

# Defensive 50 Equities Trust

## Series 38

## A 15 Month Unit Investment Trust

### Investment Objective

The trust seeks to provide total return potential in an environment where the stock market may experience a pullback in prices during the life of the trust. Total return may include capital appreciation and dividend income. There is no guarantee that the investment objective of the trust will be achieved.

### Market Study

TIME HORIZON	December 31, 1990 – December 31, 2023
INCREMENTAL TIME PERIOD	Calendar Month
INVESTMENT UNIVERSE	S&P 500 Index
OBJECTIVE	Identify market “pullbacks”, i.e. month declines in stock valuation between 5-10%

### Portfolio Construction

- Identify stocks that outperformed the S&P 500 Index by 5% or more during the majority of the historical pullbacks
- Consider stocks that have positive historical annualized total returns, potentially showing strong performance coming out of pullbacks
- Consider stocks that pay a dividend and have a 2-year beta of less than 1.00
- Construct the final portfolio with 50 equally weighted stock that most closely meet the selection process criteria

More detailed information about the security selection process can be found in the trust’s prospectus.

### Description of Portfolio

INCEPTION DATE:	February 1, 2024
TERMINATION DATE:	May 6, 2025
INITIAL OFFER PRICE	\$10.00
MINIMUM INVESTMENT	100 units (may vary by selling firm)
NUMBER OF ISSUES:	50

### Selection Process Overview

Identify stocks that most closely fit the following criteria and align with the trust’s objective:

Consider stocks within the S&P 500 Index

Outperforming Stocks during Historical Market Pullbacks

Stocks with positive 1, 3, 5, 10 and 15 year annualized total returns

Dividend Paying Stocks

Low Beta Stocks

Select 50 stocks for final portfolio

DISTRIBUTIONS: <sup>1</sup>	MONTHLY (if any)
HISTORICAL 12-MONTH DISTRIBUTION: <sup>2</sup>	\$0.2684 (per unit)
CUSIP (CASH):	83194X 265
CUSIP (REINVESTMENT):	83194X 273
FEE-BASED CUSIP (CASH):	83194X 281
FEE-BASED CUSIP (REINVESTMENT):	83194X 299
MORGAN STANLEY TICKER:	STD5038

<sup>1</sup>Distributions, if any, will be made commencing on February 25, 2024.

<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.**

Hennion & Walsh is a member of FINRA/SIPC. 2001 Route 46, Waterview Plaza, Parsippany, NJ 07054 (888) 505-2872 [www.SmartTrustuit.com](http://www.SmartTrustuit.com)

NOT FDIC INSURED • NOT BANK GUARANTEED • MAY LOSE VALUE

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

Standard Accounts	Transactional Sales Charge:	Initial	0.00%
		Deferred	1.35%
	Creation & Development Fee <sup>4</sup> :		0.50%
	Maximum Sales Charge:		1.85%

The initial sales charge is paid at the time of purchase and is the difference between the total sales charge (maximum of 1.85% 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.

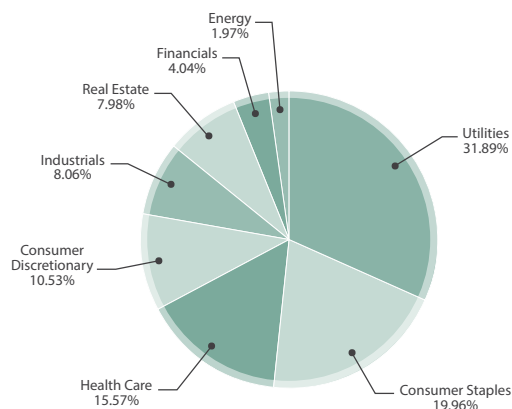
The deferred sales charge is a charge of \$0.135 per unit and will be deducted in three monthly installments commencing on May 20, 2024. The initial and deferred sales fees do not apply to fee-based accounts. Please see the prospectus for sales charge details.

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 Allocation as of February 1, 2024:



## Portfolio Holdings as of February 1, 2024:

EQUITY SECURITIES – 100.00%			
Consumer Discretionary – 10.53%		Industrials – 8.06%	
AZO	AutoZone, Inc.	LMT	Lockheed Martin Corporation
HRB	H&R Block, Inc.	NOC	Northrop Grumman Corporation
PHM	PulteGroup, Inc.	RSG	Republic Services, Inc.
ROST	Ross Stores, Inc.	WM	Waste Management, Inc.
TJX	The TJX Companies, Inc.	Real Estate – 7.98%	
Consumer Staples – 19.96%		AMT	American Tower Corporation
MO	Altria Group, Inc.	ESS	Essex Property Trust, Inc.
KO	The Coca-Cola Company	PSA	Public Storage
CL	Colgate-Palmolive Company	SPG	Simon Property Group, Inc.
GIS	General Mills, Inc.	Utilities – 31.89%	
HSY	The Hershey Company	AEE	Ameren Corporation
SJM	The J. M. Smucker Company	AEP	American Electric Power Company, Inc.
KMB	Kimberly-Clark Corporation	CMS	CMS Energy Corporation
MNST	Monster Beverage Corporation	ED	Consolidated Edison, Inc.
PG	The Procter & Gamble Company	DTE	DTE Energy Company
WMT	Walmart Inc.	DUK	Duke Energy Corporation
Energy – 1.97%		EXC	Exelon Corporation
XOM	Exxon Mobil Corporation	FE	FirstEnergy Corp.
Financials – 4.04%		NI	NiSource Inc.
CINF	Cincinnati Financial Corporation	PNW	Pinnacle West Capital Corporation
MTB	M&T Bank Corporation	PPL	PPL Corporation
Health Care – 15.57%		PEG	Public Service Enterprise Group Incorporated
BSX	Boston Scientific Corporation	SRE	Sempra
CAH	Cardinal Health, Inc.	SO	The Southern Company
LLY	Eli Lilly and Company	WEC	WEC Energy Group, Inc.
HUM	Humana Inc.	XEL	Xcel Energy Inc.
JNJ	Johnson & Johnson		
MCK	McKesson Corporation		
MRK	Merck & Co., Inc.		
UNH	UnitedHealth Group Incorporated		

## 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. Securities selected by the sponsor may not perform as expected during a “pullback.”
- The issuer of a security may be unwilling or unable to declare dividends in the future or may reduce the level of dividends declared. This may reduce the level of distributions the trust pays which could reduce your income and cause the value of your units to fall. The COVID-19 pandemic has resulted in a decline in economic activity and caused many companies to reduce the level of dividends declared and many companies may be unwilling or unable to declare dividends for the foreseeable future. It is also possible that current or future government aid programs could limit companies from paying dividends as a condition to receiving government aid or discourage companies from doing so.
- The trust is considered to be concentrated in securities issued by companies in the utilities sector. Negative developments in this sector will affect the value of your investment more than would be the case in a more diversified investment. General risks of companies in the utilities sector include increases in energy and other commodity prices, the impacts of existing and changing government regulations and the general state of the economy.
- 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.