FORM 487

Pre-effective pricing amendment filed pursuant to Securities Act Rule 487

Filing Date: **1994-03-02**
SEC Accession No. 0000950124-94-000418

FILER

KEMPER DEFINED FUNDS SERIES 14

CIK:**910704**| State of Incorp.:**IL** | Fiscal Year End: **1231**
Type: **487** | Act: **33** | File No.: **033-52231** | Film No.: **94514381**

Business Address
77 W WACKER DRIVE
CHICAGO IL 60601
3125746725

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON MARCH 2, 1994

REGISTRATION NO. 33-52231

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1
TO
REGISTRATION STATEMENT

ON

FORM S-6

FOR REGISTRATION UNDER THE SECURITIES ACT
OF 1933 OF SECURITIES OF UNIT INVESTMENT
TRUSTS REGISTERED ON FORM N-8B-2

A. EXACT NAME OF TRUST:

KEMPER DEFINED FUNDS SERIES 14

B. NAME OF DEPOSITOR:

KEMPER SECURITIES, INC.
(through its Kemper Unit Investment Trusts service)

C. COMPLETE ADDRESS OF DEPOSITOR'S PRINCIPAL EXECUTIVE OFFICES:

KEMPER UNIT INVESTMENT TRUSTS
77 West Wacker Drive, 5th Floor
Chicago, Illinois 60601

D. NAME AND COMPLETE ADDRESS OF AGENT FOR SERVICE:

C. PERRY MOORE
77 West Wacker Drive, 5th Floor
Chicago, Illinois 60601

Copy to:
MARK J. KNEEDY
c/o Chapman and Cutler
111 West Monroe Street
Chicago, Illinois 60603

CALCULATION OF REGISTRATION FEE

<TABLE>
<CAPTION>

TITLE AND AMOUNT OF SECURITIES BEING REGISTERED		PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE
<S>	<C>	<C>	<C>
Series 14	An indefinite number of Units of Beneficial Interest pursuant to Rule 24f-2 under the Investment Company Act of 1940	Indefinite	$500 (previously paid)

</TABLE>

E. APPROXIMATE DATE OF PROPOSED SALE TO PUBLIC:

As soon as practicable after the effective date of the Registration Statement.

/X/ CHECK BOX IF IT IS PROPOSED THAT THIS FILING WILL BECOME EFFECTIVE AT 2 P.M. ON MARCH 2, 1994 PURSUANT TO PARAGRAPH (B) OF RULE 487.

KEMPER DEFINED FUNDS SERIES 14

CROSS-REFERENCE SHEET

(FORM N-8B-2 ITEMS REQUIRED BY INSTRUCTIONS AS
TO THE PROSPECTUS IN FORM S-6)

<TABLE>
<CAPTION>

FORM N-8B-2 ITEM NUMBER	FORM S-6 HEADING IN PROSPECTUS
I. ORGANIZATION AND GENERAL INFORMATION	
<S>	<C>
1. (a) Name of trust................................	Prospectus Front Cover
(b) Title of securities issued...................	Essential Information
2. Name and address of each depositor................	Administration of the Trusts
3. Name and address of trustee.......................	
4. Name and address of principal underwriters.........	Administration of the Trusts
5. State of organization of trust....................	The Trust Funds
6. Execution and termination of trust agreement.......	The Trust Funds; Administration of the Trusts
7. Changes of name...................................	The Trust Funds
8. Fiscal year.......................................	*
9. Litigation..	

<CAPTION>

II. GENERAL DESCRIPTION OF THE TRUST AND SECURITIES OF THE TRUST	
<S>	<C>
10. (a) Registered or bearer securities..............	Unitholders
(b) Cumulative or distributive securities.........	The Trust Funds
(c) Redemption....................................	Redemption
(d) Conversion, transfer, etc.....................	Unitholders; Market for Units
(e) Periodic payment plan.........................	*
(f) Voting rights.................................	Unitholders
(g) Notice of certificateholders..................	Investment Supervision; Administration of the Trusts; Unitholders
(h) Consents required.............................	Unitholders; Administration of the Trusts
(i) Other provisions..............................	Federal Tax Status; Insurance on the Portfolios
11. Type of securities comprising units...............	The Trust Funds; Trust Portfolios
12. Certain information regarding periodic payment certificates.....................................	*
13. (a) Load, fees, expenses, etc.....................	Essential Information; Public Offering of Units; Interest, Estimated Long-Term Return and Estimated Current Return; Expenses of the Trusts
(b) Certain information regarding periodic payment certificates...............................	*
(c) Certain percentages..........................	Essential Information; Public Offering of Units; Insurance on the Portfolios
(d) Certain other fees, etc. payable by holders...	Unitholders
(e) Certain profits receivable by depositor, principal underwriters, trustee or affiliated persons.........................	Expenses of the Trusts; Public Offering of Units
(f) Ratio of annual charges to income............	*
14. Issuance of trust's securities....................	The Trust Funds; Unitholders
15. Receipt and handling of payments from purchasers...	*

</TABLE>

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* Inapplicable, answer negative or not required.

<TABLE>
<CAPTION>

FORM N-8B-2 ITEM NUMBER	FORM S-6 HEADING IN PROSPECTUS
<S>	<C>
16. Acquisition and disposition of underlying securities.......................................	The Trust Funds; Trust Portfolios; Investment Supervision
17. Withdrawal or redemption..........................	Market for Units; Redemption; Public Offering of Units
18. (a) Receipt, custody and disposition of income....	Unitholders
(b) Reinvestment of distributions................	Distribution Reinvestment
(c) Reserves or special funds....................	Expenses of the Trusts
(d) Schedule of distributions....................	*
19. Records, accounts and reports.....................	Unitholders; Redemption; Administration of the Trusts

20. Certain miscellaneous provisions of trust agreement	
(a) Amendment....................................	
	Administration of the Trusts
(b) Termination..................................	
(c) and (d) Trustee, removal and successor........	Administration of the Trusts
(e) and (f) Depositor, removal and successor......	Administration of the Trusts
21. Loans to security holders.........................	*
22. Limitations on liability..........................	Administration of the Trusts
23. Bonding arrangements..............................	*
24. Other material provisions of trust agreement.......	*

<CAPTION>

III. ORGANIZATION, PERSONNEL AND AFFILIATED PERSONS OF DEPOSITOR

<S>	<C>
25. Organization of depositor.........................	Administration of the Trusts
26. Fees received by depositor.........................	See Items 13(a) and 13(e)
27. Business of depositor.............................	Administration of the Trusts
28. Certain information as to officials and affiliated persons of depositor.............................	Administration of the Trusts
29. Voting securities of depositor....................	
	Administration of the Trusts
30. Persons controlling depositor.....................	
31. Payment by depositor for certain services rendered to trust...	
32. Payment by depositor for certain other services rendered to trust................................	*
33. Remuneration of employees of depositor for certain services rendered to trust........................	
34. Remuneration of other persons for certain services rendered to trust................................	
IV. DISTRIBUTION AND REDEMPTION	
35. Distribution of trust's securities by states.......	Public Offering of Units
36. Suspension of sales of trust's securities.........	
37. Revocation of authority to distribute.............	*
38. (a) Method of distribution.......................	Public Offering of Units;
(b) Underwriting agreements......................	Market for Units;
(c) Selling agreements...........................	Public Offering of Units
39. (a) Organization of principal underwriters........	
(b) N.A.S.D. membership of principal underwriters..............................	Administration of the Trusts
40. Certain fees received by principal underwriters....	See Items 13(a) and 13(e)
41. (a) Business of principal underwriters...........	Administration of the Trusts
(b) Branch offices of principal underwriters......	
(c) Salesmen of principal underwriters...........	*
42. Ownership of trust's securities by certain persons..	
43. Certain brokerage commissions received by principal underwriters.....................................	Public Offering of Units

</TABLE>

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* Inapplicable, answer negative or not required.

<TABLE>
<CAPTION>

FORM N-8B-2 ITEM NUMBER	FORM S-6 HEADING IN PROSPECTUS
<S>	<C>
44. (a) Method of valuation..........................	Public Offering of Units
(b) Schedule as to offering price................	*
(c) Variation in offering price to certain persons...................................	Public Offering of Units
45. Suspension of redemption rights...................	Redemption
	Redemption; Market for Units;
46. (a) Redemption valuation.........................	Public Offering of Units
(b) Schedule as to redemption price..............	*
	Market for Units;
47. Maintenance of position in underlying securities...	Public Offering of Units; Redemption

<CAPTION>

V. INFORMATION CONCERNING THE TRUSTEE OR CUSTODIAN

<S>	<C>
48. Organization and regulation of trustee............	Administration of the Trusts
49. Fees and expenses of trustee......................	
50. Trustee's lien....................................	Expenses of the Trusts

<CAPTION>

VI. INFORMATION CONCERNING INSURANCE OF HOLDERS OF SECURITIES

<S>	<C>
51. Insurance of holders of trust's securities.........	Cover Page; Expenses of the Trusts; Insurance on the Portfolios

<CAPTION>

VII. POLICY OF REGISTRANT

52. (a) Provisions of trust agreement with respect to selection or elimination of underlying securities..................................	The Trust Funds; Trust Portfolios; Investment Supervision
(b) Transactions involving elimination of underlying securities.......................	*
(c) Policy regarding substitution or elimination of underlying securities.......................	Investment Supervision
(d) Fundamental policy not otherwise covered......	*
53. Tax status of Trust...............................	Essential Information; Trust Portfolios; Federal Tax Status

VIII. FINANCIAL AND STATISTICAL INFORMATION

54. Trust's securities during last ten years...........	
55.	
56. Certain information regarding periodic payment	*
57. certificates......................................	
58.	
59. Financial statements (Instruction 1(c) to Form S-6)...	*

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* Inapplicable, answer negative or not required.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

PRELIMINARY PROSPECTUS DATED MARCH 2, 1994
SUBJECT TO CHANGE

KEMPER DEFINED FUNDS SERIES 14
INSURED CORPORATE SERIES 3 (INTERMEDIATE LADDERED)
INSURED CORPORATE SERIES 4 (LONG TERM)

Insured Corporate Series 3 and Insured Corporate Series 4 were formed for the purpose of providing a high level of current income through investment in a fixed portfolio consisting primarily of corporate debt obligations issued after July 18, 1984 by utility companies. Each Series also contains zero coupon U.S. Treasury obligations.

Insurance guaranteeing the scheduled payment of principal and interest on all of the Bonds in the portfolio of each Trust other than the U.S. Treasury obligations has been obtained directly by the issuer of such Bonds or by the Sponsor of the Trusts from Municipal Bond Investors Assurance Corporation. See "Insurance on the Portfolios" and "Portfolio." This insurance is effective so long as the Bonds are outstanding. As a result of such insurance, the Bonds so insured in each Trust and the Units of each Trust have received a rating of "Aaa" by Moody's Investors Service, Inc. All the Bonds in each Trust have received a rating of "AAA" by Standard & Poor's Corporation. THE INSURANCE DOES NOT RELATE TO THE UNITS OF THE RESPECTIVE TRUSTS OFFERED HEREBY OR TO THEIR MARKET VALUE. See "Insurance on the Portfolios" on page A-6. No representation is made as to any insurer's ability to meet its commitments.

Units of the Trust are not deposits or obligations of, or guaranteed by, any bank, and Units are not federally insured or otherwise protected by the Federal Deposit Insurance Corporation and involve investment risk including loss of principal. The use of the term "Insured" in the name of the Trust Funds does not mean that the Units of the Trusts are insured by any governmental or private organization. The Units are not insured.

FOR FOREIGN INVESTORS WHO ARE NOT UNITED STATES CITIZENS OR RESIDENTS, INTEREST INCOME FROM EACH TRUST MAY NOT BE SUBJECT TO FEDERAL WITHHOLDING TAXES IF CERTAIN CONDITIONS ARE MET. SEE "FEDERAL TAX STATUS."

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SPONSOR: KEMPER UNIT INVESTMENT TRUSTS
a service of Kemper Securities, Inc.

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The investor is advised to read and retain this Prospectus for future reference.

THE DATE OF THIS PROSPECTUS IS MARCH 2, 1994.

SUMMARY

PUBLIC OFFERING PRICE. The Public Offering Price per Unit during the initial offering period is equal to a pro rata share of the offering prices of the Bonds in each Trust plus or minus a pro rata share of (a) cash, if any, in the Principal Account held or owed by each Trust, (b) Purchased Interest and (c) Daily Accrued Interest plus that sales charge indicated under "Essential Information." The secondary market Public Offering Price per Unit will be based upon a pro rata share of the bid prices of the Bonds in each Trust plus or minus a pro rata share of (a) cash, if any, in the Principal Account held or owed by each Trust (b) Purchased Interest and (c) Daily Accrued Interest plus the applicable sales charge. For sales charges in the secondary market, see "Public Offering of Units--Public Offering Price." The sales charge during the initial offering period is reduced on a graduated scale for sales involving at least $100,000 or 10,000 Units and will be applied on whichever basis is more favorable to the investor. For secondary market transactions the sales charge is reduced on a graduated scale as set forth under "Public Offering of Units--Public Offering Price."

INTEREST AND PRINCIPAL DISTRIBUTIONS. Distributions of the estimated annual interest income to be received by each Trust, after deduction of estimated expenses, will be made monthly. See "Unitholders--Distributions to Unitholders" and "Essential Information." Distributions of funds, if any, in the Principal Account will be made as provided in "Unitholders--Distributions to Unitholders."

REINVESTMENT. Each Unitholder may elect to have distributions of principal or interest or both automatically invested without charge in shares of certain Kemper mutual funds. See "Distribution Reinvestment."

ESTIMATED LONG-TERM RETURN AND ESTIMATED CURRENT RETURN. As of the opening of business on the Date of Deposit, the Estimated Long-Term Returns and the Estimated Current Returns for each Trust were as set forth in "Essential Information." The Estimated Current Return is calculated by dividing the estimated net annual interest income per Unit by the Public Offering Price. The estimated net annual interest income per Unit will vary with changes in fees and expenses of the Trustee, Sponsor and Evaluator and with the principal prepayment, redemption, maturity, exchange or sale of Bonds while the Public Offering Price will vary with changes in the offering price of the underlying Bonds and with changes in the Purchased Interest and Daily Accrued Interest; therefore, there is no assurance that the present Estimated Current Returns will be realized in the future. The Estimated Long-Term Return is calculated using a formula which (1) takes into consideration, and determines and factors in the relative weightings of, the market values, yields (which take into account the amortization of premiums and the accretion of discounts) and estimated retirement dates of all of the Bonds in a Trust and (2) takes into account the expenses and sales charge associated with each Unit. Since the market values and estimated retirement dates of the Bonds and the expenses of a Trust will change, there is no assurance that the present Estimated Long-Term Returns will be realized in the future. The Estimated Current Return and Estimated Long-Term Return are expected to differ because the calculation of Estimated Long-Term Return reflects the estimated date and amount of principal returned while Estimated Current Return calculations include only net annual interest income and Public Offering Price.

MARKET FOR UNITS. After the initial offering period, while under no obligation to do so, the Sponsor intends to maintain a market for the Units and to offer to repurchase such Units at prices subject to change at any time which are based on the aggregate bid side evaluation of the Bonds in each Trust Fund plus Purchased Interest and Daily Accrued Interest.

KEMPER DEFINED FUNDS SERIES 14
INSURED CORPORATE SERIES 3 AND
INSURED CORPORATE SERIES 4

ESSENTIAL INFORMATION
AT THE OPENING OF BUSINESS ON THE DATE OF DEPOSIT
SPONSOR AND EVALUATOR: KEMPER UNIT INVESTMENT TRUSTS, A SERVICE OF KEMPER SECURITIES, INC.
TRUSTEE: INVESTORS FIDUCIARY TRUST COMPANY

	SERIES 3	SERIES 4
Public Offering Price per Unit(1)(2)	$ 10.032	$ 10.000
Principal Amount of Bonds per Unit	$ 10.000	$ 10.000
Estimated Current Return based on Public Offering Price(3)(4)(5)(7)	5.91%	6.88%
Estimated Long-Term Return(3)(4)(5)(7)	6.21%	6.98%
Estimated Normal Annual Distribution per Unit(7)	$ 0.59328	$ 0.68796
Principal Amount of Bonds	$3,750,000	$2,500,000
Number of Units	375,000	250,000
Fractional Undivided Interest per Unit	1/375,000	1/250,000
Calculation of Public Offering Price--Less than 10,000 Units:		
Aggregate Offering Price of Bonds	$3,593,304	$2,378,452
Aggregate Offering Price of Bonds per Unit	$ 9.582	$ 9.514
Purchased Interest(1)	$ 21,944	$ 16,580
Purchased Interest per Unit	$ 0.059	$ 0.066
Total Offering Price and Purchased Interest Per Unit(1)	$ 9.641	$ 9.580
Plus Sales Charge per Unit(9)	$ 0.391	$ 0.420
Public Offering Price per Unit(1)(2)	$ 10.032	$ 10.000
Redemption Price per Unit	$ 9.604	$ 9.516
Sponsor's Initial Repurchase Price per Unit	$ 9.641	$ 9.580
Excess of Public Offering Price per Unit over Redemption Price per Unit	$ 0.428	$ 0.484
Excess Public Offering Price per Unit over Sponsor's Initial Repurchase Price per Unit	$ 0.391	$ 0.420
Calculation of Estimated Net Annual Interest Income per Unit(7):		
Estimated Annual Interest Income	$ 0.60965	$ 0.70425
Less: Estimated Annual Expense	$ 0.01630	$ 0.01620
Estimated Net Annual Interest Income	$ 0.59335	$ 0.68805
Estimated Daily Rate of Net Interest Accrual per Unit	$ 0.001648	$ 0.001911
Trustee's Annual Fee per $1,000 principal amount of Bonds(6)	$ 0.880	$ 0.870
Reduction of Trustee's fee per Unit during the first year(7)	$ None	$ None
Estimated annual interest income per Unit during the first year(7)	$ 0.60965	$ 0.70425
Interest Payments(8):		
First Payment per Unit, representing 22 days	$ 0.03626	$ 0.04204
Estimated Normal Monthly Distribution per Unit	$ 0.04944	$ 0.05733
Estimated Normal Annual Distribution per Unit	$ 0.59328	$ 0.68796
Sales Charge(9):		
As a percentage of Public Offering Price per Unit	3.900%	4.200%
As a percentage of net amount invested	4.056%	4.384%
As a percentage of net amount invested in earning assets	4.081%	4.415%

Evaluations for purposes of sale, purchase or redemption of Units are made as of the close of business of the Sponsor (3:15 p.m. Central Time) next following receipt of an order for a sale or purchase of Units or receipt by Investors Fiduciary Trust Company of Units tendered for redemption.

ESSENTIAL INFORMATION--(CONTINUED)

Date of Trust Agreements	March 2, 1994
First Settlement Date	March 9, 1994
Mandatory Termination Date	December 31, 2027
Evaluator's Annual Evaluation Fee	Maximum of $0.30 per $1,000 principal amount of Bonds
Sponsor's Annual Surveillance Fee	Maximum of $0.25 per $1,000 principal amount of Bonds
Minimum principal value of the Trust under which Trust Agreement may be terminated	40% of the initial aggregate principal

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(1) Purchased interest is the unpaid interest that has accumulated on the Bonds in a Trust from the later of the last payment date on the Bonds or the date of issuance thereof through the First Settlement Date of such Trust. In addition, anyone ordering Units after the Date of Deposit will pay Daily Accrued Interest from the later of the First Settlement Date or the last Record Date for such Trust to the date of settlement (five business days after order). Daily Accrued Interest is the estimated daily rate of net interest accrued on the Bonds in a Trust.

(2) Many unit investment trusts comprised of securities issue a number of units such that each unit represents approximately $1,000 principal amount of underlying securities. The Sponsor, on the other hand, in determining the number of Units for each Trust has elected not to follow this format but rather to provide that number of Units which will establish as close as possible as of the Date of Deposit a $10.00 principal amount of underlying securities per unit.

(3) The Estimated Current Return and Estimated Long-Term Return are increased for transactions entitled to a reduced sales charge. See "Public Offering of Units--Public Offering Price."

(4) The Estimated Current Returns are calculated by dividing the estimated net annual interest income per Unit by the Public Offering Price. The estimated net annual interest income per Unit will vary with changes in fees and expenses of the Trustee, the Sponsor and the Evaluator and with the principal prepayment, redemption, maturity, exchange or sale of Bonds while the Public Offering Price will vary with changes in the offering price of the underlying Bonds and with changes in the Purchased Interest and Daily Accrued Interest; therefore, there is no assurance that the present Estimated Current Returns indicated above will be realized in the future. The Estimated Long-Term Returns are calculated using a formula which (1) takes into consideration, and determines and factors in the relative weightings of, the market values, yields (which takes into account the amortization of premiums and the accretion of discounts) and estimated retirement dates of all of the Bonds in the applicable Trust and (2) takes into account the expenses and sales charge associated with each Trust Unit. Since the market values and estimated retirement dates of the Bonds and expenses of each Trust will change, there is no assurance that the present Estimated Long-Term Returns as indicated above will be realized in the future. The Estimated Current Returns and Estimated Long-Term Returns are expected to differ because the calculation of the Estimated Long-Term Returns reflects the estimated date and amount of principal returned while the Estimated Current Return calculations include only net annual interest income and Public Offering Price.

(5) This figure is based on estimated per Unit cash flows. Estimated cash flows will vary with changes in fees and expenses, with changes in current interest rates and with the principal prepayment, redemption, maturity, call, exchange or sale of the underlying Bonds. The estimated cash flows to Unitholders for the Trusts are either set forth under "Estimated Cash Flows to Unitholders" or are available upon request at no charge from the Sponsor.

(6) See "Expenses of the Trusts."

(7) During the first year, the Trustee has agreed to reduce its fee (and to the extent necessary pay expenses of the Trust Funds) in the amounts stated herein. The Trustee has agreed to the foregoing to cover all or a portion of the interest on any Bonds accruing prior to their expected dates of delivery, since interest will not accrue to the benefit of Unitholders of a Trust Fund until such Bonds are actually delivered to the Trust Fund. The estimated net annual interest income per Unit will remain as indicated. See "The Trust Funds" and "Interest, Estimated Long-Term Return and Estimated Current Return."

(8) Unitholders will receive interest distributions monthly. The Record Date is the first day of the month, commencing April 1, 1994, and the distribution date is the fifteenth day of the month, commencing April 15, 1994.

(9) The sales charge as a percentage of the net amount invested in earning assets will increase as Daily Accrued Interest increases. Transactions subject to quantity discounts (see "Public Offering of Units--Public Offering Price") will have reduced sales charges, thereby reducing all percentages in the table.

THE TRUST FUNDS

GENERAL

Kemper Defined Funds Series 14 includes the following separate unit investment trusts created by the Sponsor under the name Kemper Defined Funds: Insured Corporate Series 3 (Intermediate Laddered) and Insured Corporate Series 4 (Long Term). Series 3 (Intermediate Laddered) and Series 4 (Long Term) are referred to herein collectively as the "Trusts" or the "Trust Funds." The Trusts were created under the laws of the State of Missouri pursuant to a trust indenture (the "Trust Agreement") dated the date of this Prospectus (the "Initial Date of Deposit") between Kemper Unit Investment Trusts, a service of Kemper Securities, Inc. (the "Sponsor"), and Investors Fiduciary Trust Company (the "Trustee").*

Series 3 (Intermediate Laddered) was formed for the purpose of providing a high level of current income through investment in a fixed portfolio consisting primarily of intermediate term corporate debt obligations ("Obligations") issued after July 18, 1984 by utility companies and two zero coupon U.S. Treasury obligations ("Treasury Obligations"). There is, of course, no guarantee that the Trust Fund's objective will be achieved. Corporate and Treasury Obligations are collectively referred to herein as Bonds (the "Bonds").

Series 4 (Long Term) was formed for the purpose of providing a high level of current income through investment in a fixed portfolio consisting primarily of long-term corporate debt obligations issued after July 18, 1984 by utility companies and one zero coupon U.S. Treasury obligation. There is, of course, no guarantee that the Trust Fund's objective will be achieved.

The Trust Funds may be appropriate investment vehicles for investors who desire to participate in a portfolio of intermediate and long-term taxable fixed income securities issued primarily by public utilities with greater diversification than investors might be able to acquire individually. Diversification of the Trusts' assets will not eliminate the risk of loss always inherent in the ownership of securities. In addition, Bonds of the type deposited in the Trust Funds often are not available in small amounts.

On the Initial Date of Deposit, the Sponsor delivered to the Trustee the aggregate principal amount of Bonds indicated under "Essential Information" or contracts for the purchase thereof for deposit in the Trust Funds along with an irrevocable letter of credit issued by a major commercial bank in the amount required for such purchases. In exchange for the Bonds (and contracts) so deposited, the Trustee delivered to the Sponsor documentation evidencing the ownership of that number of Units, respectively, of each Trust indicated under "Essential Information." The Trust Funds initially consist entirely of delivery statements (i.e., contracts) to purchase obligations.

Additional Units of each Trust may be issued at any time by depositing in the Trust additional Bonds or contracts to purchase Bonds together with irrevocable letters of credit or cash. As additional Units are issued by a Trust as a result of the deposit of additional Bonds by the Sponsor, the aggregate value of the Bonds in the Trust will be increased and the fractional undivided interest in the Trust represented by each Unit will be decreased. The Sponsor may continue to make additional deposits of Bonds into a Trust for a period of up to 90 days following the Initial Date of Deposit and up to an additional 90 days with the written consent of MBIA Corporation, provided that such additional deposits will be in principal amounts which will maintain the same original percentage relationship among the principal amounts of the Bonds in the Trust established by the initial deposit of the Bonds. Thus, although additional Units will be issued, each Unit will continue to represent the same principal amount of each Bond, and the percentage relationship among the principal amount of each Bond in a Trust will remain the same.

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* Reference is made to the Trust Agreement, and any statements contained herein are qualified in their entirety by the provisions of the Trust Agreement.

Each Unit initially offered represents that undivided interest in the Trust involved indicated under "Essential Information." To the extent that any Units are redeemed by the Trustee or additional Units are issued as a result of additional Bonds being deposited by the Sponsor, the fractional undivided interest in a Trust represented by each unredeemed Unit will increase or decrease accordingly, although the actual interest in such Trust represented by such fraction will remain unchanged. Units will remain outstanding until redeemed upon tender to the Trustee by Unitholders, which may include the Sponsor, or until the termination of the Trust Agreement.

An investment in Units should be made with an understanding of the risks which an investment in fixed rate debt obligations may entail, including the risk that the value of the portfolio and hence of the Units will decline with increases in interest rates. The value of the underlying Bonds will fluctuate inversely with changes in interest rates. The uncertain economic conditions of recent years, together with the fiscal measures adopted to attempt to deal with them, have resulted in wide fluctuations in interest rates and, thus, in the value of fixed rate debt obligations generally and intermediate and long-term obligations in particular. The Sponsor cannot predict the degree to which such fluctuations will continue in the future.

SERIES INFORMATION

<TABLE>
<CAPTION>

	SERIES 3	SERIES 4
<S>	<C>	<C>
Number of Obligations	7	8
Corporate Debt Obligations(1)(2)	5 (96%)	7 (96%)
U.S. Treasury Obligations(2)	2 (4%)	1 (4%)
Corporate Debt Obligation Concentrations:		
States(2)	None	New York (32%)
Area Concentrations(3)	Northeast (56%)	Northeast (62%)
Average life of the Bonds in the Trust(4)	10.4 years	31 years
Percentage of "when, and as if issued" or "delayed delivery" Bonds purchased by the Trust	None	None
Syndication(5)	None	None

</TABLE>

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(1) The Corporate Debt Obligations deposited in each Trust have been issued by public utility companies.

(2) The portfolio percentage in parenthesis represents the principal amount of such Bonds to the total principal amount of Bonds in the Trust. For a discussion of the risks associated with investments in the bonds of such issuers, see "Trust--Portfolios--General Trust Information."

(3) The percentage provided above represents the percentage of the Principal Amount of Bonds in a Trust that are concentrated in a specific region of the country. An adverse economic climate in a given area may affect an issuer's ability to make payments of principal and/or interest.

(4) The average life of the Bonds in a Trust is calculated based upon the stated maturities of the Bonds in such Trust (or, with respect to Bonds for which funds or securities have been placed in escrow to redeem such Bonds on a stated call date, based upon such call date). The average life of the Bonds in a Trust may increase or decrease from time to time as Bonds mature or are called or sold.

(5) The Sponsor and/or affiliated Underwriters have participated as either the sole underwriter or manager or a member of underwriting syndicates from which approximately that percentage listed above of the aggregate principal amount of the Bonds in such Trust were acquired.

KEMPER DEFINED FUNDS SERIES 14
INSURED CORPORATE SERIES 3

PORTFOLIO
AS OF THE DATE OF DEPOSIT: MARCH 2, 1994

<TABLE>
<CAPTION>

AGGREGATE PRINCIPAL	NAME OF ISSUER(1)(5)	COUPON	MATURITY	RATING(2) MOODY'S	RATING(2) STANDARD & POOR'S	REDEMPTION PROVISIONS(3)	COST OF BONDS TO TRUST(4)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
$ 750,000	Public Service Electric & Gas Company	6.125 %	8/1/2002	Aaa	AAA	Non-Callable	$ 729,855
750,000	Pacific Gas & Electric Company	6.250	8/1/2003	Aaa	AAA	Non-Callable	735,368
750,000	Texas Utilities Electric Company	6.250	10/1/2004	Aaa	AAA	Non-Callable	728,220
75,000	U.S. Treasury Strips(6)	0.000	5/15/2005			Non-Callable	36,001
675,000	Niagara Mohawk Power Corporation	6.625	7/1/2005	Aaa	AAA	Non-Callable	663,046
75,000	U.S. Treasury Strips(6)	0.000	2/15/2006			Non-Callable	34,035
675,000	Pennsylvania Power & Light Company	6.550	3/1/2006	Aaa	AAA	Non-Callable	666,779
$3,750,000							$ 3,593,304

</TABLE>

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See "Notes to Portfolios."

KEMPER DEFINED FUNDS SERIES 14
INSURED CORPORATE SERIES 4

PORTFOLIO
AS OF THE DATE OF DEPOSIT: MARCH 2, 1994

<TABLE>
<CAPTION>

AGGREGATE PRINCIPAL	NAME OF ISSUER(1)(5)	COUPON	MATURITY	RATING(2) MOODY'S	RATING(2) STANDARD & POOR'S	REDEMPTION PROVISIONS(3)	COST OF BONDS TO TRUST(4)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
$ 300,000	Pacific Gas & Electric Company	7.250 %	8/1/2026	Aaa	AAA	2003 @ 103.63	$ 295,719
250,000	Public Service Electric & Gas Company	7.000	9/1/2024	Aaa	AAA	2003 @ 102.74	238,248
300,000	New York Telephone Company	7.250	2/15/2024	Aaa	AAA	2004 @ 103.06	294,174
500,000	Niagara Mohawk Power Corporation	7.875	4/1/2024	Aaa	AAA	2003 @ 103.00	516,370

500,000	Philadelphia Electric Company	7.250	11/1/2024	Aaa	AAA	1998 @ 104.71	483,415
250,000	Texas Utilities Electric Company	7.375	10/1/2025	Aaa	AAA	2003 @ 103.35	248,765
300,000	Virginia Electric & Power Company	7.000	1/1/2024	Aaa	AAA	2004 @ 102.82	287,361
100,000	U.S. Treasury Strips(6)	0.000	11/15/2021				14,400
$2,500,000							$ 2,378,452

</TABLE>

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See "Notes to Portfolios."

NOTES TO PORTFOLIOS:

All Bonds in the Trust Funds except for the U.S. Treasury obligations are insured only by MBIA Corporation. The insurance was obtained either directly by the issuer of the Bonds or by the Sponsor.

* These Bonds are "when, as and if issued" or "delayed delivery" and have expected settlement dates after the "First Settlement Date."

(1) Contracts to acquire Bonds were entered into by the Sponsor between February 25, 1994 and March 1, 1994. All Bonds are represented by regular way contracts, unless otherwise indicated, for the performance of which an irrevocable letter of credit has been deposited with the Trustee.

(2) All the Bonds in the Trusts except for the U.S. Treasury obligations are insured by MBIA Corporation and therefore are rated AAA by Standard & Poor's Corporation and Aaa by Moody's Investors Service, Inc. See "Trust Portfolios--Portfolio Selection" and "Insurance on the Portfolios." Also, the Units of the Trusts are rated Aaa by Moody's Investors Service, Inc. (see "Insurance on the Portfolios."). A Moody's Investors Service, Inc. rating on the units of an insured unit investment trust (hereinafter referred to collectively as "units" and "trusts") is a current assessment of creditworthiness with respect to the investment held by such trust. This assessment takes into consideration the financial capacity of the issuers and of any guarantors, insurers, lessees or mortgagors with respect to such investments. The assessment, however, does not take into account the extent to which trust expenses or portfolio asset sales for less than the trust purchase price will reduce payment to the unitholder of the interest and principal required to be paid on the portfolio assets. In addition, the rating is not a recommendation to purchase, sell or hold units, inasmuch as the rating does not comment as to market price of the units or suitability for a particular investor. Units rated "Aaa" are composed exclusively of assets that are rated "Aaa" by Moody's and/or certain short-term investments. Moody's defines its Aaa rating for such assets as the highest rating assigned by Moody's to a debt obligation. Capacity to pay interest and repay principal is very strong. However, unit ratings may be subject to revision or withdrawal at any time by Moody's and each rating should be evaluated independently of any other rating.

(3) There is shown under this heading the year in which each issue of Bonds is initially or currently redeemable and the redemption price for that year; unless otherwise indicated, each issue continues to be redeemable at declining prices thereafter, but not below par value. The prices at which the Bonds may be redeemed or called prior to maturity may or may not include a premium and, in certain cases, may be less than the cost of the Bonds to a Trust. In addition, certain Bonds in the portfolio may be redeemed in whole or in part other than by operation of the stated redemption provisions under certain unusual or extraordinary circumstances specified in the instruments setting forth the terms and provisions of such Bonds.

(4) During the initial offering period, evaluations of Bonds are made on the basis of current offering side evaluations of the Bonds. The aggregate offering price is greater than the aggregate bid price of the Bonds, which is the basis on which the Redemption Price will be determined for purposes of redemption of Units after the initial offering period.

(5) Other information regarding the Bonds in the Trusts, at the opening of business on the Initial Date of Deposit, is as follows:

<TABLE>
<CAPTION>

	COST OF BONDS TO SPONSOR	PROFIT OR (LOSS) TO SPONSOR	ANNUAL INTEREST INCOME TO TRUST	BID SIDE VALUE OF BONDS
<S>	<C>	<C>	<C>	<C>

Series 3......................	$3,603,610	$(10,306)	$ 228,619	$3,579,495
Series 4......................	$2,387,405	$ (8,953)	$ 176,063	$2,362,457

</TABLE>

The Cost of Bonds to Sponsor and Profit or (Loss) to Sponsor reflect portfolio hedging transaction costs, hedging gains or losses, certain other carrying costs and the cost of insurance obtained by the Sponsor for individual Bonds, if any, prior to the date such Bonds are deposited in a Trust.

"#" indicates that such Bond was issued at an original issue discount. The tax effect of Bonds issued at an original issue discount is described in "Federal Tax Status".

(6) This Bond has been purchased at a deep discount from the par value because there is little or no stated interest income thereon. Bonds which pay no interest are normally described as "zero coupon" bonds. Over the life of bonds purchased at a deep discount the value of such bonds will increase such that upon maturity the holders of such bonds will receive 100% of the principal amount thereof. Approximately 4% and 4% of the aggregate principal amount of the Bonds in Series 3 (Intermediate Laddered) and Series 4 (Long Term) respectively are "zero coupon" bonds.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

UNITHOLDERS
KEMPER DEFINED FUNDS SERIES 14

We have audited the accompanying statements of condition and the related portfolios of Kemper Defined Funds Series 14 (Insured Corporate Series 3 and Insured Corporate Series 4) as of March 2, 1994. The statements of condition and portfolios are the responsibility of the Sponsor. Our responsibility is to express an opinion on such financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of a letter of credit deposited to purchase Bonds by correspondence with the Trustee. An audit also includes assessing the accounting principles used and significant estimates made by the Sponsor, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kemper Defined Funds Series 14 (Insured Corporate Series 3 and Insured Corporate Series 4) as of March 2, 1994, in conformity with generally accepted accounting principles.

GRANT THORNTON

Chicago, Illinois
March 2, 1994

KEMPER DEFINED FUNDS SERIES 14
INSURED CORPORATE SERIES 3 AND INSURED CORPORATE SERIES 4

STATEMENTS OF CONDITION
AT THE OPENING OF BUSINESS ON MARCH 2, 1994, THE DATE OF DEPOSIT

<TABLE>
<CAPTION>

<S>	SERIES 3 <C>	SERIES 4 <C>
INVESTMENT IN BONDS		
Bonds deposited in the Trusts(1)(4)..	$ None	$ None
Contracts to purchase Bonds(1)(4)..	3,593,304	2,378,452
Accrued Interest to First Settlement Date on Bonds(1)(2)................................	47,366	47,803
Total..	$3,640,670	$2,426,255

Number of Units	375,000	250,000
LIABILITIES AND INTEREST OF UNITHOLDERS		
Accrued Interest payable to Sponsor(1)(2)	$ 25,422	$ 31,223
Interest of Unitholders --		
Cost to investors(3)	$3,762,000	$2,500,000
Less: Gross underwriting commission(3)	146,752	104,968
Net interest to Unitholders(1)(2)(3)	$3,615,248	$2,395,032
Total	$3,640,670	$2,426,255

</TABLE>

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NOTES:

(1) The aggregate value of the Bonds listed in each Portfolio and their cost to the Trust are the same. The value of the Bonds is determined by Muller Data Corporation on the bases set forth under "Public Offering of Units--Public Offering Price." The contracts to purchase Bonds are collateralized by an irrevocable letter of credit of $6,066,925 which has been deposited with the Trustee. Of this amount, $5,971,756 relates to the offering price of Bonds to be purchased and $95,169 relates to Purchased Interest on such Bonds to the expected dates of delivery.

(2) Accrued Interest on the underlying Bonds represents the interest accrued as of the First Settlement Date from the later of the last payment date on the Bonds or of the date of issuance thereof. The Trustee may advance to the Trust a portion of the accrued interest on the underlying Bonds for distribution to the Sponsor as the Unitholder of record as of the First Settlement Date. A portion of the accrued interest on the underlying Bonds is payable by investors and is included in the Public Offering Price. This portion is called Purchased Interest and represents the difference between Accrued Interest to First Settlement Date on Bonds and Accrued Interest payable to Sponsor (see "Essential Information").

(3) The aggregate public offering price includes a sales charge for each Trust as set forth under Essential Information, assuming all single transactions involve less than 10,000 Units. For single transactions involving 10,000 or more Units, the sales charge is reduced (see "Public Offering of Units--Public Offering Price") resulting in an equal reduction in both the Cost to investors and the Gross underwriting commission while the Net interest to Unitholders remains unchanged.

(4) Insurance coverage providing for the timely payment of principal and interest on the Bonds in each Trust (other than the U.S. Treasury obligations) has been obtained directly by the issuer of such Bonds or by the Sponsor from Municipal Bond Investors Assurance Corporation or other insurers.

FEDERAL TAX STATUS

In the opinion of Chapman and Cutler, special counsel for the Sponsor, under existing law:

The Trust is not an association taxable as a corporation for United States Federal income tax purposes.

Each Unitholder will be considered the owner of a pro rata portion of each of the Trust assets for Federal income tax purposes under Subpart E, Subchapter J of Chapter 1 of the Internal Revenue Code (the "Code"). Each Unitholder will be considered to have received his pro rata share of interest derived from each Trust asset when such interest is received by the Trust. Each Unitholder will also be required to include in taxable income for Federal income tax purposes, original issue discount with respect to his interest in any Bonds held by the Trust at the same time and in the same manner as though the Unitholder were the direct owner of such interest.

Each Unitholder will have a taxable event when a Bond is disposed of (whether by sale, exchange, redemption, or payment at maturity) or when the Unitholder redeems or sells his Units. The cost of the Units to a Unitholder on the date such Units are purchased is allocated among the Bonds held in the Trust (in accordance with the proportion of the fair market values of such Bonds) in order to determine his tax basis for his pro rata portion in each Bond. Unitholders must reduce the tax basis of their Units for their share of accrued interest received, if any, on Bonds delivered after the date the Unitholders pay for their Units and, consequently, such Unitholders may have an increase in taxable gain or reduction in capital loss upon the disposition of such Units. Gain or loss upon the sale or redemption of Units is measured by comparing the proceeds of such sale or redemption with the adjusted basis of the Units. If the Trustee disposes of Bonds, gain or loss is recognized to the Unitholder. The amount of any such gain or loss is measured by comparing the Unitholder's pro rata share of the total proceeds from such disposition with his basis for his fractional interest in the asset disposed of. The basis of each Unit and of each Bond which was issued with original issue discount (including the U.S. Treasury obligations) must be increased by the amount of accrued original issue discount and the basis of each Unit and of each Bond which was purchased by the Trust at a premium must be reduced by the annual amortization of bond premium which the Unitholder has properly elected to amortize under Section 171 of the Code. The tax cost reduction requirements of the Code relating to amortization of bond premium may, under some circumstances, result in the Unitholder realizing a taxable gain when his Units are sold or redeemed for an amount equal to or less than his original cost. The U.S. Treasury obligations held by the Trust are treated as bonds that were originally issued at an original issue discount provided, pursuant to a Treasury Regulation (the "Regulation") issued on December 28, 1992, that the amount of original issue discount determined under Section 1286 of the Code is not less than a "de minimis" amount as determined thereunder (as discussed below under "Original Issue Discount"). Because the U.S. Treasury obligations represent interests in "stripped" U.S. Treasury bonds, a Unitholder's initial cost for his pro rata portion of each U.S. Treasury obligation held by the Trust (determined at the time he acquires his Units, in the manner described above) shall be treated as its "purchase price" by the Unitholder. Original issue discount is effectively treated as interest for Federal income tax purposes, and the amount of original issue discount in this case is generally the difference between the Bond's purchase price and its stated redemption price at maturity. A Unitholder will be required to include in gross income for each taxable year the sum of his daily portions of original issue discount attributable to the U.S. Treasury obligations held by the Trust as such original issue discount accrues and will, in general, be subject to Federal income tax with respect to the total amount of such original issue discount that accrues for such year even though the income is not distributed to the Unitholders during such year to the extent it is not less than a "de minimis" amount as determined under the Regulation. In general, original issue discount accrues daily under a constant interest rate method which takes into account the semi-annual compounding of accrued interest. In the case of the U.S. Treasury obligations, this method will

generally result in an increasing amount of income to the Unitholders each year. Unitholders should consult their tax advisers regarding the Federal income tax consequences and accretion of original issue discount.

Limitations on Deductibility of Trust Expenses by Unitholders. Each Unitholder's pro rata share of each expense paid by the Trust is deductible by the Unitholder to the same extent as though the expense had been paid directly by him, subject to the following limitation. It should be noted that as a result of the Tax Reform Act of 1986 (the "Act"), certain miscellaneous itemized deductions, such as investment expenses, tax return preparation fees and employee business expenses will be deductible by an individual only to the extent they exceed 2% of such individual's adjusted gross income. Temporary regulations have been issued which require Unitholders to treat certain expenses of the Trust as miscellaneous itemized deductions subject to this limitation.

Acquisition Premium. If a Unitholder's tax basis of his pro rata portion in any Bonds held by the Trust exceeds the amount payable by the issuer of the Bond with respect to such pro rata interest upon the maturity of the Bond, such excess would be considered "acquisition premium" which may be amortized by the Unitholder at the Unitholder's election as provided in Section 171 of the Code. Unitholders should consult their tax advisors regarding whether such election should be made and the manner of amortizing acquisition premium.

Original Issue Discount. Certain of the Bonds of the Trust may have been acquired with "original issue discount." In the case of any Bonds of the Trust acquired with "original issue discount" that exceeds a "de minimis" amount as specified in the Code or in the case of the U.S. Treasury obligations as specified in the Regulation, such discount is includable in taxable income of the Unitholders on an accrual basis computed daily, without regard to when payments of interest on such Bonds are received. The Code provides a complex set of rules regarding the accrual of original issue discount. These rules provide that original issue discount generally accrues on the basis of a constant compound interest rate over the term of the Bonds. Unitholders should consult their tax advisers and to the amount of original issue discount which accrues.

Special original issue discount rules apply if the purchase price of the Bond by the Trust exceeds its original issue price plus the amount of original issue discount which would have previously accrued based upon its issue price (its "adjusted issue price"). Unitholders should also consult their tax advisers regarding these special rules. Similarly these special rules would apply to a Unitholder if the tax basis of his pro rata portion of a Bond issued with original issue discount exceeds his pro rata portion of its adjusted issue price.

Market Discount. If a Unitholder's tax basis in his pro rata portion of Bonds is less than the allocable portion of such Bond's stated redemption price at maturity (or, if issued with original issue discount, the allocable portion of its "revised issue price"), such difference will constitute market discount unless the amount of market discount is "de minimis" as specified in the Code. Market discount accrues daily computed on a straight line basis, unless the Unitholder elects to calculate accrued market discount under a constant yield method. The market discount rules do not apply to the U.S. Treasury obligations because they are stripped debt instruments subject to special original issue discount rules as discussed above. Unitholders should consult their tax advisors as to the amount of market discount which accrues.

Accrued market discount is generally includable in taxable income to the Unitholders as ordinary income for Federal tax purposes upon the receipt of serial principal payments on the Bonds, on the sale, maturity or disposition of such Bonds by the Trust, and on the sale by a Unitholder of Units, unless a Unitholder elects to include the accrued market discount in taxable income as such discount accrues. If a Unitholder does not elect to annually include accrued market discount in taxable income as it accrues, deductions for any interest expense incurred by the Unitholder which is incurred to purchase or carry his Units will be reduced by such accrued market discount. In general, the portion of any interest expense which was not currently deductible would ultimately be deductible when the accrued market discount is included in income. Unitholders should

consult their tax advisers regarding whether an election should be made to include market discount in income as it accrues and as to the amount of interest expense which may not be currently deductible.

Computation of the Unitholder's Tax Basis. The tax basis of a Unitholder with respect to his interest in a Bond is increased by the amount of original issue discount (and market discount, if the Unitholder elects to include market discount, if any, on the Bonds held by the Trust in income as it accrues) thereon properly included in the Unitholder's gross income as determined for Federal income tax purposes and reduced by the amount of any amortized acquisition premium which the Unitholder has properly elected to amortize under Section 171 of the Code. A Unitholder's tax basis in his Units will equal his tax basis in his pro rata portion of all of the assets of the Trust.

Recognition of Taxable Gain or Loss Upon Disposition of Obligations by the Trust or Disposition of Units. A Unitholder will recognize taxable capital gain (or loss) when all or part of his pro rata interest in a Bond is disposed of in a taxable transaction for an amount greater (or less) than his tax basis therefor. Any gain recognized on a sale or exchange and not constituting a realization of accrued "market discount," and any loss will, under current law, generally be capital gain or loss except in the case of a dealer or financial institution. As previously discussed, gain realized on the disposition of the interest of a Unitholder in any Bond deemed to have been acquired with market discount will be treated as ordinary income to the extent the gain does not exceed the amount of accrued market discount not previously taken into income. Any capital gain or loss arising from the disposition of a Bond by the Trust or the disposition of Units by a Unitholder will be short-term capital gain or loss unless the Unitholder has held his Units for more than one year in which case such capital gain or loss will be long-term. For taxpayers other than corporations, net capital gains are subject to a maximum marginal stated tax rate of 28 percent. However, it should be noted that legislative proposals are introduced from time to time that affect tax rates and could affect relative differences at which ordinary income and capital gains are taxed. The tax cost reduction requirements of the Code relating to amortization of bond premium may under some circumstances, result in the Unitholder realizing taxable gain when his Units are sold or redeemed for an amount equal to or less than his original cost.

If the Unitholder disposes of a Unit, he is deemed thereby to have disposed of his entire pro rata interest in all Trust assets including his pro rata portion of all of the Bonds represented by the Unit. This may result in a portion of the gain, if any, on such sale being taxable as ordinary income under the market discount rules (assuming no election was made by the Unitholder to include market discount in income as it accrues) as previously discussed.

"The Revenue Reconciliation Act of 1993" (the "Tax Act") raised tax rates on ordinary income while capital gains would remain subject to a 28 percent maximum stated rate. Because some or all capital gains would be taxed at a comparatively lower rate under the Tax Act, the Tax Act includes a provision that would recharacterize capital gains as ordinary income in the case of certain financial transactions that are "conversion transactions" effective for transactions entered into after April 30, 1993. Unitholders and prospective investors should consult with their tax advisers regarding the potential effect of this provision on their investment in Units.

Foreign Investors. A Unitholder of either Series who is a foreign investor (i.e., an investor other than a U.S. citizen or resident or a U.S. corporation, partnership, estate or trust) will not be subject to United States federal income taxes, including withholding taxes, on interest income on, or any gain from the sale or other disposition of, his pro rata interest in any Bond or the sale of his Units provided that all of the following conditions are met: (i) the interest income or gain is not effectively connected with the conduct by the foreign investor of a trade or business within the United States, (ii) the interest is United States source income (which is the case for most securities issued by United States issuers), the Bond is issued after July 18, 1984 (which is the case for each Bond held by the Trust), the foreign investor does not own, directly or indirectly, 10% or

more of the total combined voting power of all classes of voting stock of the issuer of the Bond and the foreign investor is not a controlled foreign corporation related (within the meaning of Section 864(d)(4) of the Code) to the issuer of the Bond, (iii) with respect to any gain, the foreign investor (if an individual) is not present in the United States for 183 days or more during his or her taxable year and (iv) the foreign investor provides all certification which may be required of his status. Foreign investors should consult their tax advisers with respect to United States tax consequences of ownership of Units.

It should be noted that the Tax Act includes a provision which eliminates the exemption from United States taxation, including withholding taxes, for certain "contingent interest." The provision applies to interest received after December 31, 1993. No opinion is expressed herein regarding the potential applicability of this provision and whether United States taxation or withholding taxes could be imposed with respect to income derived from the Units as a result thereof. Unitholders and prospective investors should consult with their tax advisers regarding the potential effect of this provision on their investment in Units.

General. Each Unitholder (other than a foreign investor who has properly provided the certifications described in the preceding paragraph) will be requested to provide the Unitholder's taxpayer identification number to the Trustee and to certify that the Unitholder has not been notified that payments to the Unitholder are subject to back-up withholding. If the proper taxpayer identification number and appropriate certification are not provided when requested, distributions by the Trust to such Unitholder will be subject to back-up withholding.

The foregoing discussion relates only to United States Federal income taxes; Unitholders may be subject to state and local taxation in other jurisdictions (including a foreign investor's country of residence). Unitholders should consult their tax advisers regarding potential state, local, or foreign taxation with respect to the Units.

TRUST PORTFOLIOS

PORTFOLIO SELECTION

The selection of Bonds for the Trust Funds was based largely upon the experience and judgment of the Sponsor. In making such selections the Sponsor considered the following factors: (a) the price of the Bonds relative to other issues of similar quality and maturity; (b) whether the Bonds were issued by a utility company; (c) the diversification of the Bonds as to location of issuer; (d) the income to the Unitholders of the Trusts; (e) whether the Bonds were insured or the availability and cost of insurance for the scheduled payment of principal and interest on the Bonds; (f) whether the Bonds were issued after July 18, 1984; (g) the stated maturity of the Bonds; and (h) the dates of maturity of the Bonds.

As of the Initial Date of Deposit, all of the Bonds in the Trusts' portfolios other than the U.S. Treasury obligations are rated "Aaa" by Moody's Investors Service, Inc. and "AAA" by Standard & Poor's Corporation. Standard & Poor's Corporation states that "bonds rated AAA have the highest rating assigned by Standard & Poor's to a debt obligation. Capacity to pay interest and principal is extremely strong." Moody's Investors Service, Inc. states that bonds "which are rated Aaa are judged to be the best quality. They carry the smallest degree of investment risk and are generally referred to as 'gilt edge.' Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues. Their safety is so absolute that, with the occasional exception of oversupply in a few specific instances, characteristically, their market value is affected solely by money market fluctuations." See "Insurance on the Portfolios." Subsequent to the Initial Date of Deposit, a Bond may cease to be so rated. If this should occur, a Trust would not be required to eliminate the Bond from the Trust, but such event may be considered in the Sponsor's determination to direct the Trustee to dispose of such investment. See "Investment Supervision."

PUBLIC UTILITY ISSUES

Certain of the aggregate principal amount of the Bonds in each Trust are obligations of public utility issuers. In general, public utilities are regulated monopolies engaged in the business of supplying light, water, power, heat, transportation or means of communication. Historically, the utilities industry has provided investors in securities issued by companies in this industry with high levels of reliability, stability and relative total return on their investments. However, an investment in either of the Trusts should be made with an understanding of the characteristics of such issuers and the risks which such an investment may entail. General problems of such issuers would include the difficulty in financing large construction programs in an inflationary period, the limitations on operations and increased costs and delays attributable to environmental considerations, the difficulty of the capital market in absorbing utility debt, the difficulty in obtaining fuel at reasonable prices and the effect of energy conservation. All of such issuers have been experiencing certain of these problems in varying degrees. In addition, federal, state and municipal governmental authorities may from time to time review existing, and impose additional, regulations governing the licensing, construction and operation of nuclear power plants, which may adversely affect the ability of the issuers of certain of the Bonds in the portfolios to make payments of principal and/or interest on such Bonds.

Utilities are generally subject to extensive regulation by state utility commissions which, for example, establish the rates which may be charged and the appropriate rate of return on an approved asset base, which must be approved by the state commissions. Certain utilities have had difficulty from time to time in persuading regulators, who are subject to political pressures, to grant rate increases necessary to maintain an adequate return on investment and voters in many states have the ability to impose limits on rate adjustments (for example, by initiative or referendum). Any unexpected limitations could negatively affect the profitability of

utilities whose budgets are planned far in advance. Also, changes in certain accounting standards currently under consideration by the Financial Accounting Standards Board could cause significant write-downs of assets and reductions in earnings for many investor-owned utilities. In addition, gas pipeline and distribution companies have had difficulties in adjusting to short and surplus energy supplies, enforcing or being required to comply with long-term contracts and avoiding litigation from their customers, on the one hand, or suppliers, on the other.

Certain of the issuers of the Bonds in the Trusts may own or operate nuclear generating facilities. Governmental authorities may from time to time review existing, and impose additional, requirements governing the licensing, construction and operation of nuclear power plants. Nuclear generating projects in the electric utility industry have experienced substantial cost increases, construction delays and licensing difficulties. These have been caused by various factors, including inflation, high financing costs, required design changes and rework, allegedly faulty construction, objections by groups and governmental officials, limits on the ability to finance, reduced forecasts of energy requirements and economic conditions. This experience indicates that the risk of significant cost increases, delays and licensing difficulties remains present through completion and achievement of commercial operation of any nuclear project. Also, nuclear generating units in service have experienced unplanned outages or extensions of scheduled outages due to equipment problems or new regulatory requirements sometimes followed by a significant delay in obtaining regulatory approval to return to service. A major accident at a nuclear plant anywhere, such as the accident at a plant in Chernobyl, U.S.S.R., could cause the imposition of limits or prohibitions on the operation, construction or licensing of nuclear units in the United States.

In view of the uncertainties discussed above, there can be no assurance that any bond issuer's share of the full cost of nuclear units under construction ultimately will be recovered in rates or of the extent to which a bond issuer could earn an adequate return on its investment in such units. The likelihood of a significantly adverse event occurring in any of the areas of concern described above varies, as does the potential severity of any adverse impact. It should be recognized, however, that one or more of such adverse events could occur and individually or collectively could have a material adverse impact on the financial condition or the results of operations or on a bond issuer's ability to make interest and principal payments on its outstanding debt.

Other general problems of the gas, water, telephone and electric utility industry (including state and local joint action power agencies) include difficulty in obtaining timely and adequate rate increases, difficulty in financing large construction programs to provide new or replacement facilities during an inflationary period, rising costs of rail transportation to transport fossil fuels, the uncertainty of transmission service costs for both interstate and intrastate transactions, changes in tax laws which adversely affect a utility's ability to operate profitably, increased competition in service costs, reductions in estimates of future demand for electricity and gas in certain areas of the country, restrictions on operations and increased cost and delays attributable to environmental considerations, uncertain availability and increased cost of capital, unavailability of fuel for electric generation at reasonable prices, including the steady rise in fuel costs and the costs associated with conversion to alternate fuel sources such as coal, availability and cost of natural gas for resale, technical and cost factors and other problems associated with construction, licensing, regulation and operation of nuclear facilities for electric generation, including among other considerations the problems associated with the use of radioactive materials and the disposal of radioactive wastes, and the effects of energy conservation. Each of the problems referred to could adversely affect the ability of the issuers of any utility Bonds in a Trust to make payments due on these Bonds.

In addition, the ability of state and local joint action power agencies to make payments on bonds they have issued is dependent in large part on payments made to them pursuant to power supply or similar agreements. Courts in Washington and Idaho have held that certain agreements between Washington Public Power Supply

System ("WPPSS") and the WPPSS participants are unenforceable because the participants did not have the authority to enter into the agreements. While these decisions are not specifically applicable to agreements entered into by public entities in other states, they may cause a reexamination of the legal structure and economic viability of certain projects financed by joint action power agencies, which might exacerbate some of the problems referred to above and possibly lead to legal proceedings questioning the enforceability of agreements upon which payment of these bonds may depend.

In 1984, AT&T divested its local telephone operations and created seven new regional holding companies: American Information Technologies Corporation (known as "Ameritech"), Bell Atlantic Corporation, BellSouth Corporation, NYNEX Corporation, Pacific Telesis Group, Southwestern Bell Corporation and US West, Inc. (the "Regional Companies"). The spinoff was effected pursuant to court approval to implement a consent decree relating to antitrust proceedings brought by the U.S. Department of Justice. In addition to providing for the division of assets, work force and stock ownership of the entities that formerly comprised the Bell System, the reorganization called for the termination of many business arrangements that previously existed among the various Bell System companies. In accordance with the consent decree, the Regional Companies provide local exchange telephone service, including exchange access for long distance companies, and may provide directory advertising and new customer equipment. All of the Regional Companies have been granted waivers to engage in a broad range of businesses including foreign consulting, selling real estate, servicing computers and marketing or leasing office equipment. Guidelines established by the District Court waiver to prevent unfair competition require that the new ventures be independently capitalized, separate subsidiaries that together account for less than 10% of the Regional Company's net annual revenue. The Federal Communications Commission ("FCC") has subsequently lifted the structural separation restrictions on marketing customer premises equipment, allowing these activities to be reintegrated into the mainstream business operations. AT&T provides interexchange long distance telephone service in competition with numerous other suppliers, and certain other products and services, and is responsible for certain customer equipment. Since 1984, the impact of the reorganization on the financial condition of these companies has not proved as severe as then expected, mainly due to extensive cost cutting by the Regional Companies to offset the loss of subsidies from AT&T. The Regional Companies continue to be prohibited from providing information services, although they are permitted to provide communications for these services. If the modified final judgment is further modified to lift this prohibition, the Regional Companies could have significant opportunities for expansion of business, although there would also be competitive risks to be assessed. Also, cellular service is providing an increasing component of the net income of several Regional Companies. A prohibition against AT&T rendering information services expired in August 1989.

In addition to the specific circumstances affecting AT&T and the regional holding companies, business conditions of the telephone industry in general may affect the performance of the Trust Fund. General problems of telephone companies include regulation of rates for service by the FCC and various state or other regulatory agencies. However, over the last several years regulation has been changing, resulting in increased competition. The new approach is more market oriented, more flexible and more complicated. For example, Federal and certain state regulators have instituted "price cap" regulation which couples protection of rate payers for basic services with flexible pricing for ancillary services. These new approaches to regulation could lead to greater risks as well as greater rewards for operating telephone companies such as those in the Trust Funds. Inflation has substantially increased the operating expenses and cost of plant required for growth, service, improvement and replacement of existing plant. Continuing cost increases, to the extent not offset by improved productivity and revenues from increased business, would result in a decreasing rate of return and a continuing need for rate increases. Although allowances are generally made in ratemaking proceedings for cost increases, delays may be experienced in obtaining the necessary rate increases and there can be no assurance that the regulatory agencies will grant rate increases adequate to cover operating and other expenses

and debt service requirements. To meet increasing competition, telephone companies will have to commit substantial capital, technological and marketing resources. Telephone usage, and therefore revenues, could also be adversely affected by any sustained economic recession. New technology, such as cellular service and fibre optics, will require additional capital outlays. The uncertain outcomes of future labor agreements may also have a negative impact on the telephone companies. Each of these problems could adversely affect the ability of the telephone company issuers of any Bonds in a portfolio to make payments of principal and interest on their Bonds.

ZERO COUPON U.S. TREASURY OBLIGATIONS

Certain of the Bonds in each Trust are "zero coupon" U.S. Treasury bonds. See footnote (6) in "Notes to Portfolios." Zero coupon bonds are purchased at a deep discount because the buyer receives only the right to receive a final payment at the maturity of the bond and does not receive any periodic interest payments. The effect of owning deep discount bonds which do not make current interest payments (such as the zero coupon bonds) is that a fixed yield is earned not only on the original investment but also, in effect, on all discount earned during the life of such income on such obligation at a rate as high as the implicit yield on the discount obligation, but at the same time eliminates the holder's ability to reinvest at higher rates in the future. For this reason, zero coupon bonds are subject to substantially greater price fluctuations during periods of changing market interest rates than are securities of comparable quality which pay interest.

GENERAL TRUST INFORMATION

Because certain of the Bonds in each Trust may from time to time under certain circumstances be sold or redeemed or will mature in accordance with their terms and because the proceeds from such events will be distributed to Unitholders and will not be reinvested, no assurance can be given that a Trust will retain for any length of time its present size and composition. Neither the Sponsor nor the Trustee shall be liable in any way for any default, failure or defect in any Bond. In the event of a failure to deliver any Bond that has been purchased for a Trust under a contract, including those securities purchased on a "when, as and if issued" basis ("Failed Obligations"), the Sponsor is authorized under the Trust Agreement to direct the Trustee to acquire other securities ("Replacement Obligations") to make up the original corpus of the Trust.

The Replacement Obligations must be purchased within 20 days after delivery of the notice of the failed contract and the purchase price may not exceed the amount of funds reserved for the purchase of the Failed Obligations. The Replacement Obligations shall (i) be intermediate or long-term, as applicable, corporate bonds, debentures, notes or other straight debt obligations (whether secured or unsecured and whether senior or subordinated) without equity or other conversion features, with fixed maturity dates substantially the same as those of the Failed Obligations having no warrants or subscription privileges attached; (ii) be payable in United States currency; (iii) not be when, as and if issued obligations or restricted securities; (iv) be issued after July 18, 1984 if interest thereon is United States source income; (v) must have a fixed maturity date of at least 10 years; (vi) must be purchased at a price that results in a yield to maturity and a current return at least equal to that of the Failed Bonds as of the Initial Date of Deposit; (vii) not cause the Units of the Trust to cease to be rated Aaa by Moody's Investors Service, Inc.; and (viii) be insured by the issuer of the Bonds or by the Sponsor under a financial guaranty insurance policy issued by MBIA Corporation prior to the acquisition by a Trust. Whenever a Replacement Obligation has been acquired for a Trust, the Trustee shall, within five days thereafter, notify all Unitholders of that Trust of the acquisition of the Replacement Obligation and shall, on the next monthly distribution date which is more than 30 days thereafter, make a pro rata distribution of the amount, if any, by which the cost to the Trust of the Failed Obligation exceeded the cost of the Replacement Obligation. Once the original corpus of a Trust is acquired, the Trustee will have no power to vary the

investment of such Trust; i.e., the Trustee will have no managerial power to take advantage of market variations to improve a Unitholder's investment.

If the right of limited substitution described in the preceding paragraph shall not be utilized to acquire Replacement Obligations in the event of a failed contract, the Sponsor will refund the sales charge attributable to such Failed Obligations to all Unitholders of the Trust and distribute the principal, Purchased Interest and Daily Accrued Interest (at the coupon rate of such Failed Obligations to the date the Failed Obligations are removed from the Trust) attributable to such Failed Obligations not more than 30 days after such removal or such earlier time as the Trustee in its sole discretion deems to be in the interest of the Unitholders. In the event a Replacement Obligation should not be acquired by the Trust, the estimated net annual interest income per Unit for the Trust would be reduced and the Estimated Current Return and the Estimated Long-Term Return thereon might be lowered. In addition, Unitholders should be aware that they may not be able at the time of receipt of such principal to reinvest such proceeds in other securities at a yield equal to or in excess of the yield which such proceeds were earning to Unitholders in the Trust.

The Sponsor may not alter the portfolio of a Trust Fund except upon the happening of certain extraordinary circumstances. See "Investment Supervision." Certain of the Bonds may be subject to optional call or mandatory redemption pursuant to sinking fund provisions, in each case prior to their stated maturity. A bond subject to optional call is one which is subject to redemption or refunding prior to maturity at the option of the issuer, often at a premium over par. A refunding is a method by which a bond issue is redeemed, at or before maturity, by the proceeds of a new bond issue. A bond subject to sinking fund redemption is one which is subject to partial call from time to time at par from a fund accumulated for the scheduled retirement of a portion of an issue prior to maturity. Special or extraordinary redemption provisions may provide for redemption at par of all or a portion of an issue upon the occurrence of certain circumstances, which may be prior to the optional call dates shown in "The Trust Funds -- Portfolio." Redemption pursuant to optional call provisions is more likely to occur, and redemption pursuant to special or extraordinary redemption provisions may occur, when the Bonds have an offering side evaluation which represents a premium over par, that is, when they are able to be refinanced at a lower cost. The proceeds from any such call or redemption pursuant to sinking fund provisions as well as proceeds from the sale of Bonds and from Bonds which mature in accordance with their terms, unless utilized to pay for Units tendered for redemption, will be distributed to Unitholders and will not be used to purchase additional Bonds for the Trust. Accordingly, any such call, redemption, sale or maturity will reduce the size and diversity of the Trust and the net annual interest income and may reduce the Estimated Current Return and the Estimated Long-Term Return. See "Interest, Estimated Long-Term Return and Estimated Current Return." The call, redemption, sale or maturity of Bonds also may have tax consequences to a Unitholder. See "Federal Tax Status." Information with respect to the call provisions and maturity dates of the Bonds is contained in "The Trust Funds -- Portfolio."

Insurance guaranteeing the scheduled payment of principal and interest on all of the Bonds except for the U.S. Treasury obligations in each Trust has been obtained directly by the issuer thereof or by the Sponsor from MBIA Corporation (as herein defined). See "Insurance on the Portfolios" and "The Trust Funds -- Portfolio." The value of this insurance is reflected and included in the market value of the Bonds. See "Insurance on the Portfolios."

To the best of the Sponsor's knowledge, there is no litigation pending as of the Initial Date of Deposit in respect of any Bond which might reasonably be expected to have a material adverse effect on the Trust Funds. At any time after the Initial Date of Deposit, litigation may be instituted on a variety of grounds with respect to the Bonds. The Sponsor is unable to predict whether any such litigation may be instituted, or if instituted, whether such litigation might have a material adverse effect on the Trust Funds. The Sponsor and the Trustee shall not be liable in any way for any default, failure or defect in any Bond.

INSURANCE ON THE PORTFOLIOS

All Bonds in the Trusts except for the U.S. Treasury obligations are insured as to the scheduled payment of interest and principal either by the issuer of the Bonds or by the Sponsor under a financial guaranty insurance policy obtained from Municipal Bond Investors Assurance Corporation ("MBIA Corporation"). See "The Trust Funds -- Portfolio" and the Notes thereto. The premium for each such insurance policy has been paid in advance by such issuer or the Sponsor and each such policy is non-cancellable and will remain in force so long as the Bonds are outstanding and MBIA Corporation remains in business. No premiums for such insurance are paid by the Trusts. If MBIA Corporation is unable to meet its obligations under its policy or if the rating assigned to the claims-paying ability of MBIA Corporation deteriorates, no other insurer has any obligation to insure any issue adversely affected by either of these events.

The aforementioned insurance guarantees the scheduled payment of principal and interest on all of the Bonds in each Trust except for the U.S. Treasury obligations. It does not guarantee the market value of the Bonds or the value of the Units of the Trusts. This insurance is effective so long as the Bond is outstanding, whether or not held by a Trust Fund. Therefore, any such insurance may be considered to represent an element of market value in regard to the Bonds, but the exact effect, if any, of this insurance on such market value cannot be predicted.

MBIA Corporation is the principal operating subsidiary of MBIA, Inc., a New York Stock Exchange listed company. MBIA, Inc. is not obligated to pay the debts of or claims against MBIA Corporation. MBIA Corporation, which commenced municipal bond insurance operations on January 5, 1987, is a limited liability corporation rather than a several liability association. MBIA Corporation is domiciled in the State of New York and licensed to do business in all 50 states, the District of Columbia and the Commonwealth of Puerto Rico.

As of December 31, 1992, MBIA had admitted assets of $2.6 billion (audited), total liabilities of $1.7 billion (audited), and total capital and surplus of $896 million (audited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities. As of September 30, 1993, MBIA Corporation had admitted assets of $3.0 billion (unaudited), total liabilities of $2.0 billion (unaudited), and total policyholder's surplus of $951 million (unaudited) prepared in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities. Copies of MBIA Corporation's financial statements prepared in accordance with statutory accounting practices are available from MBIA Corporation. The address of MBIA Corporation is 113 King Street, Armonk, New York 10504.

Effective December 31, 1989, MBIA Inc. acquired Bond Investors Group, Inc. On January 5, 1990, the Insurer acquired all of the outstanding stock of Bond Investors Group, Inc., the parent of BIG, now known as MBIA Insurance Corp. of Illinois. Through a reinsurance agreement, BIG has ceded all of its net insured risks, as well as its unearned premium and contingency reserves, to the Insurer and the Insurer has reinsured BIG's net outstanding exposure.

Moody's Investors Service rates all bond issues insured by MBIA "Aaa" and short term loans "MIG 1," both designated to be of the highest quality. Standard & Poor's Corporation rates all new issues insured by MBIA "AAA".

Because the Bonds (other than the U.S. Treasury obligations) are insured as to the scheduled payment of principal and interest and on the basis of the financial condition and the method of operation of MBIA Corporation, Moody's Investors Service, Inc. has assigned to the Trust Funds' Units its "Aaa" investment rating. This is the highest rating assigned to securities by such rating agency. See "Trust Portfolios--Portfolio Selection." These ratings should not be construed as an approval of the offering of the Units by Standard &

Poor's Corporation or as a guarantee of the market value of the Trust Funds or the Units thereof. See Note (2) to "Notes to Portfolios."

Bonds in the Trust Funds for which insurance has been obtained by the issuer thereof or by the Sponsor from MBIA Corporation (all of which were rated "Aaa" by Moody's Investors Service, Inc.) may or may not have a higher yield than uninsured bonds rated "Aaa" by Moody's Investors Service, Inc. In selecting Bonds for the portfolio of the Trusts, the Sponsor has applied the criteria hereinbefore described.

RETIREMENT PLANS

Units of the Trust Funds may be well suited for purchase by Individual Retirement Accounts, Keogh Plans, pension funds and other qualified retirement plans, certain of which are briefly described below.

Generally, capital gains and income received under each of the foregoing plans are deferred from federal taxation. All distributions from such plans are generally treated as ordinary income but may, in some cases, be eligible for special income averaging or tax-deferred rollover treatment. Investors considering participation in any such plan should review specific tax laws related thereto and should consult their attorneys or tax advisers with respect to the establishment and maintenance of any such plan. Such plans are offered by brokerage firms and other financial institutions. The Trust Funds will waive the $1,000 minimum investment requirement for IRA accounts. The minimum investment is $250 for tax-deferred plans such as IRA accounts. Fees and charges with respect to such plans may vary.

Individual Retirement Account--IRA. Any individual under age 70 1/2 may contribute the lesser of $2,000 or 100% of compensation to an IRA annually. Such contributions are fully deductible if the individual (and spouse if filing jointly) are not covered by a retirement plan at work. The deductible amount an individual may contribute to an IRA will be reduced $10 for each $50 of adjusted gross income over $25,000 ($40,000 if married, filing jointly or $0 if married, filing separately), if either an individual or their spouse (if married, filing jointly) is an active participant in an employer maintained retirement plan. Thus, if an individual has adjusted gross income over $35,000 ($50,000 if married, filing jointly or $0 if married, filing separately) and if an individual or their spouse is an active participant in an employer maintained retirement plan, no IRA deduction is permitted. Under the Internal Revenue Code of 1986, as amended (the "Code"), an individual may make nondeductible contributions to the extent deductible contributions are not allowed. All distributions from an IRA (other than the return of certain excess contributions) are treated as ordinary income for federal income taxation purposes provided that under the Code an individual need not pay tax on the return of nondeductible contributions. The amount includable in income for the taxable year is the portion of the amount withdrawn for the taxable year as the individual's aggregate deductible IRA contributions bear to the aggregate balance of all IRAs of the individual.

A participant's interest in an IRA must be, or commence to be, distributed to the participant not later than April 1 of the calendar year following the year during which the participant attains age 70 1/2. Distributions made before attainment of age 59 1/2, except in the case of the participant's death or disability, or where the amount distributed is to be rolled over to another IRA, or where the distributions are taken as a series of substantially equal periodic payments over the participant's life or life expectancy (or the joint lives or life expectancies of the participant and the designated beneficiary) are generally subject to a surtax in an amount equal to 10% of the distribution. The amount of such periodic payments may not be modified before the later of five years or attainment of age 59 1/2. Excess contributions are subject to an annual 6% excise tax.

IRA applications, disclosure statements and trust agreements are available from the Sponsor upon request.

Qualified Retirement Plans. Units of a Trust may be purchased by qualified pension or profit sharing plans maintained by corporations, partnerships or sole proprietors. The maximum annual contribution for a participant in a money purchase pension plan or to paired profit sharing and pension plans is the lesser of

25% of compensation or $30,000. Prototype plan documents for establishing qualified retirement plans are available from the Sponsor upon request.

Excess Distributions Tax. In addition to the other taxes due by reason of a plan distribution, a tax of 15% may apply to certain aggregate distributions from IRAs, Keogh plans, and corporate retirement plans to the extent such aggregate taxable distributions exceed specified amounts (generally $150,000, as adjusted) during a tax year. This 15% tax will not apply to distributions on account of death, qualified domestic relations orders or amounts eligible for tax-deferred rollover treatment. In general, for lump sum distributions the excess distributions over $750,000 (as adjusted) will be subject to the 15% tax.

The Trustee, Investors Fiduciary Trust Company, has agreed to act as custodian for certain retirement plan accounts. An annual fee of $12.00 per account, if not paid separately, will be assessed by the Trustee and paid through the liquidation of shares of the reinvestment account. An individual wishing the Trustee to act as custodian must complete a Kemper UIT/IRA application and forward it along with a check made payable to Investors Fiduciary Trust Company. Certificates for Individual Retirement Accounts cannot be issued.

DISTRIBUTION REINVESTMENT

Each Unitholder of a Trust may elect to have distributions of principal (including capital gains, if any) or interest or both automatically invested without charge in shares of any open-end mutual fund underwritten or advised by an affiliate of the Sponsor, Kemper Financial Services, Inc. (the "Kemper Funds"), other than those Kemper Funds sold with a contingent deferred sales charge.

If individuals indicate they wish to participate in the Reinvestment Program but do not designate a reinvestment fund, the Program Agent referred to below will contact such individuals to determine which reinvestment fund or funds they wish to elect. Since the portfolio securities and investment objectives of such Kemper Funds may differ significantly from that of the Trust Funds, Unitholders should carefully consider the consequences before selecting such Kemper Funds for reinvestment. Detailed information with respect to the investment objectives and the management of the Funds is contained in their respective prospectuses, which can be obtained from any Trust Underwriter upon request. An investor should read the prospectus of the reinvestment fund selected prior to making the election to reinvest. Unitholders who desire to have such distributions automatically reinvested should inform their broker at the time of purchase or should file with the Program Agent a written notice of election.

Unitholders who are receiving distributions in cash may elect to participate in distribution reinvestment by filing with the Program Agent an election to have such distributions reinvested without charge. Such election must be received by the Program Agent at least ten days prior to the Record Date applicable to any distribution in order to be in effect for such Record Date. Any such election shall remain in effect until a subsequent notice is received by the Program Agent. See "Unitholders--Distributions to Unitholders."

The Program Agent is Investors Fiduciary Trust Company. All inquiries concerning participation in distribution reinvestment should be directed to the Program Agent at P.O. Box 419430, Kansas City, Missouri 64173-0216, telephone (816) 474-8786.

INTEREST, ESTIMATED LONG-TERM RETURN AND ESTIMATED CURRENT RETURN

As of the opening of business on the Initial Date of Deposit, the Estimated Long-Term Returns and the Estimated Current Returns for each Trust Fund were as set forth in the "Essential Information." Estimated Current Return is calculated by dividing the estimated net annual interest income per Unit by the Public Offering Price. The estimated net annual interest income per Unit will vary with changes in fees and expenses of the Trustee, the Sponsor and the Evaluator and with the principal prepayment, redemption, maturity, exchange or sale of the Bonds while the Public Offering Price will vary with changes in the offering price of the

underlying Bonds and with changes in the Purchased Interest and Daily Accrued Interest; therefore, there is no assurance that the present Estimated Current Returns will be realized in the future. Estimated Long-Term Return is calculated using a formula which (1) takes into consideration, and determines and factors in the relative weightings of, the market values, yields (which takes into account the amortization of premiums and the accretion of discounts) and estimated retirements of all the Bonds in a Trust and (2) takes into account the expenses and sales charge associated with each Trust Unit. Since the market values and estimated retirements of the Bonds and the expenses of a Trust will change, there is no assurance that the present Estimated Long-Term Returns will be realized in the future. Estimated Current Return and Estimated Long-Term Return are expected to differ because the calculation of Estimated Long-Term Return reflects the estimated date and amount of principal returned while Estimated Current Return calculations include only net annual interest income and Public Offering Price.

In order to acquire certain of the Bonds contracted for by a Trust Fund, it may be necessary for the Sponsor or Trustee to pay on the dates for delivery of such Bonds amounts covering accrued interest on such Bonds which exceed the amount which will be made available in the letter of credit furnished by the Sponsor on the Date of Deposit. The Trustee has agreed to pay any amounts necessary to cover any such excess and will be reimbursed therefor, without interest, when funds become available from interest payments on the Bonds.

PUBLIC OFFERING OF UNITS

PUBLIC OFFERING PRICE. Units of the Trust Funds are offered at the Public Offering Price thereof. During the initial offering period, the Public Offering Price per Unit is equal to the aggregate of the offering side evaluations of the Bonds in each Trust Fund (as determined, pursuant to the terms of a contract with the Evaluator, by Muller Data Corporation, a non-affiliated firm regularly engaged in the business of evaluating, quoting or appraising comparable securities), plus or minus a pro rata share of (a) cash, if any, in the Principal Account held or owed by each Trust Fund (b) Purchased Interest and (c) Daily Accrued Interest plus the applicable sales charge referred to in the table below divided by the number of outstanding Units of each Trust Fund. The Public Offering Price for secondary market transactions, on the other hand, is based on the aggregate bid side evaluations of the Bonds in each Trust Fund (also, currently, as determined by Muller Data Corporation plus or minus (a) cash, if any, in the Principal Account held or owned by each Trust Fund, (b) Purchased Interest and (c) Daily Accrued Interest plus a sales charge based upon the dollar weighted average maturity of the Trust Fund.

The sales charge per Unit will be reduced during the initial offering period pursuant to the following graduated scale:

<TABLE>
<CAPTION>

	WEIGHTED AVERAGE YEARS TO MATURITY			
	7.5 TO 14.99		15 OR MORE	
NUMBER OF UNITS	PERCENT OF OFFERING PRICE	PERCENT OF NET AMOUNT INVESTED	PERCENT OF OFFERING PRICE	PERCENT OF NET AMOUNT INVESTED
<S>	<C>	<C>	<C>	<C>

1 to 9,999 Units..................................	3.9%	4.058%	4.2%	4.384%
10,000 to 24,999 Units............................	3.7	3.842	4.0	4.167
25,000 to 49,999 Units............................	3.5	3.627	3.8	3.950
50,000 to 99,999 Units............................	3.3	3.413	3.5	3.627
100,000 or more Units.............................	2.0	2.001	2.2	2.249

</TABLE>

As indicated above, in connection with secondary market transactions the sales charge is based upon the dollar weighted average maturity of a Trust Fund and is determined in accordance with the table set forth below. For purposes of this computation, Bonds will be deemed to mature on their expressed maturity dates unless: (a) the Bonds have been called for redemption or funds or securities have been placed in escrow to

redeem them on an earlier call date, in which case such call date will be deemed to be the date upon which they mature; or (b) such Bonds are subject to a "mandatory tender," in which case such mandatory tender will be deemed to be the date upon which they mature. The effect of this method of sales charge computation will be that different sales charge rates will be applied to a Trust Fund based upon the dollar weighted average maturity of such Trust Fund's portfolio, in accordance with the following schedule:

<TABLE>
<CAPTION>

DOLLAR WEIGHTED AVERAGE YEARS TO MATURITY	PERCENT OF PUBLIC OFFERING PRICE	PERCENT OF NET AMOUNT INVESTED
<S>	<C>	<C>
0 to .99 years...........................	0.00%	0.000%
1 to 3.99 years..........................	2.00	2.041
4 to 7.99 years..........................	3.50	3.627
8 to 14.99 years.........................	4.50	4.712
15 or more years.........................	5.50	5.820

</TABLE>

In connection with secondary market transactions the sales charge per Unit will be reduced as set forth below:

<TABLE>
<CAPTION>

	SECONDARY DOLLAR WEIGHTED AVERAGE YEARS TO MATURITY*		
	4 TO 7.99	8 TO 14.99	15 OR MORE
DOLLAR AMOUNT OF TRADE	SALES CHARGE (PERCENT OF PUBLIC OFFERING PRICE)		
<S>	<C>	<C>	<C>
$1,000 to $99,999............................	3.50%	4.50%	5.50%
$100,000 to $499,999.........................	3.25	4.25	5.00
$500,000 to $999,999.........................	3.00	4.00	4.50
$1,000,000 or more...........................	2.75	3.75	4.00

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* If the dollar weighted average maturity of a Trust Fund is from 1 to 3.99 years, the sales charge is 2% and 1.5% of the Public Offering Price for purchases of $1,000 to $249,999 and $250,000 or more, respectively.

The reduced sales charges resulting from quantity discounts as shown on the tables above will apply to all purchases of Units on any one day by the same purchaser from the same Underwriter or dealer and for this purpose purchases of Units of a Trust Fund will be aggregated with concurrent purchases of Units of any other unit investment trust that may be offered by the Sponsor. Additionally, Units purchased in the name of a spouse or child (under 21) of such purchaser will be deemed to be additional purchases by such purchaser. The reduced sales charges will also be applicable to a trust or other fiduciary purchasing for a single trust estate or single fiduciary account.

The Sponsor intends to permit officers, directors and employees of the Sponsor and Evaluator and at the discussion the Sponsor registered representatives of selling firms to purchase Units of the Trusts without a sales charge, although a transaction processing fee may be imposed on such trades.

Had Units of the Trust Funds been available for sale at the opening of business on the Initial Date of Deposit, the Public Offering Price would have been as shown under "Essential Information." The Public Offering Price per Unit of a Trust Fund on the date of this Prospectus or on any subsequent date will vary from the amount stated under "Essential Information" in accordance with fluctuations in the prices of the underlying Bonds and the amount of accrued interest on the Units. On the Initial Date of Deposit, pursuant to an exemptive order from the Securities and Exchange Commission, the Public Offering Price at which Units will be sold will not exceed the price determined as of the opening of business on the Initial Date of Deposit as shown under "Essential Information"; however, should the value of the underlying Bonds decline, purchasers will, of course, be given the benefit of such lower price. The aggregate bid and offering side evaluations of the Bonds shall be determined (a) on the basis of current bid or offering prices of the Bonds, (b) if bid or offering prices are not available for any particular Bond, on the basis of current bid or offering prices for comparable bonds, (c) by determining the value of Bonds on the bid or offer side of the market by appraisal, or (d) by any

combination of the above. The value of insurance obtained by an issuer of Bonds or by the Sponsor is reflected and included in the market value of such Bonds.

The foregoing evaluations and computations shall be made as of the evaluation time stated under "Essential Information," on each business day commencing with the Initial Date of Deposit of the Bonds, effective for all sales made during the preceding 24-hour period.

The interest on the Bonds deposited in the Trust Funds, less the related estimated fees and expenses, is estimated to accrue in the annual amounts per Unit set forth under "Essential Information." The amount of net interest income which accrues per Unit may change as Bonds mature or are redeemed, exchanged or sold, or as the expenses of the Trust Funds change or the number of outstanding Units of such Trust Fund changes.

Payment for Units must be made on or before the fifth business day following purchase. If a Unitholder desires to have certificates representing Units purchased, such certificates will be delivered as soon as possible following his written request therefor. For information with respect to redemption of Units purchased, but as to which certificates requested have not been received, see "Redemption" below.

PURCHASED AND DAILY ACCRUED INTEREST. Accrued interest consists of two elements. The first element arises as a result of accrued interest which is the accumulation of unpaid interest on a bond from the later of the last day on which interest thereon was paid or the date of original issuance of the bond. Interest on the coupon Bonds in the Trust Fund is paid semi-annually to the Trust. A portion of the aggregate amount of such accrued interest on the Bonds in the Trust to the First Settlement Date of the Trust is referred to herein as "Purchased Interest." Included in the Public Offering Price of the Trust Units is the Purchased Interest. In an effort to reduce the amount of Purchased Interest which would otherwise have to be paid by Unitholders, the Trustee may advance a portion of the accrued interest to the Sponsor as the Unitholder of record as of the First Settlement Date. The second element of accrued interest arises because the estimated net interest on the Units in the Trust Fund is accounted for daily on an accrual basis (herein referred to as "Daily Accrued Interest"). Because of this, the Units always have an amount of interest earned but not yet paid or reserved for payment. For this reason, the Public Offering Price of Units will include the proportionate share of Daily Accrued Interest to the date of settlement.

If a Unitholder sells or redeems all or a portion of his Units or if the Bonds are sold or otherwise removed or if the Trust Fund is liquidated, he will receive at that time his proportionate share of the Purchased Interest and Daily Accrued Interest computed to the settlement date in the case of sale or liquidation and to the date of tender in the case of redemption in the Trust Fund.

COMPARISON OF PUBLIC OFFERING PRICE AND REDEMPTION PRICE. While the initial Public Offering Price of Units will be determined on the basis of the current offering prices of the Bonds in each Trust, the redemption price per Unit (as well as the secondary market price per Unit) at which Units may be redeemed (see "Redemption") will be determined on the basis of the current bid prices of the Bonds. As of the opening of business on the Initial Date of Deposit, the Public Offering Price per Unit (based on the offering prices of the Bonds in the Trusts and including the sales charge) exceeded the redemption price at which Units could have been redeemed (based upon the current bid prices of the Bonds in the Trust) by the amount shown under "Essential Information." In the past, bid prices on bonds similar to those in the Trust Funds have been lower than the offering prices thereof by as much as 3% or more of principal amount in the case of inactively traded bonds or as little as 1/2 of 1% in the case of actively traded bonds, but the difference between such offering and bid prices may be expected to average 1% to 2% of principal amount. For this reason, among others (including fluctuations in the market prices of the Bonds and the fact that the Public Offering Price includes a sales charge), the amount realized by a Unitholder upon any redemption of Units may be less than the price paid for such Units.

PUBLIC DISTRIBUTION OF UNITS. The Sponsor intends to qualify the Units for sale in a number of states. Units will be sold through dealers who are members of the National Association of Securities Dealers, Inc. and through others. Sales may be made to or through dealers at prices which represent discounts from the Public Offering Price as set forth below. Certain commercial banks are making Units of the Trust Funds available to their customers on an agency basis. A portion of the sales charge paid by their customers is retained by or remitted to the banks in the amounts shown in the table below. Under the Glass-Steagall Act, banks are prohibited from underwriting Trust Fund Units; however, the Glass-Steagall Act does permit certain agency transactions and the banking regulators have indicated that these particular agency transactions are permitted under such Act. In addition, state securities laws on this issue may differ from the interpretations of federal law expressed herein and banks and financial institutions may be required to register as dealers pursuant to state law. The Sponsor reserves the right to change the discounts set forth below from time to time. In addition to such discounts, the Sponsor may, from time to time, pay or allow an additional discount, in the form of cash or other compensation, to dealers employing registered representatives who sell, during a specified time period, a minimum dollar amount of Units of the Trusts and other unit investment trusts underwritten by the Sponsor. The difference between the discount and the sales charge will be retained by the Sponsor.

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	PRIMARY MARKET							
			VOLUME DISCOUNTS PER UNIT*					
	REGULAR CONCESSION OR AGENCY COMMISSION		FIRM SALES OR SALE ARRANGEMENTS 25,000 TO 49,999		FIRM SALES OR SALE ARRANGEMENTS 50,000 TO 99,999		FIRM SALES OR SALE ARRANGEMENTS 100,000 OR MORE	
	WEIGHTED AVERAGE YEARS TO MATURITY							
NUMBER OF $10 UNITS	7.5 TO 14.99	15 OR MORE	7.5 TO 14.99	15 OR MORE	7.5 TO 14.99	15 OR MORE	7.5 TO 14.99	15 OR MORE
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1 to 9,999 Units......................	2.70%	3.00 %	2.80%	3.10 %	2.90%	3.20 %	3.00%	3.30 %
10,000 to 24,999 Units................	2.50	2.80	2.60	2.90	2.70	3.00	2.80	3.10
25,000 to 49,999 Units................	2.30	2.60	2.40	2.70	2.50	2.80	2.60	2.90
50,000 to 99,999......................	2.20	2.40	2.30	2.60	2.30	2.60	2.30	2.60
100,000 or more Units.................	1.10	1.20	1.20	1.30	1.20	1.30	1.20	1.30

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* Volume concessions of up to the amount shown can be earned as a marketing allowance at the discretion of the sponsor during the initial one month period after the Date of Deposit by firms who reach cumulative firm sales or sales arrangement levels of at least $250,000. After a firm has met the minimum $250,000 volume level, volume concessions may be given on all trades originated from or by that firm, including those placed prior to reaching the $250,000 level, and may continue to be given during the entire initial offering period. Firm sales of any corporate trust series issued simultaneously can be combined for the purposes of achieving the volume discount. Only sales through Kemper qualify for volume discounts and secondary purchases do not apply. Kemper Unit Investment Trusts reserves the right to modify or change those parameters at any time and make the determination of which firms qualify for the marketing allowance and the amount paid.

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	SECONDARY MARKET DOLLAR WEIGHTED AVERAGE YEARS TO MATURITY*		
	4 TO 7.99	8 TO 14.99	15 OR MORE
	DISCOUNT PER UNIT (PERCENT OF PUBLIC OFFERING PRICE)		
DOLLAR AMOUNT OF TRADE			
<S>	<C>	<C>	<C>
$1,000 to $99,999................................	2.00%	3.00%	4.00%

$100,000 to $499,999	1.75	2.75	3.50
$500,000 to $999,999	1.50	2.50	3.00
$1,000,000 or more	1.25	2.25	2.50

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* If the dollar weighted average maturity of a Trust Fund is from 1 to 3.99 years, the concession or agency commission is 1.00% of the Public Offering Price.

The Sponsor reserves the right to reject, in whole or in part, any order for the purchase of Units.

PROFITS OF SPONSOR. The Sponsor will receive gross sales charges equal to the percentage of the Public Offering Price of the Units of the Trusts stated under "Public Offering Price" and will pay a fixed portion of such sales charges to dealers and agents. In addition, the Sponsor may realize a profit or a loss resulting from the difference between the purchase prices of the Bonds to the Sponsor and the cost of such Bonds to the Trust Fund, which is based on the offering side evaluation of the Bonds. See "The Trust Funds--Portfolio." The Sponsor may also realize profits or losses with respect to Bonds deposited in a Trust which were acquired from underwriting syndicates of which the Sponsor was a member. An underwriter or underwriting syndicate purchases bonds from the issuer on a negotiated or competitive bid basis, as principal, with the motive of marketing such bonds to investors at a profit. The Sponsor may realize additional profits or losses during the initial offering period on unsold Units as a result of changes in the daily evaluation of the Bonds in the Trusts.

MARKET FOR UNITS

After the initial offering period, while not obligated to do so, the Sponsor intends to, subject to change at any time, maintain a market for Units of the Trusts offered hereby and to continuously offer to purchase said Units at prices, determined by the Evaluator, based on the aggregate bid prices of the underlying Bonds, together with Purchased Interest and Daily Accrued Interest to the expected dates of settlement. To the extent that a market is maintained during the initial offering period, the prices at which Units will be repurchased will be based upon the aggregate offering side evaluation of the Bonds in the Trusts. The aggregate bid prices of the underlying Bonds are expected to be less than the related aggregate offering prices (which is the evaluation method used during the initial public offering period). Accordingly, Unitholders who wish to dispose of their Units should inquire of their bank or broker as to current market prices in order to determine whether there is in existence any price in excess of the Redemption Price and, if so, the amount thereof.

The offering price of any Units resold by the Sponsor will be in accord with that described in the currently effective prospectus describing such Units. Any profit or loss resulting from the resale of such Units will belong to the Sponsor. The Sponsor may suspend or discontinue purchases of Units if the supply of Units exceeds demand, or for other business reasons.

REDEMPTION

A Unitholder who does not dispose of Units in the secondary market described above may cause Units to be redeemed by the Trustee by making a written request to the Trustee, Investors Fiduciary Trust Company, P.O. Box 419430, Kansas City, Missouri, 64173-0216 and, in the case of Units evidenced by a certificate, by tendering such certificate to the Trustee, properly endorsed or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee. Unitholders must sign the request, and such certificate or transfer instrument, exactly as their names appear on the records of the Trustee and on any certificate representing the Units to be redeemed. If the amount of the redemption is $25,000 or less and the proceeds are payable to the Unitholder(s) of record at the address of record, no signature guarantee is necessary for redemptions by individual account owners (including joint owners). Additional documentation may be requested, and a signature guarantee is always required, from corporations, executors, administrators, trustees, guardians or associations. The signatures must be guaranteed by a commercial bank or trust company, savings & loan association or by a member firm of a national securities exchange. A certificate should only be sent by registered or certified mail for the protection of the Unitholder. Since tender of the certificate is required for redemption when one has been issued, Units represented by a certificate cannot be redeemed until the certificate representing such Units has been received by the purchasers.

Redemption shall be made by the Trustee on the seventh calendar day following the day on which a tender for redemption is received, or if the seventh calendar day is not a business day, on the first business day prior thereto (the "Redemption Date") by payment of cash equivalent to the Redemption Price for such Trust Fund, determined as set forth below under "Computation of Redemption Price," as of the evaluation time stated under "Essential Information," next following such tender, multiplied by the number of Units being redeemed. Any Units redeemed shall be cancelled and any undivided fractional interest in the Trust Fund extinguished. The price received upon redemption might be more or less than the amount paid by the Unitholder depending on the value of the Bonds in the Trust Fund at the time of redemption.

Under regulations issued by the Internal Revenue Service, the Trustee is required to withhold a certain percentage of the principal amount of a Unit redemption if the Trustee has not been furnished the redeeming Unitholder's tax identification number in the manner required by such regulations. Any amount so withheld is transmitted to the Internal Revenue Service and may be recovered by the Unitholder only when filing a tax return. Under normal circumstances the Trustee obtains the Unitholder's tax identification number from the selling broker. However, any time a Unitholder elects to tender Units for redemption, such Unitholder should make sure that the Trustee has been provided a certified tax identification number in order to avoid this possible "backup withholding." In the event the Trustee has not been previously provided such number, one must be provided at the time redemption is requested.

Any amounts paid on redemption representing interest shall be withdrawn from the Interest Account to the extent that funds are available for such purpose. All other amounts paid on redemption shall be withdrawn from the Principal Account. The Trustee is empowered to sell Bonds in order to make funds available for the redemption of Units. Such sale may be required when Bonds would not otherwise be sold and might result in lower prices than might otherwise be realized. To the extent Bonds are sold, the size and diversity of a Trust Fund will be reduced.

The Trustee is irrevocably authorized in its discretion, if an Underwriter does not elect to purchase any Unit tendered for redemption, in lieu of redeeming such Units, to sell such Units in the over-the-counter market for the account of tendering Unitholders at prices which will return to the Unitholders amounts in cash, net after brokerage commissions, transfer taxes and other charges, equal to or in excess of the Redemption Price for such Units. In the event of any such sale, the Trustee shall pay the net proceeds thereof to the Unitholders on the day they would otherwise be entitled to receive payment of the Redemption Price.

The right of redemption may be suspended and payment postponed (1) for any period during which the New York Stock Exchange is closed, other than customary weekend and holiday closings, or during which (as determined by the Securities and Exchange Commission) trading on the New York Stock Exchange is restricted; (2) for any period during which an emergency exists as a result of which disposal by the Trustee of Bonds is not reasonably practicable or it is not reasonably practicable to fairly determine the value of the underlying Bonds in accordance with the Trust Agreement; or (3) for such other period as the Securities and Exchange Commission may by order permit. The Trustee is not liable to any person in any way for any loss or damage which may result from any such suspension or postponement.

COMPUTATION OF REDEMPTION PRICE. The Redemption Price for Units is computed by the Evaluator as of the evaluation time stated under "Essential Information" next occurring after the tendering of a Unit for redemption and on any other business day desired by it, by:

A. adding: (1) the cash on hand in the Trust other than cash deposited in the Trust to purchase Bonds not applied to the purchase of such Bonds; (2) the aggregate value of each issue of the Bonds (including "when issued" contracts, if any) held in the Trust as determined by the Evaluator on the basis of bid prices therefor; and (3) Purchased and Daily Accrued Interest;

B. deducting therefrom (1) amounts representing any applicable taxes or governmental charges payable out of the Trust Fund and for which no deductions have been previously made for the purpose of additions to the Reserve Account described under "Expenses of the Trusts"; (2) an amount representing estimated accrued

expenses of the Trust Fund, including but not limited to fees and expenses of the Trustee (including legal and auditing fees), the Sponsor and the Evaluator; (3) cash held for distribution to Unitholders of record as of the business day prior to the evaluation being made; and (4) other liabilities incurred by the Trust Fund; and

C. finally dividing the results of such computation by the number of Units of the Trust Fund outstanding as of the date thereof.

UNITHOLDERS

OWNERSHIP OF UNITS. Ownership of Units of a Trust will not be evidenced by certificates unless a Unitholder or the Unitholder's registered broker/dealer makes a written request to the Trustee.

Units are transferable by making a written request to the Trustee and, in the case of Units evidenced by a certificate, by presenting and surrendering such certificate to the Trustee properly endorsed or accompanied by a written instrument or instruments of transfer which should be sent by registered or certified mail for the protection of the Unitholder. Unitholders must sign such written request, and such certificate or transfer instrument (if applicable), exactly as their names appear on the records of the Trustee and on any certificate representing the Units to be transferred. Such signatures must be guaranteed by a commercial bank or trust company, savings and loan association or by a member firm of a national securities exchange.

Units may be purchased and certificates, if requested, will be issued in denominations of one Unit or any whole Unit multiple thereof subject to any minimum investment requirement established by the Sponsor from time to time. However, in connection with qualified plans in which Investors Fiduciary Trust Company acts as trustee, fractional units (to three decimal places) will be permitted. Any certificate issued will be numbered serially for identification, issued in fully registered form and will be transferable only on the books of the Trustee. The Trustee may require a Unitholder to pay a reasonable fee, to be determined in the sole discretion of the Trustee, for each certificate re-issued or transferred and to pay any governmental charge that may be imposed in connection with each such transfer or interchange. The Trustee at the present time does not intend to charge for the normal transfer or interchange of certificates. Destroyed, stolen, mutilated or lost certificates will be replaced upon delivery to the Trustee of satisfactory indemnity (generally amounting to 3% of the market value of the Units), affidavit of loss, evidence of ownership and payment of expenses incurred.

DISTRIBUTIONS TO UNITHOLDERS. Interest Distributions: Interest received by a Trust, including any portion of the proceeds from a disposition of Bonds which represents accrued interest, is credited by the Trustee to the Interest Account. All other receipts are credited by the Trustee to a separate Principal Account. The Trustee normally has no cash for distribution to Unitholders until it receives interest payments on the Bonds in a Trust Fund. Since interest usually is paid semi-annually, during the initial months of a Trust, the Interest Account, consisting of accrued but uncollected interest and collected interest (cash), will be predominantly the uncollected accrued interest that is not available for distribution. On the date set forth under "Essential Information," the Trustee will commence distributions, in part from funds advanced by the Trustee.

Thereafter, assuming a Trust Fund retains its original size and composition, after deduction of the fees and expenses of the Trustee, Sponsor and Evaluator and reimbursements (without interest) to the Trustee for any amounts advanced to a Trust Fund, the Trustee will normally distribute on each Interest Distribution Date (the fifteenth of the month) or shortly thereafter to Unitholders of record of a Trust Fund on the preceding Record Date (the first day of each month). Unitholders will receive an amount substantially equal to one-twelfth of such holders' pro rata share of the estimated net annual interest income to the Interest Account. However, interest earned at any point in time will be greater than the amount actually received by the Trustee and distributed to the Unitholders. Therefore, there will always remain an item of accrued interest that is added to the daily value of the Units. If Unitholders sell or redeem all or a portion of their Units, they will be paid their

proportionate share of the accrued interest to, but not including, the fifth business day after the date of a sale or to the date of tender in the case of a redemption.

In order to equalize distributions and keep the undistributed interest income of a Trust Fund at a low level, all Unitholders of record in a Trust Fund on the first Record Date will receive an interest distribution on the first Interest Distribution Date. Because the period of time between the first Interest Distribution Date and the regular distribution dates may not be a full period, the first regular distributions may be partial distributions.

Persons who purchase Units between a Record Date and a Distribution Date will receive their first distribution on the second Distribution Date following their purchase of Units. Since interest on the Bonds is payable at varying intervals, usually in semi-annual installments, and distributions of income are made to Unitholders at different intervals from receipt of interest, the interest accruing to a Trust Fund may not be equal to the amount of money received and available for distribution from the Interest Account. Therefore, on each Distribution Date the amount of interest actually deposited in the Interest Account and available for distribution may be slightly more or less than the interest distribution made. In order to eliminate fluctuations in interest distributions resulting from such variances, the Trustee is authorized by the Trust Agreement to advance such amounts as may be necessary to provide interest distributions of approximately equal amounts. The Trustee will be reimbursed, without interest, for any such advances from funds available in the Interest Account.

Principal Distributions. The Trustee will distribute on each Distribution Date or shortly thereafter, to each Unitholder of record of a Trust Fund on the preceding Record Date, an amount substantially equal to such holder's pro rata share of the cash balance, if any, in the Principal Account computed as of the close of business on the preceding Record Date. However, no distribution will be required if the balance in the Principal Account is less than $1.00 per Unit.

STATEMENTS TO UNITHOLDERS. With each distribution, the Trustee will furnish or cause to be furnished to each Unitholder a statement of the amount of interest and the amount of other receipts, if any, which are being distributed, expressed in each case as a dollar amount per Unit.

The accounts are required to be audited annually, at each Trust Fund's expense, by independent auditors designated by the Sponsor, unless the Trustee determines that such an audit would not be in the best interest of the Unitholders. The accountants' report will be furnished by the Trustee to any Unitholder upon written request. Within a reasonable period of time after the end of each calendar year, the Trustee shall furnish to each person who at any time during the calendar year was a Unitholder a statement, covering the calender year, setting forth:

A. As to the Interest Account: (1) The amount of interest received on the Bonds, including amounts received as a portion of the proceeds of any disposition of the Bonds; (2) the amount paid from the Interest Account representing accrued interest of any Units redeemed; (3) the deductions from the Interest Account for applicable taxes, if any, fees and expenses (including auditing fees) of the Trustee, the Sponsor and the Evaluator; (4) any amounts credited by the Trustee to the Reserve Account described under "Expenses of the Trusts"; and (5) the net amount remaining after such payments and deductions, expressed both as a total dollar amount and a dollar amount per Unit outstanding on the last business day of such calendar year; and B. As to the Principal Account: (1) The dates of the maturity, liquidation or redemption of any of the Bonds and the net proceeds received therefrom excluding any portion credited to the Interest Account; (2) the amount paid from the Principal Account representing the principal of any Units redeemed; (3) the deductions from the Principal Account for payment of applicable taxes, if any, fees and expenses (including auditing fees) of the Trustee, the Sponsor and the Evaluator; (4) any amounts credited by the Trustee to the Reserve Account described under "Expenses of the Trusts"; and (5) the net amount remaining after distributions of principal and deductions, expressed both as a dollar amount and as a dollar amount per Unit outstanding on the last

business day of the calendar year; and C. The following information: (1) A list of the Bonds as of the last business day of such calendar year; (2) the number of Units outstanding on the last business day of such calendar year; (3) the Redemption Price based on the last evaluation made during such calendar year; and (4) the amount actually distributed during such calendar year from the Interest and Principal Accounts separately stated, expressed both as total dollar amounts and as dollar amounts per Unit outstanding on the Record Dates for each such distribution.

RIGHTS OF UNITHOLDERS. A Unitholder may at any time tender Units to the Trustee for redemption. The death or incapacity of any Unitholder will not operate to terminate the Trust nor entitle legal representatives or heirs to claim an accounting or to bring any action or proceeding in any court for partition or winding up of the Trusts.

No Unitholder shall have the right to control the operation and management of a Trust in any manner, except to vote with respect to the amendment of the Trust Agreement or termination of a Trust.

INVESTMENT SUPERVISION

The Sponsor may not alter the portfolio of a Trust by the purchase, sale or substitution of Bonds, except in the special circumstances noted below and as indicated earlier under "Trust Portfolios" regarding the substitution of Replacement Bonds for any Failed Bonds. Thus, with the exception of the redemption or maturity of Bonds in accordance with their terms, the assets of a Trust Fund will remain unchanged under normal circumstances.

The Sponsor may direct the Trustee to dispose of Bonds the value of which has been affected by certain adverse events including institution of certain legal proceedings or decline in price or the occurrence of other market factors, including advance refunding, so that in the opinion of the Sponsor the retention of such Bonds in a Trust Fund would be detrimental to the interest of the

Unitholders. The proceeds from any such sales, exclusive of any portion which represents accrued interest, will be credited to the Principal Account of the Trust Fund for distribution to the Unitholders.

The Sponsor is required to instruct the Trustee to reject any offer made by an issuer of Bonds to issue new obligations in exchange or substitution for any of such Bonds pursuant to a refunding or refinancing plan, except that the Sponsor may instruct the Trustee to accept or reject such an offer or to take any other action with respect thereto as the Sponsor may deem proper if (1) the issuer is in default with respect to such Bonds or (2) in the written opinion of the Sponsor the issuer will probably default with respect to such Bonds in the reasonably foreseeable future. Any obligation so received in exchange or substitution will be held by the Trustee subject to the terms and conditions of the Trust Agreement to the same extent as Bonds originally deposited thereunder. Within five days after the deposit of obligations in exchange or substitution for underlying Bonds, the Trustee is required to give notice thereof to each Unitholder, identifying the Bonds eliminated and the Bonds substituted therefor.

The Trustee may sell Bonds, designated by the Sponsor, from a Trust Fund for the purpose of redeeming Units of the Trust Fund tendered for redemption and the payment of expenses.

ADMINISTRATION OF THE TRUSTS

THE TRUSTEE. The Trustee, Investors Fiduciary Trust Company, is a trust company specializing in investment related services, organized and existing under the laws of Missouri, having its trust office at 127 West 10th Street, Kansas City, Missouri 64105. The Trustee is subject to supervision and examination by the Division of Finance of the State of Missouri and the Federal Deposit Insurance Corporation. Investors Fiduciary Trust Company is jointly owned by DST Systems, Inc. and Kemper Financial Services, Inc., an affiliate of the Sponsor.

The Trustee, whose duties are ministerial in nature, has not participated in selecting the portfolio of any Trust. For information relating to the responsibilities of the Trustee under the Trust Agreements, reference is made to the material set forth under "Unitholders."

In accordance with the Trust Agreements, the Trustee shall keep records of all transactions at its office. Such records shall include the name and address of, and the number of Units held by, every Unitholder of each Trust. Such books and records shall be open to inspection by any Unitholder of a Trust Fund at all reasonable times during usual business hours. The Trustee shall make such annual or other reports as may from time to time be required under any applicable state or federal statute, rule or regulation. The Trustee shall keep a certified copy or duplicate original of the Trust Agreements on file in its office available for inspection at all reasonable times during usual business hours by any Unitholder, together with a current list of the Bonds held in a Trust Fund. Pursuant to the Trust Agreements, the Trustee may employ one or more agents for the purpose of custody and safeguarding of the Bonds comprising each Trust Fund.

Under the Trust Agreements, the Trustee or any successor trustee may resign and be discharged of the trust created by the Trust Agreements by executing an instrument in writing and filing the same with the Sponsor.

The Trustee or successor trustee must mail a copy of the notice of resignation to all Unitholders then of record, not less than 60 days before the date specified in such notice when such resignation is to take effect. The Sponsor upon receiving notice of such resignation is obligated to appoint a successor trustee promptly. If, upon such resignation, no successor trustee has been appointed and has accepted the appointment within 30 days after notification, the retiring Trustee may apply to a court of competent jurisdiction for the appointment of a successor. In case the Trustee becomes incapable of acting or is adjudged a bankrupt or is taken over by public authorities, the Sponsor may remove the Trustee and appoint a successor trustee as provided in the Trust Agreement. Notice of such removal and appointment shall be mailed to each Unitholder by the Sponsor. Upon execution of a written acceptance of such appointment by such successor trustee, all the rights, powers, duties and obligations of the original Trustee shall vest in the successor. The Trustee shall be a corporation organized under the laws of the United States, or any state thereof, which is authorized under such laws to exercise trust powers. The Trustee shall have at all times an aggregate capital, surplus and undivided profits of not less than $2,000,000.

THE SPONSOR. The Sponsor, Kemper Unit Investment Trusts, with an office at 77 West Wacker Drive, 5th Floor, Chicago, Illinois 60601, (800) 621-5024, is a service of Kemper Securities, Inc., which is a wholly-owned subsidiary of Kemper Financial Companies, Inc. which, in turn, is a wholly-owned subsidiary of Kemper Corporation. The Sponsor acts as underwriter of a number of other Kemper unit investment trusts and will act as underwriter of any other unit investment trust products developed by the Sponsor in the future. As of April 30, 1993, the total stockholder's equity of Kemper Securities, Inc. was $426,125,017 (unaudited).

If at any time the Sponsor shall fail to perform any of its duties under the Trust Agreements or shall become incapable of acting or shall be adjudged a bankrupt or insolvent or shall have its affairs taken over by public authorities, then the Trustee may (a) appoint a successor sponsor at rates of compensation deemed by the Trustee to be reasonable and not exceeding such reasonable amounts as may be prescribed by the Securities and Exchange Commission, or (b) terminate the Trust Agreements and liquidate the Trust Fund as provided therein or (c) continue to act as Trustee without terminating the Trust Agreements.

The foregoing financial information with regard to the Sponsor relates only to the Sponsor and not to the Trust Funds. Such information is included in this Prospectus only for the purpose of informing investors as to the financial responsibility of the Sponsor and its ability to carry out its contractual obligations with respect to the Trust Funds. More comprehensive financial information can be obtained upon request from the Sponsor.

THE EVALUATOR. The Sponsor also serves as Evaluator. The Evaluator may resign or be removed by the Trustee in which event the Trustee is to use its best efforts to appoint a satisfactory successor. Such resignation or removal shall become effective upon acceptance of appointment by the successor evaluator. If upon resignation of the Evaluator no successor has accepted appointment within 30 days after notice of resignation, the Evaluator may apply to a court of competent jurisdiction for the appointment of a successor. Notice of such resignation or removal and appointment shall be mailed by the Trustee to each Unitholder. At the present time, pursuant to a contract with the Evaluator, Muller Data Corporation, a non-affiliated firm regularly engaged in the business of evaluating, quoting or appraising comparable securities, provides, for both the initial offering period and secondary market transactions, portfolio evaluations of the Bonds in the Trust Funds which are then reviewed by the Evaluator. In the event the Sponsor is unable to obtain current evaluations from Muller Data Corporation, it may make its own evaluations or it may utilize the services of any other non-affiliated evaluator or evaluators it deems appropriate.

AMENDMENT AND TERMINATION. The Trust Agreements may be amended by the Trustee and the Sponsor without the consent of any of the Unitholders: (1) to cure any ambiguity or to correct or supplement any provision which may be defective or inconsistent; (2) to change any provision thereof as may be required by the Securities and Exchange Commission or any successor governmental agency; or (3) to make such provisions as shall not adversely affect the interests of the Unitholders. The Trust Agreements may also be amended in any respect by the Sponsor and the Trustee, or any of the provisions thereof may be waived, with the consent of the holders of Units representing 66 2/3% of the Units then outstanding of a Trust Fund, provided that no such amendment or waiver will reduce the interest of any Unitholder thereof without the consent of such Unitholder or reduce the percentage of Units required to consent to any such amendment or waiver without the consent of all Unitholders of such Trust. In no event shall the Trust Agreements be amended to increase the number of Units of the Trust issuable thereunder or to permit, except in accordance with the provisions of the Trust Agreements, the acquisition of any Bonds in addition to or in substitution for those initially deposited in the Trust Fund. The Trustee shall promptly notify Unitholders of the substance of any such amendment.

The Trust Agreements provides that a Trust Fund shall terminate upon the maturity, redemption or other disposition of the last of the Bonds held in the Trust Fund, but in no event later than the Mandatory Termination Date set forth under "Essential Information." If the value of the Trust Fund shall be less than the applicable minimum value stated under "Essential Information" (40% of the aggregate principal amount of Bonds deposited in the Trust), the Trustee may, in its discretion, and shall, when so directed by the Sponsor, terminate the Trust Fund. A Trust Fund may be terminated at any time by the holders of Units representing 66 2/3% of the Units thereof then outstanding. In the event of termination of a Trust Fund, written notice thereof will be sent by the Trustee to all Unitholders of the Trust Fund. Within a reasonable period after termination, the Trustee will sell any Bonds remaining in the Trust Fund and, after paying all expenses and charges incurred by the Trust Fund, will distribute to Unitholders thereof (upon surrender for cancellation of certificates for Units, if issued) their pro rata share of the balances remaining in the Interest and Principal Accounts of the Trust Fund.

LIMITATIONS ON LIABILITY. The Sponsor: The Sponsor is liable for the performance of its obligations arising from its responsibilities under the Trust Agreements, but will be under no liability to the Unitholders for taking any action or refraining from any action in good faith pursuant to the Trust Agreements or for errors in judgment, except in cases of its own gross negligence, bad faith or willful misconduct. The Sponsor shall not be liable or responsible in any way for depreciation or loss incurred by reason of the sale of any Bonds.

The Trustee. The Trust Agreements provide that the Trustee shall be under no liability for any action taken in good faith in reliance upon prima facie properly executed documents or for the disposition of monies, Bonds

or certificates except by reason of its own gross negligence, bad faith or willful misconduct, nor shall the Trustee be liable or responsible in any way for depreciation or loss incurred by reason of the sale by the Trustee of any Bonds. In the event that the Sponsor shall fail to act, the Trustee may act and shall not be liable for any such action taken by it in good faith. The Trustee shall not be personally liable for any taxes or other governmental charges imposed upon or in respect of the Bonds or upon the interest thereon. In addition, the Trust Agreements contain other customary provisions limiting the liability of the Trustee.

The Evaluator: The Trustee and Unitholders may rely on any evaluation furnished by the Evaluator and shall have no responsibility for the accuracy thereof. The Trust Agreements provide that the determinations made by the Evaluator shall be made in good faith upon the basis of the best information available to it, provided, however, that the Evaluator shall be under no liability to the Trustee or Unitholders for errors in judgment, but shall be liable only for its gross negligence, lack of good faith or willful misconduct.

EXPENSES OF THE TRUSTS

The Sponsor will not charge the Trusts any fees for services performed as Sponsor, except that the Sponsor shall receive an annual surveillance fee, which is not to exceed the amount set forth under "Essential Information," for providing portfolio surveillance services for each Trust. Such fee (which is based on the largest number of Units outstanding during each year) may exceed the actual costs of providing such surveillance services for a Trust, but at no time will the total amount received for portfolio surveillance services rendered to such Series in any calendar year exceed the aggregate cost to the Sponsor of supplying such services in such year. The foregoing fees may be increased without approval of the Unitholders by amounts not exceeding proportionate increases under the category "All Services Less Rent of Shelter" in the Consumer Price Index published by the United States Department of Labor or, if such category is no longer published, in a comparable category. The Sponsor will receive a portion of the sales commissions paid in connection with the purchase of Units and will retain the profits, if any, related to the deposit of Bonds in a Trust Fund. The Sponsor has borne all the expenses of creating and establishing the Trusts including the cost of the initial preparation, printing and execution of the Prospectus, Trust Agreement and certificates, legal and accounting expenses, advertising and selling expenses, payment of closing fees, the expenses of the Trustee, evaluation fees relating to the deposit and other out-of-pocket expenses.

The Trustee receives for its services the fee set forth under "Essential Information." The Trustee fee which is calculated monthly is based on the largest aggregate principal amount of Bonds in each Trust Fund at any time during the period. Funds that are available for future distributions, redemptions and payment of expenses are held in accounts which are non-interest bearing to Unitholders and are available for use by the Trustee pursuant to normal banking procedures; however, the Trustee is also authorized by the Trust Agreements to make from time to time certain non-interest bearing advances to the Trust Funds. The Trustee's fee is payable on or before each Distribution Date. See "Unitholders--Distributions to Unitholders."

For evaluation of the Bonds, the Evaluator shall receive a fee, payable monthly, calculated on the basis of that annual rate set forth under "Essential Information," based upon the largest aggregate principal amount of Bonds in each Trust Fund at any time during such monthly period.

The Trustee's fees, the Evaluator's fees and the surveillance fees are deducted from the Interest Account of the Trust Funds to the extent funds are available and then from the Principal Account. Such fees may be increased without approval of Unitholders by amounts not exceeding a proportionate increase in the Consumer Price Index entitled "All Services Less Rent of Shelter," published by the United States Department of Labor, or any equivalent index substituted therefor.

The following additional charges are or may be incurred by each Trust Fund: (a) fees for the Trustee's extraordinary services; (b) expenses of the Trustee (including legal and auditing expenses, but not including

any fees and expenses charged by any agent for custody and safeguarding of Bonds); (c) various governmental charges; (d) expenses and costs of any action taken by the Trustee to protect the Trust or the rights and interests of the Unitholders; (e) indemnification of the Trustee for any loss, liability or expense incurred by it in the administration of the Trust not resulting from gross negligence, bad faith or willful misconduct on its part; (f) indemnification of the Sponsor for any loss, liability or expense incurred in acting in that capacity without gross negligence, bad faith or willful misconduct; and (g) expenditures incurred in contacting Unitholders upon termination of a Trust Fund. The fees and expenses set forth herein are payable out of a Trust and, when owing to the Trustee, are secured by a lien on the Trust.

Fees and expenses of each Trust Fund shall be deducted from the Interest Account thereof, or, to the extent funds are not available in such Account, from the Principal Account. The Trustee may withdraw from the Principal Account or the Interest Account such amounts, if any, as it deems necessary to establish a reserve for any taxes or other governmental charges or other extraordinary expenses payable out of each Trust. Amounts so withdrawn shall be credited to a separate account maintained for each Trust Fund known as the Reserve Account and shall not be considered a part of the Trust Fund when determining the value of the Units until such time as the Trustee shall return all or any part of such amounts to the appropriate account.

LEGAL OPINIONS

The legality of the Units offered hereby and certain matters relating to federal tax law have been passed upon by Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois 60603, as counsel for the Sponsor.

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The statements of condition and the related bond portfolios at the Date of Deposit included in this Prospectus have been audited by Grant Thornton, independent certified public accountants, as set forth in their report in the Prospectus, and are included herein in reliance upon the authority of said firm as experts in accounting and auditing.

KEMPER
DEFINED
FUNDS
INSURED CORPORATE

PROSPECTUS

INSURED CORPORATE SERIES 3

(INTERMEDIATE LADDERED)

INSURED CORPORATE SERIES 4

(LONG TERM)

MARCH 2, 1994

KEMPER UNIT INVESTMENT TRUSTS

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THIS PROSPECTUS DOES NOT CONTAIN ALL OF THE INFORMATION SET FORTH IN THE REGISTRATION STATEMENT AND EXHIBITS RELATING THERETO, FILED WITH THE SECURITIES AND EXCHANGE COMMISSION, WASHINGTON, D.C. UNDER THE SECURITIES ACT OF 1933 AND THE INVESTMENT COMPANY ACT OF 1940, AND TO WHICH REFERENCE IS MADE.

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NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS PROSPECTUS AND ANY INFORMATION OR REPRESENTATION NOT CONTAINED HEREIN MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE TRUST, THE TRUSTEE, OR THE SPONSOR. THE TRUST IS REGISTERED AS A UNIT INVESTMENT TRUST UNDER THE INVESTMENT COMPANY ACT OF 1940. SUCH REGISTRATION DOES NOT IMPLY THAT THE TRUST OR THE UNITS HAVE BEEN GUARANTEED, SPONSORED, RECOMMENDED OR APPROVED BY THE UNITED STATES OR ANY STATE OR ANY AGENCY OR OFFICER THEREOF.

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THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, SECURITIES IN ANY STATE TO ANY PERSON TO WHOM IT IS NOT LAWFUL TO MAKE SUCH OFFER IN SUCH STATE.

This Registration Statement on Form S-6 comprises the following papers and documents.

<TABLE>
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The facing sheet of Form S-6.
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The cross-reference sheet.
The prospectus.
The signatures.
The following exhibits.

1.1. Form of Trust Indenture and Agreement for Insured Corporate Series 3 and Insured Corporate Series 4.

1.1.(a) Standard Terms and Conditions of Trust for Series 1 and Subsequent Series. Reference is made to Exhibit 1.1.(a) to the Registration Statement on Form S-6, with respect to Kemper Insured Corporate Trust, Series 1 (Registration No. 33-38027) as filed on February 12, 1991.

1.2. Certificate of Incorporation of Kemper Securities, Inc. Reference is made to Exhibit 1.2 to the Registration Statement on Form S-6, with respect to Kemper Government Securities Trust (Registration No. 33-26754) as filed on February 14, 1989 and Kemper Defined Funds Series 9 (Registration No. 33-56012) as filed on November 3, 1993.

1.3. By-laws of Kemper Securities, Inc. Reference is made to Exhibit 1.3 to the Registration Statement on Form S-6, with respect to Kemper Government Securities Trust (Registration No. 33-26754) as filed on February 14, 1989 and Kemper Defined Funds Series 9 (Registration No. 33-56012) as filed on November 3, 1993.

2.1. Form of Certificate of Ownership (pages three to nine, inclusive, of the Standard Terms and Conditions of Trust included as Exhibit 1.1.(a)).

3.1. Opinion of counsel to the Sponsor as to legality of the securities being registered including a consent to the use of its name under the headings "Federal Tax Status" and "Legal Opinions" in the Prospectus.

4.1. Consent of Moody's Investors Service, Inc.

4.2. Consent of Muller Data Corporation.

4.3. Consent of Grant Thornton.

</TABLE>

SIGNATURES

The Registrant, Kemper Defined Funds Series 14 (Insured Corporate Series 3 and Insured Corporate Series 4) hereby identifies Series 1 of the Kemper Insured Corporate Trust and Kemper Defined Funds Insured National Series I for purposes of the representations required by Rule 487 and represents the following:

(1) that the portfolio securities deposited in the series as to the securities of which this Registration Statement is being filed do not differ materially in type or quality from those deposited in such previous series;

(2) that, except to the extent necessary to identify the specific portfolio securities deposited in, and to provide essential financial information for, the series with respect to the securities of which this Registration Statement is being filed, this Registration Statement does not contain disclosures that differ in any material respect from those contained in the registration statements for such previous series as to which the effective date was determined by the Commission or the Staff; and

(3) that it has complied with Rule 460 under the Securities Act of 1933.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THE REGISTRANT, KEMPER DEFINED FUNDS SERIES 14 (INSURED CORPORATE SERIES 3 AND INSURED CORPORATE SERIES 4), HAS DULY CAUSED THIS AMENDMENT TO THE REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE CITY OF CHICAGO, AND STATE OF ILLINOIS, ON THE 1ST DAY OF MARCH, 1994.

KEMPER DEFINED FUNDS SERIES 14
INSURED CORPORATE SERIES 3 AND
INSURED CORPORATE SERIES 4
Registrant

By: KEMPER SECURITIES, INC.
Depositor

By: /s/ C. PERRY MOORE
C. Perry Moore

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BELOW ON MARCH 1, 1994 BY THE FOLLOWING PERSONS, WHO CONSTITUTE A MAJORITY OF THE BOARD OF DIRECTORS OF KEMPER SECURITIES, INC.

<TABLE>
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SIGNATURE	TITLE
<S>	<C>
JAMES R. BORIS	Chairman and Chief Executive Officer

James R. Boris	
JAMES P. FITZGERALD James P. Fitzgerald	Executive Vice President and Director
STANLEY R. FALLIS Stanley R. Fallis	Executive Vice President, Chief Financial Officer and Director
FRANK V. GEREMIA Frank V. Geremia	Executive Vice President and Director
DAVID B. MATHIS David B. Mathis	Director
ROBERT T. JACKSON Robert T. Jackson	Director
JAY B. WALTERS Jay B. Walters	Director
FREDERICK C. HOSKEN Frederick C. Hosken	Director
JEFFREY H. KAHN Jeffrey H. Kahn	Director
CHARLES M. KIERSCHT Charles M. Kierscht	Director
ARTHUR J. MCGIVERN Arthur J. McGivern	Director
	/s/ C. PERRY MOORE C. Perry Moore

</TABLE>

C. PERRY MOORE SIGNS THIS DOCUMENT PURSUANT TO POWER OF ATTORNEY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION WITH (A) AMENDMENT NO. 1 TO THE REGISTRATION STATEMENT ON FORM S-6 FOR KEMPER TAX-EXEMPT INSURED INCOME TRUST, SERIES A-70 AND MULTI-STATE SERIES 28 AND KEMPER TAX-EXEMPT INCOME TRUST, MULTI-STATE SERIES 42 (REGISTRATION NO. 33-35425), (B) AMENDMENT NO. 1 TO THE REGISTRATION STATEMENT ON FORM S-6 FOR KEMPER TAX-EXEMPT INSURED INCOME TRUST, SERIES A-72 AND MULTI-STATE SERIES 30 (REGISTRATION NO. 33-37178) AND (C) AMENDMENT NO. 1 TO THE REGISTRATION STATEMENT ON FORM S-6 FOR KEMPER TAX-EXEMPT INSURED INCOME TRUST, MULTI-STATE SERIES 51 (REGISTRATION NO. 33-48398).

MEMORANDUM OF CHANGES

KEMPER DEFINED FUNDS SERIES 14

The Prospectus filed with Amendment No. 1 of the Registration Statement on Form S-6 has been revised to reflect information regarding the deposit of bonds on March 2, 1994 and to set forth certain statistical data based thereon. An effort has been made to set forth below each of the changes and also to reflect such changes by blacklining the marked counterparts of the Prospectus submitted with the Amendment.

THE PROSPECTUS

S-6 Cover Page.	The SEC file number, dates, size of the Trust Fund and Series number have been set forth.
Cover Page.	The date of the Prospectus has been completed.
Pages 3 and 4.	"Essential Information" - Income, expense and distribution data has been supplied for each Trust.
Page 6.	"The Trust Funds - Series Information" - Concentrations by industry, state and region, if applicable, have been set forth.
Page 7.	The Portfolios have been completed.
Pages 9 and 10.	The "Notes to Portfolios" has been completed.
Page 11.	"Report of Independent Certified Public Accountants" - This section has been completed.
Page 12.	"Statements of Condition" - The applicable data has been added.
Back Cover.	The date, Series number and table of contents have been completed.
Pages S-1 - S-3.	The list of exhibits and signature pages have been completed.

EXHIBIT 1.1

KEMPER DEFINED FUNDS SERIES 14

TRUST AGREEMENT

This Trust Agreement dated as of March 2, 1994 between Kemper Unit Investment Trusts, a service of Kemper Securities, Inc., as Depositor, and Investors Fiduciary Trust Company, as Trustee, sets forth certain provisions in full and incorporates other provisions by reference to the document entitled "Kemper Insured Corporate Trust, Series 1 and Subsequent Series, Standard Terms and Conditions of Trust, Effective February 12, 1991" (herein called the "Standard Terms and Conditions of Trust"), and such provisions as are set forth in full and such provisions as are incorporated by reference constitute a single instrument.

WITNESSETH THAT:

In consideration of the premises and of the mutual agreements herein contained, the Depositor and the Trustee agree as follows:

PART I

STANDARD TERMS AND CONDITIONS OF TRUST

Subject to the provisions of Part II hereof, all the provisions contained in the Standard Terms and Conditions of Trust are herein incorporated by reference in their entirety and shall be deemed to be a part of this instrument as fully and to the same extent as though said provisions had been set forth in this instrument.

PART II

SPECIAL TERMS AND CONDITIONS OF TRUST

The following special terms and conditions are hereby agreed to:

(a) The interest-bearing obligations listed in the Schedules hereto have been deposited in trust under this Trust Agreement as indicated in the Trust named on the attached Schedules.

(b) For the purposes of the definition of the term "Depositor" in Article I, it is hereby specified that such term shall mean Kemper Unit Investment Trusts, a service of Kemper Securities, Inc. or its successors or any successor Depositor appointed.

(c) For the purposes of the definition of the term "Unit" in Article I, it is hereby specified that the fractional undivided interest in and ownership of the

Trust is the amount set forth in the section captioned "Essential Information" in the final Prospectus of the Trust (the "Prospectus") contained in Amendment No. 1 to the Trust's Registration Statement (Registration No. 33-52231) as filed with the Securities and Exchange Commission on March 2, 1994. The fractional undivided interest may increase by the number of any additional Units issued pursuant to Section 2.03, or decrease by the number of Units redeemed pursuant to Section 5.02.

(d) For purposes of the definition of the term "Fund" in Article I, it is hereby specified that such term shall mean the term "Trust" as defined on page 2 of the Prospectus.

(e) For purposes of the definition of the term "Trust Fund" in Article I, it is hereby specified that such term shall include the definition of the term "Trust Fund" as set forth on page 2 of the Prospectus and specifically shall include the Insured Corporate Series 3 and Insured Corporate Series 4.

(f) The term "Record Date" shall mean the "Record Dates" set forth under "Unitholders - Distributions to Unitholders" of the Prospectus.

(g) The terms "Interest Distribution Date" and "Principal Distribution Date" shall mean the "Interest Distribution Dates" and "Principal Distribution Dates" set forth under "Unitholders - Distributions to Unitholders" in the Prospectus.

(h) The term "Initial Date of Deposit" shall mean March 2, 1994.

(i) Section 2.01(b) shall be amended to read in full as follows:

> (b) From time to time for a period not to exceed six (6) months following the Initial Date of Deposit for a Trust, the Depositor is hereby authorized, in its discretion, to assign, convey to and deposit with the Trustee additional Bonds for such Trust, duly endorsed in blank or accompanied by all necessary instruments of assignment and transfer in proper form, to be held, managed and applied by the Trustee as herein provided. Such deposit of additional Bonds shall be made, in each case, pursuant to an executed Supplemental Trust Agreement. Any additional Bonds to be deposited must (1) be issued by the same issuer; (2) have the same original issue date; (3) have the same coupon or interest rate; (4) have the same maturity date; (5)

have the same redemption features; and (6) have other legal characteristics as the Bonds originally deposited in the Trust on the Initial Date of Deposit and the Depositor in each case shall ensure that each deposit of additional Bonds pursuant to this Section

shall have the same ratio of Bonds (based on principal amount) as existed on the Initial Date of Deposit for each Trust Fund.

(j) The number of Units of the Trust referred to in Section 2.03 is as set forth in the section captioned "Essential Information" in the Prospectus.

(k) As contemplated by the last paragraph of Section 3.04, an initial distribution for the Trust will be made on the Distribution Date and in the amount set forth in the section captioned "Unitholders - Distributions to Unitholders" in the Prospectus to all holders of record on the Record Date set forth thereunder, regardless of the payment option selected. Thereafter, the amounts distributed shall be calculated in the manner set forth in Section 3.04.

(l) For the purposes of Section 3.14, the Depositor shall receive for portfolio surveillance services a fee calculated on the basis of that maximum annual rate set forth in "Essential Information" of $.25 per $1,000 principal amount of Bonds, based upon the largest aggregate principal amount of Bonds in the Trust at any time during such monthly period.

(m) For the purposes of Section 4.03, the Evaluator shall receive for evaluation of the Bonds in the Trust a fee, payable monthly, calculated on the basis of that annual rate set forth in "Essential Information" per $1,000 principal amount of Bonds, based upon the largest aggregate principal amount of Bonds in the Trust at any time during such monthly period.

(n) For the purposes of Section 8.01(g), the liquidation amount is hereby specified as the amount set forth under "Essential Information - Minimum Value of Trust under which Trust Agreement may be Terminated" in the Prospectus.

(o) For the purposes of Section 8.05, with the exception of the first year, the compensation for the Trustee for each Trust is the amount set forth in "Essential Information".

(p) Any monies held to purchase "when-issued" bonds will be held in non-interest bearing accounts.

IN WITNESS WHEREOF, the parties hereto have caused this Trust Agreement to be duly executed.

KEMPER SECURITIES, INC.
through its Kemper Unit Investment Trusts service
Depositor

By C. Perry Moore
Senior Vice President

INVESTORS FIDUCIARY TRUST COMPANY

By Ron Puett
Operations Officer

SCHEDULE A

BONDS INITIALLY DEPOSITED
KEMPER DEFINED FUNDS SERIES 14

(Note: Incorporated herein and made a part hereof is the "Portfolio" as set forth in the Prospectus.)

EXHIBIT 3.1

Chapman and Cutler
111 WEST MONROE STREET
CHICAGO, ILLINOIS 60603

March 2, 1994

Kemper Unit Investment Trusts,
a service of Kemper Securities, Inc.
77 West Wacker Drive, 5th Floor
Chicago, Illinois 60601

Re: Kemper Defined Funds Series 14

Gentlemen:

We have served as counsel for Kemper Unit Investment Trusts, a service of Kemper Securities, Inc., as Sponsor and Depositor of Kemper Defined Funds Series 14 (the "Fund"), in connection with the preparation, execution and delivery of the Trust Agreement dated the date of this opinion between Kemper Unit Investment Trusts, a service of Kemper Securities, Inc., as Depositor, and Investors Fiduciary Trust Company, as Trustee, pursuant to which the Depositor has delivered to and deposited the Bonds listed in the Schedule to the Trust Agreement with the Trustee and pursuant to which the Trustee has issued to or on the order of the Depositor a certificate or certificates representing all the Units of fractional undivided interest in, and ownership of, the Fund, created under said Trust Agreement.

In connection therewith we have examined such pertinent records and documents and matters of law as we have deemed necessary in order to enable us to express the opinions hereinafter set forth.

Based upon the foregoing, we are of the opinion that:

1. The execution and delivery of the Trust Agreement and the execution and issuance of certificates evidencing the Units of the Fund have been duly authorized; and

2. The certificates evidencing the Units of the Fund, when duly executed and delivered by the Depositor and the Trustee in accordance with the aforementioned Trust Agreement, will constitute a valid and binding obligation of the Fund and the Depositor in accordance with the terms thereof.

We hereby consent to the filing of this opinion as an exhibit to the

Registration Statement (File No. 33-52231) relating to the Units referred to above and to the use of our name and to the reference to our firm in said Registration Statement and in the related Prospectus.

Respectfully submitted,

CHAPMAN AND CUTLER

Chapman and Cutler
111 WEST MONROE STREET
CHICAGO, ILLINOIS 60603

March 2, 1994

Kemper Unit Investment Trusts,
a service of Kemper Securities, Inc.
77 West Wacker Drive, 5th Floor
Chicago, Illinois 60601

Investors Fiduciary Trust Company
127 West 10th Street
Kansas City, Missouri 64105

Re: Kemper Defined Funds Series 14

Gentlemen:

We have acted as counsel for Kemper Unit Investment Trusts, a service of Kemper Securities, Inc., as Sponsor and Depositor of Kemper Defined Funds Series 14 (the "Trust"), in connection with the issuance of Units of fractional undivided interest in the Trust, under a Trust Agreement dated March 2, 1994 (the "Indenture") between Kemper Unit Investment Trusts, a service of Kemper Securities, Inc., as Depositor and Evaluator, and Investors Fiduciary Trust Company, as Trustee.

In this connection, we have examined the Registration Statement, the Prospectus, the Indenture, and such other instruments and documents as we have deemed pertinent.

The assets of the Trust will consist of portfolios of intermediate and long-term corporate debt obligations issued by utility companies (the "Corporate Bonds") and "Zero coupon" U.S. Treasury bonds (the "Treasury Bonds") (collectively, the "Obligations") as set forth in the Prospectus. In the case of Series 14, all Obligations have been issued after July 18, 1984.

Based upon the foregoing and upon an investigation of such matters of law as we consider to be applicable, we are of the opinion that, under existing Federal income tax law:

(i) The Trusts are not associations taxable as corporations but will be governed by the provisions of subchapter J (relating to Trusts) of chapter 1, Internal Revenue Code of 1986 (the "Code").

(ii) Each Unitholder will be considered as owning a pro rata share of each asset of the Trusts in the proportion that the number of Units held by him bears to the total number of Units outstanding. Under subpart E, subchapter J of

4

chapter 1 of the Code, income of the Trusts will be treated as income of each Unitholder in the proportion described, and an item of Trust income will have the same character in the hands of a Unitholder as it would have in the hands of the Trustee. Each Unitholder will be considered to have received his pro rata share of interest derived from each Trust asset when such interest is received by the Trust. Each Unitholder will also be required to include in taxable income for Federal income tax purposes, original issue discount with respect to his interest in any Obligation held by the Trust which was issued with original issue discount at the same time and in the same manner as though the Unitholder were the direct owner of such interest. Original issue discount will be treated as zero with respect to Corporate Bonds if it is "de minimis" within the meaning of Section 1273 of the Code and, based upon a Treasury Regulation (the "Regulation") which was issued on December 28, 1992 regarding the stripped bond rules of the Code, original issue discount with respect to a Treasury Bond will be treated as zero if it is "de minimis" as determined thereunder. A Unitholder may elect to include in taxable income for Federal income tax purposes, market discount as it accrues with respect to his interest in any Corporate Bond held by a Trust which he is considered as having acquired with market discount at the same time and in the same manner as though the Unitholder were the direct owner of such interest.

(iii) The price a Unitholder pays for his Units, including sales charges, is allocated among his pro rata portion of each Obligation held by the Trust (in proportion to the fair market values thereof on the date the Unitholder purchases his Units), in order to determine his initial cost for his pro rata portion of each Obligation held by the Trust. The Treasury Bonds are treated as bonds that were originally issued at an original issue discount. Because the Treasury Bonds represent interests in "stripped" U.S. Treasury bonds, a Unitholder's initial cost for his pro rata portion of each Treasury Bond held by the Trust (determined at the time he acquires his units, in the manner described above) shall be treated as its "purchase price" by the Unitholder. Under the special rules relating to stripped bonds, original issue discount applicable to the Treasury

Bonds is effectively treated as interest for Federal income tax purposes and the amount of original issue discount in this case is generally the difference between the Bond's purchase price and its stated redemption price at maturity. A Unitholder will be required to include in gross income for each taxable year the sum of his daily portions of original issue discount attributable to the Treasury Bonds held by the Trust as such original issue discount accrues and will in general be subject to Federal income tax with respect to the total amount of such original issue discount that accrues for such year even though the income is not distributed to the Unitholders during such year to the extent it is greater than or equal to the "de minimis" amount described below. To the extent the amount of such discount is less than the respective "de minimis" amount, such discount shall be treated as zero. In general, original issue

5

discount accrues daily under a constant interest rate method which takes into account the semi-annual compounding of accrued interest. In the case of Treasury Bonds this method will generally result in an increasing amount of income to the Unitholders each year.

(iv) Gain or loss will be recognized to a Unitholder upon redemption or sale of his Units. Such gain or loss is measured by comparing the proceeds of such redemption or sale with the adjusted basis of the Units represented by his Certificate. Before adjustment, such basis would normally be cost if the Unitholder had acquired his units by purchase. In addition, such basis will be increased by the Unitholder's aliquot share of the accrued original issue discount with respect to each Obligation held by the Trust with respect to which there was original issue discount at the time such Obligation was issued and by accrued market discount which the Unitholder has elected to annually include in income with respect to each Corporate Bond and reduced by the Unitholder's aliquot share of the amortized acquisition premium, if any, which the Unitholder has properly elected to amortize under Section 171 of the Code on each Obligation held by the Trust.

(v) If the Trustee disposes of a Trust asset (whether by sale, exchange, redemption, payment on maturity or otherwise) gain or loss will be recognized to the Unitholder and the amount thereof will be measured by comparing the Unitholder's aliquot share of the total proceeds from the transaction with his basis for his fractional interest in the asset disposed of. Such basis is ascertained by apportioning the tax basis for his Units (as of the date on which his Units were acquired) among each of the Trust assets ratably according to their values as of the valuation date nearest the date on which he purchased such Units. A Unitholder's basis in his Units and of his fractional interest in each Trust asset must be reduced by the Unitholder's share of the amortized acquisition premium, if any, on Obligations held by the Trust which the Unitholder has properly elected to amortize under Section 171 of the Code and must be increased by the Unitholder's share of the accrued original issue discount with respect to each Obligation which, at the time the Obligation was issued, had original issue discount and in the case of a Corporate Bond, by accrued market discount which the Unitholder has elected to annually include in income.

The Tax Reform Act of 1986 (the "Act"), among other things, provides that certain itemized deductions, such as investment expenses, tax return preparation fees and employee business expenses will be deductible by individuals only to the extent they exceed 2% of such individual's adjusted gross income. Temporary regulations have been issued which require Unitholders to treat certain expenses of the Trusts as miscellaneous itemized deductions subject to this limitation.

The Code provides a complex set of rules governing the accrual of original issue discount, including special rules relating to "stripped" debt instruments such as the Treasury Bonds. These rules provide that original issue discount generally accrues on the basis of a constant compound interest rate. Special rules apply if the purchase price of an Obligation exceeds its original issue price plus the amount of original issue discount which would have previously accrued, based upon its issue price (its "adjusted issue price"). Similarly, these special rules would apply to a Unitholder if the tax basis of his pro rata portion of an Obligation issued with original issue discount exceeds his pro rata portion of its adjusted issue price. The application of these rules will also vary depending on the value of the Obligation on the date a Unitholder acquires his Units, and the price a Unitholder pays for his Units. In addition, as discussed above, the Regulation provides that the amount of original issue discount on a stripped bond is considered zero if the actual amount of original issue discount on such stripped bond as determined under Section 1286 of the Code is less than a "de minimis" amount, which, the Regulation provides, is the product of (i) 0.25 percent of the stated redemption price at maturity and (ii) the number of full years from the date the stripped bond is purchased (determined separately for each new purchaser thereof) to the final maturity date of the bond.

If a Unitholder's tax basis in his interest in any Corporate Bond held by a Trust is less than his allocable portion of such Corporate Bond's stated redemption price at maturity (or, if issued with original issue discount, his allocable portion of its revised issue price on the date he buys his Units), such difference will constitute market discount unless the amount of market discount is "de minimis" as specified in the Code. Market discount accrues daily computed on a straight line basis, unless the Unitholder elects to calculate accrued market discount under a constant yield method. The market discount rules do not apply to Treasury Bonds because they are stripped debt instruments subject to special original issue discount rules as discussed in paragraph (iii).

Accrued market discount is generally includible in taxable income of the Unitholders as ordinary income for Federal tax purposes upon the receipt of serial principal payments on Corporate Bonds held by a Trust, on the sale, maturity or disposition of such Corporate Bonds by the Trust and on the sale of a Unitholder's Units unless a Unitholder elects to include the accrued market discount in taxable income as such discount accrues. If a Unitholder does not elect to annually include accrued market discount in taxable income as it accrues, deductions of any interest expense incurred by the Unitholder to purchase or carry his Units will be reduced by such accrued market discount. In general, the portion of any interest which is not currently deductible is deductible when the accrued market discount is included in income upon the sale or redemption of the Corporate Bonds or the sale of Units.

A Unitholder will recognize taxable gain (or loss) when all or part of the pro rata interest in an Obligation is either sold by a Trust or redeemed or when a Unitholder disposes of his Units in a taxable transaction, in each case for an amount greater (or less) than his tax basis therefor.

Any gain recognized on a sale or exchange and not constituting a realization of accrued "market discount" and any loss will, under current law, generally be capital gain or loss except in the case of a dealer or financial institution. As previously discussed, gain attributable to any Corporate Bond deemed to have been acquired by the Unitholder with market discount will be treated as ordinary income to the extent the gain does not exceed the amount of accrued market discount not previously taken into income. The tax cost reduction requirements of the Code relating to amortization of bond premium may, under certain circumstances, result in the Unitholder realizing a taxable gain when his Units are sold or redeemed for an amount equal to or less than his original cost.

If a Unitholder disposes of a Unit, he is deemed thereby to have disposed of his entire pro rata interest in all trust assets including his pro rata portion of all of the Corporate Bonds represented by the Unit. This may result in a portion of the gain, if any, on such sale being taxable as ordinary income under the market discount rules (assuming no election was made by the Unitholder to include market discount in income as it accrues) as previously discussed.

A Unitholder who is a foreign investor (i.e., an investor other than a U.S. citizen or resident of U.S. corporation, partnership, estate or trust) will not be subject to United States Federal income taxes, including witholding taxes on interest income (including any original issue discount) on, or any gain from the sale or other disposition or redemption of any Obligation held by the Trust or the sale of his Units provided that all of the following conditions are met:

(i) the interest income or gain is not effectively connected with the conduct by the foreign investor of a trade or business within the United States;

(ii) either

(a) the interest is United States source income (which is the case for most securities issued by United States issuers), the debt instrument is issued after July 18, 1984, the foreign investor does not own, directly or indirectly, 10% or more of the total combined voting power of all classes of voting stock of the issuer of the debt instrument and the Unitholder is not a controlled foreign corporation related (within the meaning of Section 864(d)(4) of the Code) to the issuer of the debt instrument, or

(b) the interest income is not from sources within the United States;

(iii) with respect to any gain, the foreign investor (if an individual) is not present in the United States for 183 days or more during his or her taxable year; and

(iv) the foreign investor provides all certification which may be required of his status.

It should be noted that the "Revenue Reconciliation Act of 1993," includes a provision which eliminates the exemption from United States taxation, including withholding taxes, for certain "contingent interest," This provision applies to interest received after December 31, 1993. No opinion is expressed herein regarding the potential applicability of this provision and whether United States taxation or withholding taxes could be imposed with respect to income derived from the Units as a result thereof.

We have also examined the laws of the State of Missouri to determine their applicability to the Trust. It is our opinion that under Missouri law, as presently enacted and construed:

(i) The Trust is not an association taxable as a corporation for Missouri income tax purposes.

(ii) The Unitholders of the Trust will be treated as the owners of a pro rata portion of the Trust and the income of the Trust will therefore be treated as income of the Unitholders under Missouri law.

(iii) The Trust will not be subject to the Kansas City, Missouri Earnings and Profits Tax and each Unitholder's share of income of the Trust will not generally be subject to the Kansas City, Missouri Earnings and Profits Tax or the City of St. Louis Earnings Tax (except in the case of certain Unitholders, including corporations, otherwise subject to the St. Louis City Earnings Tax).

The scope of this opinion is expressly limited to the matters set forth herein, and, except as expressly set forth above, we express no opinion with respect to any other taxes, including state or local taxes or collateral tax consequences with respect to the purchase, ownership and disposition of Units.

Very truly yours

CHAPMAN AND CUTLER

MJK/ch

EXHIBIT 4.1

[LOGO] MOODY'S INVESTORS SERVICE

March 2, 1994

Mike Thoms
Kemper Securities Group, Inc.
Unit Investment Trust
77 West Wacker Drive - 5th Floor
Chicago, IL 60601

Re: Kemper Defined Funds Series 14 (Insured Corporate Series 3 and Insured Corporate Series 4)

Dear Mr. Thoms:

Please be advised that once Moody's Investors Service has independently verified the existence of insurance policies on all Bonds expected to be included in the Trusts, we will assign Aaa ratings to the Units in the series of Trusts described above. The ratings on the Units will reflect the portfolios of the Trusts, which will be composed solely of securities covered by bond insurance policies. The insurance companies issuing the policies are all rated Aaa by Moody's.

Insurance guarantying the payments of principal and interest, when due, on the Bonds in the portfolio of the Trust has been obtained from an insurance company either by the Trust, by the issuer of the Bonds involved, by a prior owner of the Bonds or by the Sponsor prior to the deposit of such Bonds in the Trust. It is important to note that the insurance relates only to the Bonds in the Trust and does not directly insure the Units or assure payment of the market value thereof. While as a result of such insurance the Units of the Trust will receive a rating of "Aaa" by Moody's Investors Service. Moody's has indicated that this rating is not a recommendation to buy, hold or sell Units. This rating reflects Moody's determination that the Bonds in the portfolio of the Trust are judged to be of the best quality. This rating does not reflect a determination by Moody's that the Unitholder will receive all principal and interest payable on such Bonds through their nominal maturity. This is due to the possibility that the Trust may, for a variety of reasons, dispose of such Bonds, including sales to meet redemptions, to pay expenses of the Trustee, to wind up the Trust when the value of the Bonds in the Trust falls below a certain minimum amount and for other reasons specified in the Indenture. Accordingly, while the "Aaa" rating reflects that such Bonds in the portfolio carry the smallest degree of credit risk and they are generally considered to be "gilt edged", this rating does not assure a Unitholder that it will receive all principal and interest payable on such Bonds through their nominal maturity.

This letter evidences our consent to the use of the name of Moody's Investors Service in connection with the rating assigned to the Units in the registration statement or prospectus relating to the Units or the Trusts. However, this letter should not be construed as a consent by us, within the meaning of Section 7 of the Securities Act of 1933, to the use of the name of Moody's Investors Service in connection with the ratings assigned to the securities contained in the Trust. You are hereby authorized to file a copy of this letter with the Securities and Exchange Commission.

Please send us copies of the prospectus as soon as it is available, as well as any mini-prospectus or other sales materials.

Please do not hesitate to call should you have any additional questions or requests.

Sincerely,

[SIG]

Laura Levenstein

EXHIBIT 4.2

[MULLER DATA LOGO]

Kemper Capital Markets, Inc.
Unit Investment Trusts
77 West Wacker Drive - 5th Floor
Chicago, Illinois 60601-1994

RE: Kemper Defined Funds Series 14 (Insured Corporate Series 3 and Insured Corporate Series 4)

Gentlemen:

We have examined Registration Statement File No. 33-52231 for the above captioned trust. We hereby acknowledge that Muller Data Corporation is currently acting as the evaluator for the trust. We hereby consent to the use in the Registration Statement of the reference to Muller Data Corporation as evaluator.

In addition, we hereby confirm that the ratings indicated in the Registration Statement for the respective bonds comprising the trust portfolio are the ratings indicated in our Muniview data base as of the date of the Evaluation Report.

You are hereby authorized to file a copy of this letter with the Securities and Exchange Commission.

Sincerely,

[SIG]

Neil Edelstein,
Executive Vice President

[Letterhead/Logo]

EXHIBIT 4.3

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' CONSENT

We have issued our report dated March 2, 1994 on the statements of condition and related bond portfolios of Kemper Defined Funds Series 14 (Insured Corporate Series 3 and Insured Corporate Series 4) as of March, 2, 1994 contained in the Registration Statement on Form S-6 and in the Prospectus. We consent to the use of our report in the Registration Statement and in the Prospectus and to the use of our name as it appears under the caption "Other Matters--Independent Certified Public Accountants."

GRANT THORNTON

Chicago, Illinois
March 2, 1994