

# Preferreds Plus Trust

Series 12

## A 2 Year Unit Investment Trust

### Investment Objective

The trust seeks to provide investors with current income and the possibility of capital appreciation. There is no guarantee that the investment objective of the trust will be achieved.

### Investment Strategy

The Trust seeks to achieve its objective by investing in a portfolio of preferred securities plus target maturity Exchange-Traded Funds (ETFs). At least 90% of the Trust will be invested in preferred securities and up to 10% in ETFs, at the time of selection.

### Preferred Securities

- Preferred securities represent ownership in a corporation and have both bond and stock-like features.
- Preferred securities typically pay a fixed income, have a par value, hold a credit rating, but are also traded on major exchanges.
- Preferred securities generally have a dividend that must be paid out before dividends to common shareholders.
- Preferred securities also have a prior claim on capital versus common shares in the event of liquidation.
- Preferred securities typically have a higher stated dividend payout than the corporation's common shares and even bonds.

### Exchange-Traded Funds

For the ETF segment of the portfolio, the sponsor selected a basket of "laddered" target-maturity, fixed-income ETFs. These ETFs invest primarily in corporate bonds that may be investment grade or high yield. These ETFs combine the benefits of bonds – control of portfolio maturity, yield and credit quality – with the broad diversification, liquidity and convenience of ETFs.

### Description of Portfolio

|  |   |
|--|---|
| INCEPTION DATE:                                | March 17, 2020                          |
| TERMINATION DATE:                              | March 18, 2022                          |
| INITIAL OFFER PRICE                            | \$10.00                                 |
| MINIMUM INVESTMENT                             | 100 units<br>(may vary by selling firm) |
| NUMBER OF ISSUES:                              | 43                                      |
| DISTRIBUTIONS: <sup>1</sup>                    | MONTHLY (if any)                        |
| HISTORICAL 12-MONTH DISTRIBUTION: <sup>2</sup> | \$0.5559 (per unit)                     |
| CUSIP (CASH):                                  | 831926 100                              |
| CUSIP (REINVESTMENT):                          | 831926 118                              |
| FEE-BASED CUSIP (CASH):                        | 831926 126                              |
| FEE-BASED CUSIP (REINVESTMENT):                | 831926 134                              |
| TICKER:  | SMPPLX                                  |

<sup>1</sup>Distributions, if any, will be made commencing on April 25, 2020.

<sup>2</sup>The Historical 12-Month Distribution of Trust Holdings is calculated by taking the weighted average of the regular income distributions paid by the securities included in the trust's portfolio over the 12 months preceding the trust's date of deposit reduced to account for the effects of trust fees and expenses. This historical distribution is for illustrative purposes only and is not indicative of amounts that will actually be distributed by the trust. The distributions paid by the trust may be higher or lower than the amount shown above due to factors including, but not limited to, changes in the price of trust units, changes (including reductions) in distributions paid by issuers, changes in actual trust expenses and sales of securities in the portfolio. There is no guarantee that the issuers of the securities included in the trust will pay any distributions in the future.

**Investors should consider the trust's investment objective, risks, charges and expenses carefully before investing. The prospectus contains this and other information relevant to an investment in the trust. Please read the prospectus carefully before you invest. If a prospectus did not accompany this literature, please contact SmartTrust at (888) 505-2872 to obtain a free prospectus.**



### Sales Charges<sup>3</sup> (based on a \$10 public offering price)

| Standard Accounts                         |          |       |
|---|----------|-------|
| Transactional Sales Charge:               | Initial  | 0.00% |
|   | Deferred | 2.25% |
| Creation & Development Fee <sup>4</sup> : |          | 0.50% |
| Maximum Sales Charge:                     |          | 2.75% |

The initial sales charge is paid at the time of purchase and is the difference between the total sales charge (maximum of 2.75% of the public offering price) and the sum of the remaining deferred sales charge and the total creation and development fee. When the public offering price per unit is less than or equal to \$10, you will not pay an initial sales fee. When the public offering price per unit is greater than \$10 per unit, you will pay an initial sales fee.

The deferred sales charge is a charge of \$0.225 per unit and will be deducted in three monthly installments commencing on August 20, 2020. The initial and deferred sales fees do not apply to fee-based accounts. Please see the prospectus for sales charge details.

| Fee/Wrap Accounts                         |       |
|---|-------|
| Creation & Development Fee <sup>4</sup> : | 0.50% |
| Maximum Sales Charge:                     | 0.50% |

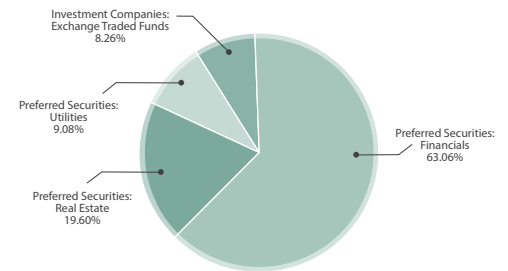
<sup>3</sup>Percentages are based on a \$10.00 per unit offering price. For unit prices other than \$10.00, percentages of initial sales charge, creation and development fee, and deferred sales charges will vary. Early redemption will still cause payment of the deferred sales charge. The table above shows the initial offering period sales charges only.

<sup>4</sup>The creation and development fee is a charge of \$.050 per unit collected at the end of the initial offering period. If the price you pay exceeds \$10 per unit, the creation and development fee will be less than 0.50%; if the price you pay is less than \$10 per unit, the creation and development fee will exceed 0.50%. In addition to the sales charges listed, UITs are subject to annual operating expenses and organization costs.

## Portfolio Holdings as of March 17, 2020:

| PREFERRED SECURITIES – 91.74% |   | Real Estate – 19.60%                 |   |
|-------------------------------|---|--------------------------------------|---|
| <b>Financials – 63.06%</b>    |   | AMH G                                | American Homes 4 Rent, Series G, 5.875%                 |
| ALL G                         | Allstate Corporation, Series G, 5.625%                        | BPYP                                 | Brookfield Property Partners L.P., Series A-1, 6.500%   |
| AHL C                         | Aspen Insurance Holdings Ltd, Series C, 5.950%                | DLR K                                | Digital Realty Trust, Inc., Series K, 5.850%            |
| BAC B                         | Bank of America Corporation, Series GG, 6.000%                | KIM M                                | Kimco Realty Corporation, Series M, 5.250%              |
| BAC K                         | Bank of America Corporation, Series HH, 5.875%                | PSB X                                | PS Business Parks, Inc., Series X, 5.250%               |
| COF I                         | Capital One Financial Corporation, Series I, 5.000%           | PSA F                                | Public Storage, Series F, 5.150%                        |
| CIT B                         | CIT Group Inc., Series B, 5.625%                              | PSA G                                | Public Storage, Series G, 5.050%                        |
| C K                           | Citigroup Inc., Series K, 6.875%                              | SRC A                                | Spirit Realty Capital Inc., Series A, 6.000%            |
| FITBI                         | Fifth Third Bancorp, Series I, 6.625%                         | <b>Utilities – 9.08%</b>             |   |
| FRC H                         | First Republic Bank, Series H, 5.125%                         | ALP Q                                | Alabama Power Company, Series A, 5.000%                 |
| GS J                          | The Goldman Sachs Group, Inc., Series J, 5.500%               | DUK A                                | Duke Energy Corporation, Series A, 5.750%               |
| HIG G                         | The Hartford Financial Services Group, Inc., Series G, 6.000% | NI B                                 | NiSource, Inc., Series B, 6.500%                        |
| JPM D                         | JPMorgan Chase & Co., Series DD, 5.750%                       | SR A                                 | Spire Inc., Series A, 5.900%                            |
| JPM C                         | JPMorgan Chase & Co., Series EE, 6.000%                       | <b>INVESTMENT COMPANIES – 8.26%</b>  |   |
| KEY K                         | KeyCorp, Series G, 5.625%                                     | <b>Exchange Traded Funds – 8.26%</b> |   |
| MET E                         | MetLife, Inc., Series E, 5.625%                               | BSCN                                 | Invesco BulletShares 2023 Corporate Bond ETF            |
| MS F                          | Morgan Stanley, Series F, 6.875%                              | BSJN                                 | Invesco BulletShares 2023 High Yield Corporate Bond ETF |
| MS I                          | Morgan Stanley, Series I, 6.375%                              | BSCO                                 | Invesco BulletShares 2024 Corporate Bond ETF            |
| PNC P                         | The PNC Financial Services Group, Inc., Series P, 6.125%      | BSJO                                 | Invesco BulletShares 2024 High Yield Corporate Bond ETF |
| RF B                          | Regions Financial Corporation, Series B, 6.375%               | BSCP                                 | Invesco BulletShares 2025 Corporate Bond ETF            |
| RNR F                         | RenaissanceRe Holdings Ltd., Series F, 5.750%                 |                                      |   |
| STT D                         | State Street Corporation, Series D, 5.900%                    |                                      |   |
| SF B                          | Stifel Financial Corp., Series B, 6.250%                      |                                      |   |
| SIVBP                         | SVB Financial Group, Series A, 5.250%                         |                                      |   |
| WFC Q                         | Wells Fargo & Company, Series Q, 5.850%                       |                                      |   |
| WFC Y                         | Wells Fargo & Company, Series Y, 5.625%                       |                                      |   |
| ZIONO                         | Zions Bancorporation, Series G, 6.300%                        |                                      |   |

## Portfolio Allocation as of March 17, 2020:



## 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 value of preferred securities held by the trust and corporate bonds held by the funds will generally fall if interest rates, in general, rise. No one can predict whether interest rates will rise or fall in the future.
- 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 the funds pay which could reduce your income and cause the value of your units to fall.
- The trust invests in shares of ETFs. Shares of these funds may trade at a discount or premium from their net asset value. If fund shares are sold at a discount, then the trust will receive less than their net asset value. Alternatively, if fund shares are purchased at a premium, then the trust will pay more than their net asset value. These funds are also subject to risks related to factors such as the manager's ability to achieve a fund's objective and 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.
- The trust and certain funds may invest in securities of foreign issuers, which may include companies located in emerging markets. These risks may include market and political factors related to the company's foreign market, international trade conditions, less regulation, smaller or less liquid markets, increased volatility, differing accounting practices and changes in the value of foreign currencies.
- Preferred securities combine some of the characteristics of both stocks and bonds. Like bonds, the preferred securities selected for the portfolio pay a fixed rate of income and are sold on the basis of yield. However, like common stocks, they are traded on major exchanges. Preferred securities are "senior securities" which have preference over common stocks, but not debt, of an issuer.
- Preferred securities held by the trust and corporate bonds held by the 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.
- The trust and certain funds 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 is considered to be concentrated in securities issued by companies in the financials sector. Negative developments in this sector will affect the value of your investment more than would be the case in a more diversified investment. Companies in the financial sector include banks and their holding companies, investment managers, broker-dealers, insurance and reinsurance companies and mortgage real estate investment trusts ("REITs"). Financial sector companies are especially subject to the adverse effects of economic recession, decreases in the availability of capital, changes in interest rates, changes in regulations or rules, tax law changes, loan losses, volatility in equity markets, and competition from new entrants in their fields of business.
- The trust and certain funds 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 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.
- The sponsor may offer successive trusts with similar portfolios thereby allowing the investor to pursue the same strategy over a number of years. Investors should consider their ability to pursue investing in successive trusts, if available. There may be tax consequences associated with investing in the trust and rolling over an investment from one trust to the next.