

# Tax Free Income Trust

## (2011 SERIES C)

### 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.

#### Benefits of Closed-end Funds (CEFs)

##### DIVERSIFICATION

Most Closed-end Funds will typically have a portfolio of hundreds of underlying issues.

##### MANAGEMENT

Closed-end Funds are actively managed but do not have to focus efforts on liquidity of the fund to fill potentially large redemptions.

##### INCOME

Closed-end funds can be structured to typically provide a more steady income stream than other managed income-based investment products because they are not subjected to the constant inflows and outflows of cash, which can dilute distributions over time. However, as a result of bonds being called, redemptions and advanced refundings, which can dilute a fund's income, the portfolio cannot guarantee consistent monthly income.

##### DISCOUNTS

Due to the sheer volume of daily activity, most Closed-end Funds can purchase securities at significant discounts.

#### Strategy of Portfolio Selection

The Trust seeks to achieve its objectives by investing in a portfolio of the common stock of closed-end investment companies whose portfolio consist primarily of municipal bonds.

#### Description of Portfolio

The portfolio of the Trust contains 16 issues of common stock of closed-end investment companies. 100% of the issues are initially represented by the Sponsor's contracts to purchase.

|  |   |
|--|---|
| INCEPTION DATE:  | March 24, 2011  |
| TERMINATION DATE:  | March 26, 2013  |
| INITIAL OFFER PRICE:                                     | \$10.00   |
| MINIMUM INVESTMENT:                                      | 500 units<br><i>(200 units for purchases by certain qualified retirement accounts<br/>(may vary by selling firm))</i> |
| NUMBER OF ISSUES:  | 16  |
| DISTRIBUTIONS: <sup>1</sup>                              | Monthly, if any   |
| ESTIMATED NET ANNUAL DISTRIBUTION PER UNIT: <sup>2</sup> | \$0.7401  |
| CUSIP (CASH):  | 83173A 104  |
| CUSIP (REINVESTMENT):                                    | 83173A 112  |
| FEE-BASED CUSIP (CASH):                                  | 83173A 120  |
| FEE-BASED CUSIP (REINVESTMENT):                          | 83173A 138  |
| TICKER:  | TFTRCX  |

<sup>1</sup>Distributions, if any, will be made commencing on April 29, 2011. The estimated net annual distribution is expected to decline over time because a portion of the securities included in the portfolio will be sold to pay for organization costs, creation and development fee and deferred sales charge. Distributions will fluctuate as a result of Unitholder redemptions in addition to securities being sold within the portfolio. Distributions are also subject to the ability of issuers to make dividend payments in the future.

<sup>2</sup>The estimated net annual distributions for subsequent years are expected to be less than estimated distributions for the first year because a portion of the securities included in the Trust portfolio will be sold during the first year to pay for organization costs, the creation and development fee and the deferred sales charge.

CONTINUED ON BACK.

Investors should carefully 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 advise your clients to read the prospectus carefully before they invest. If a prospectus did not accompany this literature, please contact HENNION & WALSH at (800) 836-8240 to obtain a free prospectus.

HENNION & WALSH is a member of FINRA/SIPC.

2001 Route 46, Waterview Plaza, Parsippany, NJ 07054 (888) 505-2872 www.smarttrustuit.com

## Portfolio Holdings as of March 24, 2011

| NAME OF ISSUER  | TICKER | PERCENT OF TRUST |
|---|--------|------------------|
| BlackRock Municipal Bond Trust                                    | BBK    | 3.00%            |
| BlackRock Municipal Income Trust II                               | BLE    | 3.00%            |
| BlackRock MuniHoldings Insured Fund II                            | MUE    | 8.00%            |
| BlackRock MuniVest Fund   | MVF    | 8.00%            |
| BlackRock MuniVest Fund II  | MVT    | 6.00%            |
| BlackRock MuniYield Fund  | MYD    | 3.00%            |
| Dreyfus Strategic Municipals                                      | LEO    | 7.00%            |
| Invesco Quality Municipal Investment Trust                        | IQT    | 8.00%            |
| Invesco Van Kampen Advantage Municipal Income Trust II            | VKI    | 8.00%            |
| Invesco Van Kampen Municipal Opportunity Trust                    | VMO    | 3.00%            |
| Invesco Van Kampen Municipal Trust                                | VKQ    | 8.00%            |
| Invesco Van Kampen Select Sector Municipal Trust                  | VKL    | 8.00%            |
| Invesco Van Kampen Trust For Investment Grade Municipals          | VGM    | 8.00%            |
| Invesco Van Kampen Trust For Investment Grade New York Municipals | VTN    | 3.00%            |
| Nuveen Dividend Advantage Municipal Fund 3                        | NZF    | 8.00%            |
| Pioneer Muni High Income Advantage Trust                          | MAV    | 8.00%            |

## Sales Charges<sup>1</sup> (based on a \$10 public offering price):

### STANDARD ACCOUNTS

|                              |          |       |
|------------------------------|----------|-------|
| Transactional Sales Charges: | Initial  | 1.00% |
|                              | Deferred | 2.45% |
| Creation & Development Fee:  |          | 0.50% |
| Maximum Sales Charge:        |          | 3.95% |

The deferred sales charge is a charge of \$0.245 per unit and will be deducted in three monthly installments commencing on July 20, 2011. Investors will not be assessed the initial and deferred sales charge for eligible fee-based accounts and must purchase units in a Fee CUSIP. Please see the prospectus for sales charge details.

### FEE/WRAP ACCOUNTS<sup>2</sup>

|                             |       |
|-----------------------------|-------|
| Creation & Development Fee: | 0.50% |
| Maximum Sales Charge:       | 0.50% |

<sup>1</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>2</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%.

## Volume Discounts

| PURCHASE AMOUNT <sup>3</sup>      | SALES CHARGE |
|-----------------------------------|--------------|
| Less than \$100,000               | 3.95%        |
| \$100,000 but less than \$250,000 | 3.45%        |
| \$250,000 but less than \$500,000 | 3.20%        |
| \$500,000 but less than \$750,000 | 2.95%        |
| \$750,000 or greater              | 2.45%        |

<sup>3</sup>The volume discount is also applied on a unit basis utilizing a breakpoint equivalent in the above table of one unit per \$10. Please see the Trust prospectus for full details. These discounts are only offered during the initial offering period.

## Risk Considerations

An investor can lose money by investing in this Trust. The Trust is not actively managed and will not sell securities in response to ordinary market fluctuations. An investment in this unit investment trust is subject to market risk, which is the possibility that the market values of securities owned by the Trust will decline and that the value of Trust units that you receive in connection with the Trust's termination or a redemption of your units may therefore be less than what you paid for them. There is no guarantee that the Trust will meet its investment objectives, that the securities comprising the portfolio will pay dividends or that the unit price will not decline.

The funds in the Trust portfolio invest primarily in municipal bonds. Municipal bonds are subject to numerous risks, including a decline in value with increases in interest rates, an issuer's worsening financial condition, possible downgrades and changes to income tax regulations. Typically, bonds with longer periods before maturity are more sensitive to interest rate changes.

Closed-end funds are subject to various risks, including management's ability to meet the fund's investment objective, and to manage the fund's portfolio when the underlying securities are redeemed or sold, during periods of market turmoil and as investors' perceptions regarding the funds or their underlying investments change. Unlike open-end funds, which trade at prices based on a current determination of the fund's net asset value, closed-end funds frequently trade at a discount to their net asset value in the secondary market. Certain closed-end funds may employ the use of leverage which increases the volatility of such funds. You will bear not only your share of the Trust's expenses, but also those of the underlying funds. By investing in other funds, the trust incurs greater expenses than you would incur if you invested directly in the funds.

Municipal bonds are subject to numerous risks, including higher interest rates, economic recession, deterioration of the municipal bond market, possible downgrades and defaults of interest and/or principal.

In a declining interest-rate environment, the portfolio may generate less income. Additionally, more bonds in an underlying fund may be called by the issuer, which may decrease the overall income potential of the portfolio. In a rising interest-rate environment, bond prices fall.

Certain funds in the Trust portfolio may invest in securities that are rated below investment-grade and are considered to be "junk" securities. While these lower rated securities offer a higher return potential than higher rated securities, they also involve greater price volatility and greater risk of loss of income and principal and may be more sensitive to interest rate changes and more likely to receive early returns of principal. Certain Funds in the Trust may invest in securities that are rated as investment-grade by only one rating agency. As a result, such split-rated securities may have more speculative characteristics and be subject to a greater risk of default than securities rated as investment-grade by both Moody's and Standard & Poor's.

Income may be subject to state and local taxes and to the alternative minimum tax (AMT). Future laws could eliminate the tax exemption for municipal income. In addition, certain distributions paid by certain funds may be subject to federal, state and local taxes. Hennion & Walsh and its representatives do not provide tax advice. You should consult your tax adviser for further information on tax implications.

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.