may be obtained by calling the Securities and Exchange Commission at 1-202-551-8090. Copies may be obtained from the Securities and Exchange Commission by:

- visiting the Securities and Exchange Commission Internet address:
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- electronic request (after paying a duplicating fee) at the following E-mail address:
publicinfo@sec.gov
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100 F Street, N.E., Washington, D.C. 20549 (after paying a duplicating fee)