

Tax Free Income Trust

Series 38

A 2 Year Unit Investment Trust

Investment Objective

The trust seeks to provide investors with income which is generally exempt from regular federal income tax. The possibility of capital growth is a secondary objective. There is no guarantee that the investment objectives of the trust will be achieved.

Investment Strategy

The trust seeks to achieve its objectives by investing in a portfolio of Closed-End Funds (CEFs) whose portfolios consist primarily of municipal bonds. In selecting the CEFs, we attempt to identify those that have the ability to maintain consistent dividend distributions exempt from regular federal income taxes.

Factors that typically serve as our primary screening criteria generally include, but are not limited to, the following for the CEFs or underlying holdings within the CEFs:

CLOSED-END FUNDS (CEFs)	✕ Distribution Rate and Frequency
	✕ Earnings/Distribution Coverage Ratio
	✕ Credit Quality
	✕ Premium/Discount to NAV (current and historical)
	✕ Undistributed Net Investment Income
	✕ Effective Leverage
	✕ Historical Performance
	✕ Expense Ratio
	✕ Average Volume

Tax Free vs. Taxable Equivalent Yield¹

FEDERALLY TAX FREE YIELD	2020 FEDERAL TAX RATE				
	22%	24%	32%	35%	37%
	TAXABLE EQUIVALENT YIELD				
3.00%	3.85%	3.95%	4.41%	4.62%	4.76%
4.00%	5.13%	5.26%	5.88%	6.15%	6.35%
5.00%	6.41%	6.58%	7.35%	7.69%	7.94%
6.00%	7.69%	7.89%	8.82%	9.23%	9.52%

Description of Portfolio

INCEPTION DATE:	July 27, 2021
TERMINATION DATE:	July 27, 2023
INITIAL OFFER PRICE	\$10.00
MINIMUM INVESTMENT	100 units (may vary by selling firm)
NUMBER OF ISSUES:	15
DISTRIBUTIONS: ²	MONTHLY (if any)
HISTORICAL 12-MONTH DISTRIBUTION: ³	\$0.4157 (per unit)
CUSIP (CASH):	83205H 341
CUSIP (REINVESTMENT):	83205H 358
FEE-BASED CUSIP (CASH):	83205H 366
FEE-BASED CUSIP (REINVESTMENT):	83205H 374
TICKER:	STTFJX

¹This chart is for educational and illustrative purposes only and should not be regarded as tax advice. Investors should consult a tax professional for more complete information with regard to their specific tax situation.

²Distributions, if any, will be made commencing on August 25, 2021.

³The 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.

Hennion & Walsh is a member of FINRA/SIPC.

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NOT FDIC INSURED • NOT BANK GUARANTEED • MAY LOSE VALUE

Sales Charges⁴ (based on a \$10 public offering price)

Standard Accounts

Transactional Sales Charge:	Initial	0.00%
	Deferred	2.25%
Creation & Development Fee ⁵ :		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 December 20, 2021. 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 ⁴ :	0.50%
Maximum Sales Charge:	0.50%

⁴Percentages 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.

⁵The 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 July 27, 2021:

CLOSED-END FUNDS — 100.00%

BYM	BlackRock Municipal Income Quality Trust
MHD	BlackRock MuniHoldings Fund, Inc.
MUE	BlackRock MuniHoldings Quality Fund II, Inc.
MQT	BlackRock MuniYield Quality Fund II, Inc.
MYI	BlackRock MuniYield Quality Fund III, Inc.
DMF	BNY Mellon Municipal Income Inc.
DSM	BNY Mellon Strategic Municipal Bond Fund, Inc.
KSM	DWS Strategic Municipal Income Trust
EIM	Eaton Vance Municipal Bond Fund
EVN	Eaton Vance Municipal Income Trust
IQI	Invesco Quality Municipal Income Trust
IIM	Invesco Value Municipal Income Trust
NVG	Nuveen AMT-Free Municipal Credit Income Fund
NEA	Nuveen AMT-Free Quality Municipal Income Fund
NAD	Nuveen Quality Municipal Income Fund

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 potential economic impacts of the novel form of coronavirus disease first detected in 2019 (“COVID-19”), which spread rapidly around the globe which led the World Health Organization to declare the COVID-19 outbreak a pandemic in March 2020, are not fully known. The COVID-19 pandemic, or any future public health crisis, are impossible to predict and could result in adverse market conditions which may negatively impact the performance of the securities in the portfolio and the trust.
- 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.
- An issuer may be unable to make interest and/or principal payments in the future. This may reduce the level of income the trust receives which would reduce your income and cause the value of your units to fall. The COVID-19 pandemic has resulted in a decline in economic activity which could negatively impact the ability of borrowers to make principal or interest payment on securities, when due.
- The trust invests in shares of closed-end funds. Shares of these 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.
- The 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 full impact of the COVID-19 pandemic on state and political subdivisions’ ability to make payments on debt obligations is impossible to predict, but could negatively impact the value of bonds, the ability of state and political subdivisions to make payments when due and the performance of the trust.
- The municipal bonds held by the funds are fixed-rate obligations 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 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.
- A portion of distributions from the trust may be subject to the alternative minimum tax. While distributions of interest from the trust are generally exempt from federal income taxes, a portion of such interest may be taken into account in computing 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.
- 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.