



# Flaherty & Crumrine Preferred Portfolio

SERIES 20

 UNIT INVESTMENT TRUSTS

Taxable Fixed Income



## Investment Objective and Principal Investment Strategy

The Flaherty & Crumrine Preferred Portfolio, Series 20 ("Trust") primarily seeks to provide high current income with a secondary objective of capital appreciation. The Sponsor has selected Flaherty & Crumrine Incorporated ("Flaherty & Crumrine") to serve as the Trust's portfolio consultant. The portfolio consultant is responsible for assisting the Sponsor with the selection of the Trust's portfolio. The Trust will consist of a diversified portfolio of exchange-listed preferred stocks, trust preferred securities and baby bonds selected from Flaherty & Crumrine's proprietary preferred securities database and its internally generated credit research. In choosing the securities the primary factors include, but are not limited to, credit quality of the issuer and the liquidity and dividend yield of the security as of the Trust's initial date of deposit.

### PORTFOLIO ALLOCATION

Weightings and ratings are as of the date of deposit.

Sector Weightings	
Financial	75.49%
Utilities	21.00%
Communications	2.01%
Consumer, Cyclical	1.00%
Energy	0.50%
<b>TOTAL</b>	<b>100.00%</b>
Standard & Poor's Ratings	
AA+	2.99%
A	1.50%
A-	9.00%
BBB+	25.46%
BBB	16.28%
BBB-	13.77%
BB+	12.50%
BB	9.47%
B	3.52%
N/R	5.51%
<b>TOTAL</b>	<b>100.00%</b>
Moody's Ratings	
Aa2	2.99%
Aa3	3.00%
A1	5.49%
A2	9.51%
A3	14.98%
Baa1	15.52%
Baa2	20.48%
Baa3	16.03%
Ba1	3.50%
Ba2	1.49%
B1	1.00%
N/R	6.01%
<b>TOTAL</b>	<b>100.00%</b>

Credit quality, as rated by Moody's and Standard & Poor's, is an assessment of the credit worthiness of an issuer of a security.

## Security Selection

With assistance from Flaherty & Crumrine, the Sponsor has selected preferred stocks, trust preferred securities and baby bonds believed to have the best potential for high current income with the potential for capital appreciation. The Sponsor believes that an investment in a portfolio of preferred stocks, trust preferred securities and baby bonds offers investors an opportunity to receive many of the income flow advantages of bonds. The Trust is diversified across the listed preferred and baby bonds market, with attention paid to the credit quality of the issuer and the liquidity and dividend yield of the security. As of the Trust's initial date of deposit (the "Inception Date"), at least 80% of the securities included in the Trust are rated in the category of "Baa" or better by Moody's Investors Services, Inc. ("Moody's"), or in the category of "BBB" or better by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("Standard & Poor's"), or in the category of "BBB" or better by Fitch Ratings, Ltd. ("Fitch").

**Preferred Stock.** As of the Inception Date, 32.49% of the Trust consists of preferred stocks. Similar to bonds, many preferred stocks offer a fixed rate of return paid in the form of a dividend and are traded on the basis of their current yield.

Like common stock, most preferred stocks are equity securities representing ownership in a company. Preferred stocks are generally considered "senior securities" and preferred stockholders enjoy preference over common stockholders with regard to dividends and liquidations. For the prospect of a higher yield, preferred stockholders may forfeit or at least be limited in their voting rights. The preferred stocks included in the Trust, if applicable, are traded on the major stock exchanges.

**Trust Preferred Securities.** As of the Inception Date, 55.02% of the Trust consists of trust preferred securities. Trust preferred securities are limited-life preferred securities typically issued by corporations, generally in the form of interest-bearing notes or preferred securities, or by an affiliated business trust of a corporation, generally in the form of beneficial interests in subordinated debentures issued by the corporation, or similarly structured securities, including SATURNS (structured asset trust unit repackagings). Dividend payments of the trust preferred securities generally coincide with interest payments on the underlying obligations. Unlike preferred stocks, distributions for trust preferred securities are generally treated as interest rather than dividends for federal income tax purposes and therefore, are not eligible for the dividends-received deduction. Trust preferred securities and the underlying subordinated debentures typically rank senior to the company's common and preferred stock and junior to the company's senior debt, subordinated debt and other indebtedness.

**Baby Bonds.** As of the Inception Date, 12.49% of the Trust consists of baby bonds. Baby bonds are generally long-term, fixed-income debt securities issued by corporations to raise money and have principal, or face value, amounts under \$1,000. As with other types of bonds, baby bonds usually mature 10 years after they are issued, and some are issued for as long as 30 years. When a baby bond reaches maturity, the issuing organization is required to repay the principal to the bondholder. Because baby bonds are somewhat unusual, they may be more expensive to trade.

## 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](http://claymore.com) to learn more.



Flaherty & Crumrine was formed in 1983 with the express intention of managing portfolios of preferred and debt securities for institutional investors. The firm has experience dating back to 1991 in managing preferred securities funds. Through its experience in the preferred and debt securities markets, Flaherty & Crumrine has developed the expertise necessary to implement the portfolio and interest rate management strategies necessary in seeking to obtain the highest sustainable income.

PARTNER  
FOCUS

**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 invests in preferred securities and trust preferred securities.** Preferred securities are typically subordinated to bonds and other debt instruments in a company's capital structure in terms of priority to corporate income and therefore will be subject to greater risk than those debt instruments. **The Trust includes securities issued by companies in the financial sector.** Companies in the financial sector include banks, insurance companies and investment firms. The profitability of companies in the financial sector is largely dependent upon the availability and cost of capital which may fluctuate significantly in response to changes in interest rates and general economic

RISK CONSIDERATIONS CONTINUED ON PAGE 4

**PORTFOLIO HOLDINGS**

Holdings, weightings and ratings are as of the date of deposit.

Symbol	Company Name	Moody's	S&P	Symbol	Company Name	Moody's	S&P
<b>COMMUNICATIONS (2.01%)</b>				<b>PRE C</b>	PartnerRe Ltd. 6.75%	Baa1	BBB+
<b>CCW</b>	Comcast Corporation 7.00% Due 9/15/2055	Baa1	BBB+	<b>PNH</b>	PNC Capital Trust E 7.75% Due 3/15/2068	Baa1	BBB
<b>CONSUMER, CYCLICAL (1.00%)</b>				<b>PFGB</b>	Principal Financial Group, Inc. 6.518%	Baa3	BB+
<b>PHA</b>	Pulte Homes, Inc. 7.375% Due 6/1/2046	B1	BB	<b>PSB P</b>	PS Business Parks, Inc. 6.70%	Baa3	BB+
<b>ENERGY (0.50%)</b>				<b>PSB H</b>	PS Business Parks, Inc. 7.00%	Baa3	BB+
<b>NXY B</b>	Nexen Inc. 7.35% Due 11/1/2043	Ba1	BB+	<b>PSB O</b>	PS Business Parks, Inc. 7.375%	Baa3	BB+
<b>FINANCIAL (75.49%)</b>				<b>PSB K</b>	PS Business Parks, Inc. 7.95%	Baa3	BB+
<b>ARH B</b>	Arch Capital Group Ltd. 7.875%	Baa3	BBB-	<b>PSA M</b>	Public Storage, Inc. 6.625%	Baa1	BBB
<b>ARH A</b>	Arch Capital Group Ltd. 8.00%	Baa3	BBB-	<b>PSA I</b>	Public Storage, Inc. 7.25%	Baa1	BBB
<b>AXS A</b>	Axis Capital Holdings Ltd. 7.25%	Baa3	BBB	<b>O E</b>	Realty Income Corporation 6.75%	Baa2	BB+
<b>BCS D</b>	Barclays Bank PLC 8.125%	Baa2	BBB+	<b>O D</b>	Realty Income Corporation 7.375%	Baa2	BB+
<b>BBT B</b>	BB&T Capital Trust VI 9.60% Due 8/1/2064	A2	BBB	<b>REG D</b>	Regency Centers Corporation 7.25%	Baa3	BB+
<b>COF B</b>	Capital One Capital II 7.50% Due 6/15/2066	Baa2	BB	<b>REG C</b>	Regency Centers Corporation 7.45%	Baa3	BB+
<b>CRP</b>	Credit Suisse/Guernsey 7.90%	Aa3	BBB+	<b>RF Z</b>	Regions Financing Trust III 8.875% Due 6/15/2078	Ba2	BB+
<b>DFP</b>	Delphi Financial Group, Inc. 7.376% Due 5/15/2037	Ba1	BBB-	<b>RNR C</b>	RenaissanceRe Holdings Ltd. 6.08%	N/R	BBB+
<b>DKT</b>	Deutsche Bank Contingent Capital Trust V 8.05%	Aa3	BBB+	<b>RNR D</b>	RenaissanceRe Holdings Ltd. 6.60%	Baa3	BBB+
<b>DRE O</b>	Duke Realty Corporation 8.375%	Baa3	BB+	<b>STD E</b>	Santander Finance Preferred, S.A. Unipersonal 10.50%	A2	N/R
<b>RE B</b>	Everest Re Capital Trust II 6.20% Due 3/29/2034	Baa1	BBB-	<b>USB G</b>	USB Capital VIII 6.35% Due 12/29/2065	A1	BBB+
<b>FTB C</b>	Fifth Third Capital Trust VII 8.875% Due 5/15/2068	Baa2	BB	<b>USB K</b>	USB Capital XII 6.30% Due 2/15/2067	A1	BBB+
<b>GEA</b>	General Electric Capital Corporation 6.625% Due 6/28/2032	Aa2	AA+	<b>WRB A</b>	W. R. Berkley Capital Trust II 6.75% Due 7/26/2045	Baa3	BBB-
<b>GS B</b>	Goldman Sachs Group, Inc. 6.20%	A3	BBB	<b>WB D</b>	Wachovia Capital Trust X 7.85% Due 12/1/2067	A3	A-
<b>HCS</b>	HSBC Holdings PLC 8.125%	N/R	A-	<b>BWF</b>	Wells Fargo Capital XII 7.875% Due 3/15/2068	A3	A-
<b>JPM K</b>	J.P. Morgan Chase Capital XI 5.875% Due 6/15/2033	A1	BBB+	<b>UTILITIES (21.00%)</b>			
<b>JPM I</b>	JPMorgan Chase & Company 8.625%	A2	BBB+	<b>ALM</b>	Alabama Power Company 5.875% Due 4/1/2047	A2	A
<b>KEY F</b>	KeyCorp Capital X 8.00% Due 3/15/2068	Baa2	BB	<b>AEP A</b>	American Electric Power Company, Inc. 8.75% Due 3/1/2063	Baa3	BB+
<b>MER D</b>	Merrill Lynch Preferred Capital Trust III 7.00%	Baa3	B	<b>CEG A</b>	Constellation Energy Group, Inc. 8.625% Due 6/15/2063	Ba1	BB+
<b>MET B</b>	MetLife, Inc. 6.50%	Baa1	BBB-	<b>EHL</b>	Entergy Louisiana, Inc. 7.60% Due 4/1/2032	A3	A-
<b>MSZ</b>	Morgan Stanley Capital Trust VII 6.60% Due 10/15/2066	A3	BBB	<b>EDT</b>	Entergy Texas, Inc. 7.875% Due 6/1/2039	Baa2	BBB+
<b>MSK</b>	Morgan Stanley Capital Trust VIII 6.45% Due 4/15/2067	A3	BBB	<b>FPC A</b>	FPC Capital I 7.10% Due 5/13/2039	Baa2	BBB-
<b>NCC C</b>	National City Capital Trust IV 8.00% Due 9/15/2047	Baa1	BBB	<b>FPL F</b>	FPL Group Capital, Inc. 8.75% Due 3/1/2069	A3	BBB+
<b>NRU</b>	National Rural Utilities Cooperative Finance Corporation 5.95% Due 2/15/2045	A3	BBB	<b>GPE X</b>	Georgia Power Capital Trust VII 5.875% Due 1/15/2044	A3	BBB+
<b>NRC</b>	National Rural Utilities Cooperative Finance Corporation 6.10% Due 2/1/2044	A3	BBB	<b>GAH</b>	Georgia Power Company 5.70% Due 1/15/2045	A2	A
<b>NRN</b>	National Rural Utilities Cooperative Finance Corporation 6.75% Due 2/15/2043	A3	BBB	<b>GPE A</b>	Georgia Power Company 6.125%	N/R	N/R
<b>PRE D</b>	PartnerRe Ltd. 6.50%	Baa1	BBB+	<b>PLV</b>	PPL Capital Funding, Inc. 6.85% Due 7/1/2047	Baa2	BBB-
				<b>PLS</b>	PPL Energy Supply, LLC 7.00% Due 7/15/2046	Baa2	BBB
				<b>SUG C</b>	Southern Union Company 7.55%	Ba2	BB
				<b>XCJ</b>	Xcel Energy Inc. 7.60% Due 1/1/2068	Baa2	BBB-

Credit quality, as rated by Moody's and Standard & Poor's, is an assessment of the credit worthiness of an issuer of a security.

## PORTFOLIO SUMMARY

Inception Date	October 9, 2009
Termination Date	November 12, 2014
Initial Offer Price	\$10.00
Minimum Investment	\$250.00
Number of Issues	66
Historical Annual Dividend Distributions	\$0.6816
Distributions*	25th day of each month commencing on October 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)	18387G604
CUSIP (reinvestment accounts)	18387G612
CUSIP (fee-cash)	18387G620
CUSIP (fee-reinvest)	18387G638
Ticker	CPRETX

## 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 May 2010 and ending September 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%

**RISK CONSIDERATIONS (CONTINUED)** developments. **The Trust includes REITs.** REITs may concentrate their investments in specific geographic areas or in specific property types, such as, hotels, shopping malls, residential complexes and office buildings. The value of the REITs and other real estate securities and the ability of such securities to distribute income may be adversely affected by several factors, including: rising interest rates; changes in the global and local economic climate and real estate conditions; perceptions of prospective tenants of the safety, convenience and attractiveness of the properties; the ability of the owner to provide adequate management, maintenance and insurance; increased competition from new properties; the impact of present or future environmental legislation and compliance with environmental laws; changes in real estate taxes and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; declines in the value of real estate; the downturn in the subprime mortgage lending market in the United States; and other factors beyond the control of the issuer of the security. **The value of your units 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. **An insurer or an issuer of the securities may be unwilling or unable to make principal payments and/or to declare dividends in the future, may call a security before its stated maturity or may reduce the level of dividends declared.** This may result in a reduction in the value of your units. **The financial condition of an issuer or an insurer of the securities 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 Trust will receive early returns of principal if securities held by the Trust are called or sold before they mature.** If this happens your income will decline and you may not be able to reinvest the money you receive at as high a yield or as long a maturity. **Certain of the securities held by the Trust 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. **The Trust invests in securities 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 investment-grade securities. In addition, such securities may be more sensitive to interest rate changes and more likely to receive early returns of principal. **The Trust invests in securities that are not rated by one or more of the rating agencies.** As a result, it may be difficult to assess the credit quality of such securities. **The Trust invests in U.S.-listed foreign securities.** The Trust's investment in U.S.-listed foreign securities presents additional risk. Securities of foreign issuers present risks beyond those of domestic securities. More specifically, foreign risk is the risk that foreign securities will be more volatile than U.S. securities due to such factors as adverse economic, currency, political, social or regulatory developments in a country, including government seizure of assets, excessive taxation, limitations on the use or transfer of assets, the lack of liquidity or regulatory controls with respect to certain industries or differing legal and/or accounting standards. **The Trust may invest in issuers that are considered to be passive foreign investment companies ("PFICs").** In general, PFICs are certain non-U.S. corporations that receive at least 75% of their annual gross income from passive sources (such as interest, dividends, certain rents and royalties or capital gains) or that hold at least 50% of their assets in investments producing such passive income. As a result of an investment in PFICs, the Trust could be subject to U.S. federal income tax and additional interest charges on gains and certain distributions with respect to those equity interests, even if all the income or gain is distributed to its unitholders in a timely manner. The Trust will not be able to pass through to its unitholders any credit or deduction for such taxes. **Inflation may lead to a decrease in the value of assets or income from investments.** **The Sponsor does not actively manage the portfolio.** The value of your investment may fall over time. 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 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. Units of the portfolio may be well suited for purchase by Individual Retirement Accounts or other qualified retirement plans. Consult an attorney or tax advisor regarding tax consequences associated with the purchase of units. Claymore Securities, Inc. does not offer tax advice.

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



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Member FINRA/SIPC  
10/09  
UITFC-PREF-020

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.