

North American Aerospace & Defense (NORAAD) Trust

Series 5

A 2 Year Unit Investment Trust

Aerospace & Defense Industry

Despite the setbacks and operational challenges brought on by the COVID-19 pandemic and ongoing turbulence in global economies, analysts are very optimistic about the aerospace and defense (A&D) industry. Annual earnings growth of 12% over the next five years are being forecasted, likely fueled by needed increases in defense spending necessitated by increased military conflict across the world.

- Defense outlays in the United States amounted to \$746 billion U.S. dollars in 2023¹
- Defense spending in the United States is predicted to increase every year over the next decade, totaling approximately \$1.1 trillion in 2033 – that represents an increase of over 47%²
- Emerging technologies in space, supersonics/hypersonics, and Advanced Air Mobility (AAM) are poised to change the industry landscape in the coming years with AAM in the United States alone estimated to reach \$115 billion annually by 2035¹

Investment Objective

The trust seeks total return potential through capital appreciation and dividend income. There is no guarantee that the investment objective of the trust will be achieved.

Investment Strategy

The trust seeks to achieve its objective through investment in equity securities of companies that trade on a North American exchange and belong to the “Industrials – Capital Goods – Aerospace & Defense” Global Industry Classification Standard (GICS[®]) industry. In selecting the securities, the sponsor also considered factors including, but not limited to, market capitalization, average trading volume, 12-month dividend yield, trailing twelve-month free cash flow balances, price/earnings ratios, and analyst ratings. The portfolio is not necessarily equally weighted and is weighted based on the sponsor’s view of the total return potential of the selected companies within the aerospace & defense industry over the life of the trust.

¹Deloitte. 2023 aerospace and defense industry outlook. Publication date unknown. Accessed November 13, 2023.

²Statista Research Department. Defense outlays and forecast in the United States from 2000 to 2033. Published November 3, 2023.



Description of Portfolio

INCEPTION DATE:	December 10, 2025
TERMINATION DATE:	December 9, 2027
INITIAL OFFER PRICE:	\$10.00
MINIMUM INVESTMENT:	100 units (may vary by selling firm)
NUMBER OF ISSUES:	30
DISTRIBUTIONS: ³	MONTHLY (if any)
HISTORICAL 12-MONTH DISTRIBUTION: ⁴	\$0.0383 (per unit)
CUSIP (CASH):	83208C 661
CUSIP (REINVESTMENT):	83208C 679
FEE-BASED CUSIP (CASH):	83208C 687
FEE-BASED CUSIP (REINVESTMENT):	83208C 695
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³Distributions, if any, will be made commencing on January 25, 2026.

⁴The 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 Charges and Estimated Expenses⁵

(Based on a \$10 public offering price)

Standard Accounts	Transactional Sales Charge:	Initial	0.000%
		Deferred	2.250%
	Creation & Development Fee: ⁶		0.500%
	Maximum Sales Charge:		2.750%
	Estimated Organization Costs: ⁷		0.566%
	Estimated Annual Operating Expenses: ⁸		0.222%

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 June 20, 2026. 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: ⁶	0.500%
	Maximum Sales Charge:	0.500%
	Estimated Organization Costs: ⁷	0.566%
	Estimated Annual Operating Expenses: ⁸	0.222%

⁵Percentages 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.

⁶The 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%.

⁷Estimated Organization Costs are assessed on a fixed dollar amount per unit basis of \$0.0566 per unit and may be less than estimates. For additional information on organization costs please see the prospectus.

⁸Estimated Annual Operating Expenses include fees for administration, bookkeeping, the trustee, the supervisor and acquired fund fees and expenses. This expense is an estimate based upon an estimated trust size. If the trust does not reach or falls below the estimated size, the actual amount of the operating expenses as a % of unit price may exceed the amount reflected. Please see "Trust Expenses and Charges" in the trusts prospectus for additional information.

Portfolio Holdings as of December 10, 2025:

EQUITY SECURITIES – 100.00%	
Industrials – 100.00%	
AIR	AAR CORP.
AVAV	AeroVironment, Inc.
ATRO	Astronics Corporation
ATI	ATI Inc.
BAESY	BAE Systems plc
BA	The Boeing Company
BWXT	BWX Technologies, Inc.
CDRE	Cadre Holdings, Inc.
CRS	Carpenter Technology Corporation
CW	Curtiss-Wright Corporation
DCO	Ducommun Incorporated
GD	General Dynamics Corporation
GE	General Electric Company
HEI	HEICO Corporation
HWM	Howmet Aerospace Inc.
HII	Huntington Ingalls Industries, Inc.
ISSC	Innovative Solutions and Support, Inc.
KTOS	Kratos Defense & Security Solutions, Inc.
LHX	L3Harris Technologies Inc.
LMT	Lockheed Martin Corporation
MRCY	Mercury Systems, Inc.
MOG/A	Moog Inc.
NOC	Northrop Grumman Corporation
RKLB	Rocket Lab Corporation
RTX	RTX Corporation
TATT	TAT Technologies Ltd.
TDG	TransDigm Group, Inc.
VVX	V2X, Inc.
VSEC	VSE Corporation
WWD	Woodward, Inc.

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. Market values of securities held by the trust may fluctuate 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, adverse events impacting a particular industry or sector and/or significant events impacting the entire securities market. The financial condition of an issuer may worsen or its credit ratings may drop, resulting in a reduction in the value of your units. A drop in credit rating generally indicates an increased likelihood of an issuer's risk of default on a loan. Where an issuer's credit rating is decreased, the perceived financial health of the company, the perceived value of the company and the corresponding market value of its equity securities will generally decrease. This may occur at any point in time, including during the initial offering period.
- 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 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 trust is considered to be concentrated in securities issued by companies in the industrials sector and the aerospace and defense industry. Negative developments in this sector or industry may affect the value of your investment more than would be the case in a more diversified investment. General risks of companies in the industrials sector include the general state of the economy, worldwide competition the impacts of existing and changing government regulations and spending, and consumer spending trends. General risks of companies in the aerospace & defense industry include changes in government regulation and spending policies, decreased demand for new equipment and disputes over government contracts.
- The trust invests in stocks of small and mid-size companies. These stocks are often more volatile and have lower trading volumes than stocks 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.