

SECURITIES AND EXCHANGE COMMISSION

FORM 497

Definitive materials filed under paragraph (a), (b), (c), (d), (e) or (f) of Securities Act Rule 497

Filing Date: **1999-03-26**
SEC Accession No. **0000088053-99-000396**

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FILER

KEMPER PORTFOLIOS

CIK: **701638** | IRS No.: **363534358** | State of Incorporation: **MA** | Fiscal Year End: **0731**
Type: **497** | Act: **33** | File No.: **002-76806** | Film No.: **99573825**

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KEMPER INCOME FUNDS
Kemper High Yield Fund
Kemper High Yield Opportunity Fund
Kemper Income And Capital Preservation Fund
Kemper Short-Term U.S. Government Fund*
Kemper Strategic Income Fund**
Kemper U.S. Government Securities Fund
Kemper U.S. Mortgage Fund

SUPPLEMENT TO PROSPECTUS
DATED JANUARY 1, 1999,
AS REVISED FEBRUARY 8, 1999

CLASS I SHARES

* On February 5, 1999, Kemper Short-Intermediate Government Fund was reorganized into Kemper Adjustable Rate U.S. Government Fund. Kemper Adjustable Rate U.S. Government Fund was then renamed Kemper Short-Term U.S. Government Fund, and its objective and policies were changed accordingly.

** Formerly Kemper Diversified Income Fund

The above funds currently offer four classes of shares to provide investors with different purchasing options. These are Class A, Class B and Class C shares, which are described in the funds' prospectus, and Class I shares, which are described in the prospectus as supplemented hereby. When placing purchase orders, investors must specify whether the order is for Class A, Class B, Class C or Class I shares.

Class I shares are available for purchase exclusively by the following categories of institutional investors: (1) tax-exempt retirement plans (Profit Sharing, 401(k), Money Purchase Pension and Defined Benefit Plans) of Scudder Kemper Investments, Inc. ("Scudder Kemper") and its affiliates and rollover accounts from those plans; (2) the following investment advisory clients of Scudder Kemper and its investment advisory affiliates that invest at least \$1 million in a Fund: unaffiliated benefit plans, such as qualified retirement plans (other than individual retirement accounts and self-directed retirement plans); unaffiliated banks and insurance companies purchasing for their own accounts; and endowment funds of unaffiliated non-profit organizations; (3) investment-only accounts for large qualified plans, with at least \$50 million in total plan assets or at least 1000 participants; (4) trust and fiduciary accounts of trust companies and bank trust departments providing fee-based advisory services that invest at least \$1 million in a Fund on behalf of each trust; (5) policy holders under Zurich-American Insurance

March 29, 1999

Group's collateral investment program investing at least \$200,000 in a Fund; and (6) investment companies managed by Scudder Kemper that invest primarily in other investment companies.

Class I shares currently are available for purchase only from Kemper Distributors, Inc. ("KDI"), principal underwriter for the Funds, and, in the case of category 4 above, selected dealers authorized by KDI. Share certificates are not available for Class I shares.

The primary distinctions among the classes of each Fund's shares lie in their initial and contingent deferred sales charge schedules and in their ongoing expenses, including asset-based sales charges in the form of Rule 12b-1 distribution fees. Class I shares are offered at net asset value without an initial sales charge and are not subject to a contingent deferred sales charge or a Rule 12b-1 distribution fee. Also, there is no administrative services fee charged to Class I shares. As a result of the relatively lower expenses for Class I shares, the level of income dividends per share (as a percentage of net asset value) and, therefore, the overall investment return, typically will be higher for Class I shares than for Class A, Class B and Class C shares.

The following information supplements the indicated sections of the prospectus.

PAST PERFORMANCE

The charts and tables contained in the accompanying prospectus provide some indication of the risks of investing in the funds by illustrating how the funds have performed from year to year, and comparing this information to a broad measure of market performance. Of course, past performance is not necessarily an indication of future performance. Additional financial information for those funds which currently have Class I shares outstanding is set forth below.

Average Annual Total Returns -- Class I shares

For periods ended December 31, 1997 -----	One Year -----	Life of Class -----	Inception of Class -----
Kemper High Yield Fund	11.91%	14.45%	12/29/94
Salomon Brothers Long-Term High Yield Bond Index*	17.74%	17.99%**	--

* The Salomon Brothers Long-Term High Yield Bond Index is on a total return basis and is comprised of high yield bonds with a par value of \$50 million or higher and a remaining maturity of ten years or longer rated BB+ or lower by Standard & Poor's Corporation or Ba1 or lower by Moody's Investors Service, Inc. This index is unmanaged. Index returns assume reinvestment of dividends and, unlike fund returns, do not reflect any fees, expenses or

sales charges.

** For the period of 12/31/94 through 12/31/97.

For periods ended December 31, 1997 -----	One Year -----	Life of Class -----	Inception of Class -----
Kemper Income And Capital Preservation Fund	9.02%	7.66%	7/3/95
Lehman Brothers Aggregate Bond Index*	9.65%	7.85%**	--

* The Lehman Brothers Aggregate Bond Index is an unmanaged index generally representative of intermediate-term government bonds, investment grade corporate debt securities, and mortgage backed securities. Index returns assume reinvestment of dividends and, unlike fund returns, do not reflect any fees, expenses, or sales charges.

** For the period of 6/30/95 through 12/31/97.

For periods ended December 31, 1997 -----	One Year -----	Life of Class -----	Inception of Class -----
Kemper U.S. Government Securities Fund	9.35%	7.43%	7/3/95
Salomon Brothers 30-Year GNMA Index*	9.39%	8.27%**	--

* The Salomon Brothers 30-Year GNMA Index is unmanaged, is on a total-return basis with all dividends reinvested and is comprised of GNMA 30-year pass throughs of single family and graduated payment mortgages. In order for a GNMA coupon to be included in the index, it must have at least \$200 million of outstanding coupon product. Index returns assume reinvestment of dividends and, unlike fund returns, do not reflect any fees, expenses or sales charges.

** For the period of 6/30/95 through 12/31/97.

EXPENSE INFORMATION

This information is designed to help you understand the fees and expenses that you may pay if you buy and hold shares of the funds.

Shareholder fees: Fees paid directly from your investment.

Maximum
Sales Maximum Maximum

	Charge (Load) Imposed on Purchases (as a % of offering price) -----	Deferred Sales Charge (Load) (as a % of redemption proceeds) -----	Sales Charge (Load) Imposed on Reinvested Dividends/ Distributions -----	Redemption Fee ---	Exchange Fee ---
Kemper High Yield Fund	None	None	None	None	None
Kemper High Yield Opportunity Fund	None	None	None	None	None

	Maximum Sales Charge (Load) Imposed on Purchases (as a % of offering price) -----	Maximum Deferred Sales Charge (Load) (as a % of redemption proceeds) -----	Maximum Sales Charge (Load) Imposed on Reinvested Dividends/ Distributions -----	Redemption Fee ---	Exchange Fee ---
Kemper Income And Capital Preservation Fund	None	None	None	None	None
Kemper Short-Term U.S. Government Fund	None	None	None	None	None
Kemper Strategic Income Fund	None	None	None	None	None
Kemper U.S. Government Securities Fund	None	None	None	None	None
Kemper U.S. Mortgage Fund	None	None	None	None	None

Annual fund operating expenses: Expenses that are deducted from fund assets.

Total Annual

	Management Fee ---	Distribution (12b-1) Fees -----	Other Expenses* -----	Fund Operating Expenses* -----
Kemper High Yield Fund	0.52%	None	0.08%	0.60%
Kemper High Yield Opportunity Fund	0.65%	None	0.36%	1.01%
Kemper Income And Capital Preservation Fund	0.53%	None	0.13%	0.66%
Kemper Short-Term U.S. Government Fund	0.55%	None	0.19%	0.74%
Kemper Strategic Income Fund	0.56%	None	0.12%	0.68%

	Management Fee ---	Distribution (12b-1) Fees -----	Other Expenses* -----	Total Annual Fund Operating Expenses* -----
Kemper U.S. Government Securities Fund	0.41%	None	0.16%	0.57%
Kemper U.S. Mortgage Fund	0.51%	None	0.13%	0.64%

* Estimated for Kemper Short-Term U.S. Government Fund, Kemper Strategic Income Fund, Kemper High Yield Opportunity Fund and Kemper U.S. Mortgage Fund since no Class I shares were issued as of the respective fiscal year ends.

Example

This example is to help you compare the cost of investing in a fund with the cost of investing in other mutual funds.

This example illustrates the impact of the above fees and expenses on an account with an initial investment of \$10,000, based on the expenses shown above. It assumes a 5% annual return, the reinvestment of all dividends and distributions and "annual fund operating expenses" remaining the same each year. The example

is hypothetical: actual fund expenses and return vary from year to year, and may be higher or lower than those shown.

Fees and expenses if you sold shares after:

	1 Year -----	3 Years -----	5 Years -----	10 Years -----
Kemper High Yield Fund	\$61	\$192	\$335	\$750
Kemper High Yield Opportunity Fund	\$103	\$322	\$558	\$1,236
Kemper Income And Capital Preservation Fund	\$67	\$211	\$368	\$822
Kemper Short-Term U.S. Government Fund	\$76	\$237	\$411	\$918
Kemper Strategic Income Fund	\$69	\$218	\$379	\$847
Kemper U.S. Government Securities Fund	\$58	\$183	\$318	\$714
Kemper U.S. Mortgage Fund	\$65	\$205	\$357	\$798

FINANCIAL HIGHLIGHTS

No financial information is presented for Class I shares of Kemper Short-Term U.S. Government Fund, Kemper Strategic Income Fund, Kemper High Yield Opportunity Fund and Kemper U.S. Mortgage Fund, since no Class I shares were issued as of the respective fiscal year ends of the funds.

Kemper High Yield Fund

CLASS I	Year ended September 30, 1998	1997	1996	December 29, 1994 to September 30, 1995
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Per share operating performance
Net asset value, beginning
of period

\$8.50	8.23	8.01	7.55
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Income from investment
operations:

Net investment income	.76	.78	.78	.66
Net realized and unrealized gain (loss)	(.78)	.31	.23	.39
Total from investment operations	(.02)	1.09	1.01	1.05
Less distribution from net investment income	.80	.82	.79	.59
Net asset value, end of period	\$7.68	8.50	8.23	8.01
Total return (not annualized)	(.66)%	13.96	13.32	14.37
Ratios to average net assets (annualized)				
Expenses	.60%	.62	.61	.61
Net investment income	9.38%	9.44	9.72	10.70

	1998	Year ended September 30,			1994
	1997	1996	1995		
Supplemental data for all classes					
Net assets at end of year (in thousands)	\$4,784,262	4,939,302	4,096,939	3,527,954	3,152,029
Portfolio turnover rate	92%	91	102	99	93

Note: Total return does not reflect the effect of any sales charges.

Kemper Income And Capital Preservation Fund

CLASS I	Year ended October 31,			July 3 to October 31,
	1998	1997	1996	1995
Per share operating performance				
Net asset value, beginning of period	\$8.53	8.45	8.61	8.52
Income from investment operations:				
Net investment income	.56	.59	.60	.19

Net realized and unrealized gain (loss)	.15	.08	(.15)	.12
Total from investment operations	.71	.67	.45	.31
Less distribution from net investment income	.57	.59	.61	.22
Net asset value, end of period	\$8.67	8.53	8.45	8.61
Total return (not annualized)	8.62%	8.26	5.45	3.65
Ratios to average net assets (annualized)				
Expenses	.66%	.70	.72	.62
Net investment income	6.52%	7.02	7.14	6.87

	Year ended October 31,				
	1998	1997	1996	1995	1994
Supplemental data for all classes					
Net assets at end of year (in thousands)	\$694,057	613,470	572,998	649,427	510,432
Portfolio turnover rate	121%	164	74	182	163

Note: Total return does not reflect the effect of any sales charges.

Kemper U.S. Government Securities Fund

	Year ended October 31,			July 3 to October 31,
CLASS I	1998	1997	1996	1995
Per share operating performance				
Net asset value, beginning of period	\$8.81	8.74	8.92	8.88
Income from investment operations:				
Net investment income	.59	.66	.64	.22
Net realized and unrealized				

gain (loss)	.07	.06	(.17)	.04
Total from investment operations	.66	.72	.47	.26
Less distribution from net investment income	.62	.65	.65	.22
Net asset value, end of period	\$8.85	8.81	8.74	8.92
Total return (not annualized)	7.75%	8.60	5.56	3.02
Ratios to average net assets (annualized)				
Expenses	.57%	.60	.59	.53
Net investment income	6.73%	7.52	7.35	7.07

	Year ended October 31,				
	1998	1997	1996	1995	1994
Supplemental data for all classes					
Net assets at end of year (in thousands)	\$3,442,212	3,642,027	4,163,157	4,738,415	4,941,151
Portfolio turnover rate	150%	261	391	362	1,000

Note: Total return does not reflect the effect of any sales charges. Per share data were determined based on average shares outstanding during the year ended October 31, 1998.

SPECIAL FEATURES

Shareholders of a Fund's Class I shares may exchange their shares for (i) shares of Zurich Money Funds -- Zurich Money Market Fund if the shareholders of Class I shares have purchased shares because they are participants in tax-exempt retirement plans of Scudder Kemper and its affiliates and (ii) Class I shares of any other "Kemper Mutual Fund" listed in the prospectus. Conversely, shareholders of Zurich Money Funds -- Zurich Money Market Fund who have purchased shares because they are participants in tax-exempt retirement plans of Scudder Kemper and its affiliates may exchange their shares for Class I shares of "Kemper Mutual Funds" to the extent that they are available through their plan. Exchanges will be made at the relative net asset values of the shares. Exchanges are subject to the limitations set forth in the prospectus.