



# Closed-End National Municipal Portfolio

SERIES 16



## UNIT INVESTMENT TRUSTS

### Investment Objective and Principal Investment Strategy

The Closed-End National Municipal Portfolio, Series 16 ("Trust") seeks to provide high current income and the potential for capital appreciation. The Trust contains common stocks of closed-end investment companies ("closed-end funds"), the majority of which contain portfolios that are concentrated in tax-free municipal bonds, which are rated investment-grade ("Baa" or "BBB" or better) as determined by Moody's Investor Services ("Moody's") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("Standard & Poor's"), respectively.

Income may be subject to state and local taxes as well as the alternative minimum tax. Capital gains, if any, may also be subject to tax. To the extent that any of the underlying closed-end funds invest in anything other than municipal securities, investors may be subject to federal taxes as well.

### Long-Term Strategy

This UIT is part of a long-term strategy. Please consider your ability to invest in successive portfolios, if available, at the applicable sales charge. Call your financial professional today or visit claymore.com to learn more.

### Advantages of Closed-End Funds

Many closed-end funds are designed to periodically distribute income to shareholders. In addition, historically, closed-end funds often trade at a discount to their net asset value and their structure allows for the employment of leverage. These features may help investors realize enhanced total returns.\* Other advantages of closed-end funds include:

- Exchange listing
- Price visibility
- Intra-day trading
- Professional management

As a professionally-selected, defined fixed portfolio of managed closed-end funds, the Trust may provide an extra degree of diversification for those investors seeking monthly-income potential.\*\*

\* There is increased volatility associated with investing in leveraged funds.

\*\* Despite broad diversification, it is important to note that certain closed-end funds selected for the portfolio invest in bonds rated below investment grade (sometimes referred to as "junk bonds"). These bonds are considered speculative and are traditionally subject to greater credit risk and therefore their risk of default may be greater than normal. As such, it is possible that the income streams provided by these closed-end funds may experience less stability than other investments.

### Security Selection

The Sponsor has selected for the portfolio closed-end funds believed to have the best potential to achieve the Trust's investment objective. The Trust seeks to provide monthly income that is exempt from federal income taxes by investing in closed-end funds that invest in tax-free municipal bonds. Municipal bonds generally offer investors the potential for stable tax-free income. However, a portion of the income may be subject to the alternative minimum tax as well as state and local taxes.

When selecting closed-end funds for inclusion in this portfolio the Sponsor looks at numerous factors. These factors include, but are not limited to:

- **Investment Objective.** The Sponsor favors funds that have a clear investment objective in line with the Trust's objective and, based upon a review of publicly available information, appear to be maintaining it.
- **Premium/Discount.** The Sponsor favors funds that are trading at a discount relative to their peers and relative to their long-term average.
- **Consistent Dividend.** The Sponsor favors funds that have a history of paying a consistent and competitive dividend which, in the opinion of the Sponsor, can be maintained.
- **Performance.** The Sponsor favors funds that have a history of strong relative performance (based on market price and net asset value) when compared to their peers and an applicable benchmark.

### PORTFOLIO HOLDINGS

Holdings are as of the date of deposit and are subject to change.

Symbol	Company Name	Symbol	Company Name
BTA	BlackRock Long-Term Municipal Advantage Trust	NMO	Nuveen Municipal Market Opportunity Fund
MUS	BlackRock MuniHoldings Insured Fund, Inc.	NPI	Nuveen Premium Income Municipal Fund
MYD	BlackRock MuniYield Fund, Inc.	NPM	Nuveen Premium Income Municipal Fund 2
KTF	DWS Municipal Income Trust	NPT	Nuveen Premium Income Municipal Fund 4
OIA	Morgan Stanley Municipal Income Opportunities Trust	NQU	Nuveen Quality Income Municipal Fund
PIA	Morgan Stanley Municipal Premium Income Trust	MHI	Pioneer Municipal High Income Trust
IQI	Morgan Stanley Quality Municipal Income Trust	PMO	Putnam Municipal Opportunities Trust
IQT	Morgan Stanley Quality Municipal Investment Trust	VKQ	Van Kampen Municipal Trust
NAD	Nuveen Dividend Advantage Municipal Fund	VKL	Van Kampen Select Sector Municipal Trust
NQI	Nuveen Insured Quality Municipal Fund, Inc.	MMU	Western Asset Managed Municipals Fund, Inc.

**RISK CONSIDERATIONS** As with all investments, you may lose some or all of your investment in the Trust. No assurance can be given that the Trust's investment objective will be achieved. The Trust also might not perform as well as you expect. This can happen for reasons such as these: **Securities prices can be volatile.** The value of your investment may fall over time. Market value fluctuates in response to various factors. These can include stock market movements, purchases or sales of securities by the Trust, government policies, litigation, and changes in interest rates, inflation, the financial condition of the securities' issuer or even perceptions of the issuer. Units of the Trust are not deposits of any bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. **Due to the current state of the economy, the value of the securities held by the Trust may be subject to steep declines or increased volatility due to changes in performance or perception of the issuers.** In the last year, economic activity has declined across all sectors of the economy, and the United States is experiencing increased unemployment. The current economic crisis has affected the global economy with European and Asian markets also suffering historic losses. Extraordinary steps have been taken by the governments of several leading economic countries to combat the economic crisis; however, the impact of these measures is not yet known and cannot be predicted. **The Trust includes closed-end funds.** Closed-end funds are actively managed investment companies that invest in various types of securities. Closed-end funds issue shares of common stock that are traded on a securities exchange. Closed-end funds are

RISK CONSIDERATIONS CONTINUED ON NEXT PAGE

**RISK CONSIDERATIONS (CONTINUED)** subject to various risks, including management's ability to meet the closed-end fund's investment objective and to manage the closed-end fund's portfolio during periods of market turmoil and as investors' perceptions regarding closed-end funds or their underlying investments change. Closed-end funds are not redeemable at the option of the shareholder and they may trade in the market at a discount to their net asset value. Closed-end funds may also employ the use of leverage which increases risk and volatility. Recent instability in the auction rate preferred shares market may affect the volatility of certain closed-end funds, especially those that use leverage or plan to use leverage. **The value of the fixed-income securities in the closed-end funds will generally fall if interest rates, in general, rise.** Typically, fixed-income securities with longer periods before maturity are more sensitive to interest rate changes. **A closed-end fund or an issuer of securities held by a closed-end fund may be unwilling or unable to make principal payments and/or to declare distributions in the future, may call a security before its stated maturity, or may reduce the level of distributions declared.** This may result in a reduction in the value of your units. **The financial condition of a closed-end fund or an issuer of securities held by a closed-end fund 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 primary offering period. **Certain closed-end funds held by the Trust may invest in bonds that are rated below investment-grade and are considered to be "junk" securities.** Below investment-grade obligations are considered to be speculative and are subject to greater market and credit risks, and accordingly, the risk of non-payment or default is higher than with investment-grade securities. In addition, such securities may be more sensitive to interest rate changes and more likely to receive early returns of principal. **Certain closed-end funds held by the Trust may invest in bonds that are rated as investment-grade by only one rating agency.** As a result, such split-rated securities may have more speculative characteristics and are subject to a greater risk of default than securities rated as investment-grade by both Moody's and Standard & Poor's. **Closed-end funds held by the Trust invest in municipal bonds.** Municipal bonds are long-term fixed rate debt obligations that decline in value with increases in interest rates, an issuer's worsening financial condition, a drop in bond ratings or when there is a decrease in the federal income tax rate. Typically, bonds with longer periods before maturity are more sensitive to interest rate changes. Municipal bonds generally generate income exempt from federal income taxation, but may be subject to the alternative minimum tax. In addition, some or all of the income generated by a closed-end fund may not be exempt from regular federal or state income taxes and as a result, the related income paid by the Trust may also be subject to regular federal and state income taxes. Capital gains, if any, may be subject to tax. **Current economic conditions may lead to limited liquidity and greater volatility.** The markets for fixed-income securities, such as those held by the closed-end funds, have experienced periods of illiquidity and volatility since the latter half of 2007. General market uncertainty and consequent repricing risk have led to market imbalances of sellers and buyers, which in turn have resulted in significant valuation uncertainties in a variety of fixed-income securities. These conditions resulted, and in many cases continue to result in, greater volatility, less liquidity, widening credit spreads and a lack of price transparency, with many debt securities remaining illiquid and of uncertain value. These market conditions may make valuation of some of the securities held by the closed-end fund uncertain and/or result in sudden and significant valuation increases or declines in its holdings. **Inflation may lead to a decrease in the value of assets or income from investments. The Sponsor does not actively manage the portfolio.** The Trust will generally hold, and may continue to buy, the same securities even though a security's outlook, rating, market value or yield may have changed. **Please note** that the Sponsor or an affiliate may be engaged as a service provider to certain closed-end funds held by the Trust and therefore certain fees paid by the Trust to such closed-end funds will be paid to the Sponsor or an affiliate for its services to such closed-end funds. **In addition to the expenses of the units of the Trust, the Trust is subject to various expenses of closed-end funds. Please see the Trust prospectus for more complete risk information.**

UITs are fixed and not actively managed. An investment in this fixed portfolio should be made with an understanding of the risks involved with owning various types of investments. Industry predictions may not materialize and securities selected for the Trust may not participate in overall industry growth, if any. There is no guarantee that the portfolio will achieve its investment objective. Units, when redeemed, may be worth more or less than their original purchase price.

This UIT is part of a long-term strategy, and investors should consider their ability to invest in successive portfolios, if available, at the applicable sales charge. There are tax consequences associated with an investment from one series to the next. Investors should consult their tax advisor to determine tax consequences associated with an investment from one portfolio to the next. The federal tax advice contained herein was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer; the advice was written to support the promotion or marketing of the matters addressed, and the taxpayers should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

## PORTFOLIO SUMMARY

Inception Date	November 2, 2009
Termination Date	November 12, 2014
Initial Offer Price	\$10.00
Minimum Investment	\$250.00
Number of Issues	20
Historical Annual Dividend Distribution	\$0.6190
Distributions*	25th day of each month commencing on November 25, 2009, if any

\* The amount of distributions of the Trust may be lower or greater than the above-stated amount due to certain factors that may include, but are not limited to, a change in the dividends paid by issuers, a change in Trust expenses or the sale or maturity of securities in the portfolio. Fees and expenses of the Trust may vary as a result of a variety of factors including the Trust's size, redemption activity, brokerage and other transaction costs and extraordinary expenses.

## TICKETING INFORMATION

CUSIP (cash payment)	18387G729
CUSIP (reinvestment accounts)	18387G737
CUSIP (fee-cash)	18387G745
CUSIP (fee-reinvest)	18387G752
Ticker	CENMPX

## SALES CHARGES

Sales Charge ("S/C") is based on a \$10 per unit offering price.

	Amount Per Unit	Max Per Unit %
Up-front S/C	\$0.100	1.00%
Year One Deferred S/C	\$0.345	3.45%
Creation and Development ("C&D") Fee	\$0.050	0.50%
Total S/C	\$0.495	4.95%

The deferred sales charge ("DSC") will be deducted in monthly installments on the last business day commencing June 2010 and ending October 2010. If units are redeemed prior to the DSC period, the entire DSC will be collected.

For unit prices other than \$10, percentages of initial sales charge, C&D fees, and deferred sales charges will vary. Early redemption of units will still cause payment of the deferred sales charge.

## VOLUME DISCOUNT BREAKPOINTS

Purchase Amount	Sales Charge Reductions (as a % of the Public Offering Price)
Less than \$50,000	0.00%
\$50,000 - \$99,999	0.25%
\$100,000 - \$249,999	0.50%
\$250,000 - \$499,999	1.00%
\$500,000 - \$999,999	2.00%
\$1,000,000 or more	2.90%

## NOT FDIC-INSURED • NOT BANK GUARANTEED • MAY LOSE VALUE



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Investors should consider the investment objectives and policies, risk considerations, charges and ongoing expenses of the UIT carefully before investing. The prospectus contains this and other information relevant to an investment in the Trust. Please read the accompanying prospectus carefully before you invest or send money. If a free prospectus did not accompany this literature, please contact your securities representative or Claymore Securities, Inc.