

SECURITIES AND EXCHANGE COMMISSION

FORM 487

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

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FILER

FIRST TRUST SPECIAL SITUATION TRUST SERIES 89

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Business Address
C/O NIKE SECURITIES L P
1001 WARRENVILLE ROAD
LISLE IL 60532
7082414141

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 1 to 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:

The First Trust Special Situations Trust, Series 89

B. Name of depositor:

NIKE SECURITIES L.P.

C. Complete address of depositor's principal executive offices:

1001 Warrenville Road
Lisle, Illinois 60532

D. Name and complete address of agents for service:

	Copy to:
JAMES A. BOWEN	ERIC F. FESS
c/o Nike Securities L.P.	c/o Chapman and Cutler
1001 Warrenville Road	111 West Monroe Street
Lisle, Illinois 60532	Chicago, Illinois 60603

E. Title and Amount of Securities Being Registered:

An indefinite number of Units pursuant to Rule 24f-2
promulgated under the Investment Company Act of 1940, as
amended

F. Proposed Maximum Aggregate Offering Price to the Public of
the Securities Being Registered: Indefinite

G. Amount of Filing Fee (as required by Rule 24f-2): \$500.00*

H. Approximate date of proposed sale to public:

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

Check box if it is proposed that this filing will become
effective on January 12, 1994 at 2:00 p.m. pursuant to Rule
487.

*Previously paid
THE FIRST TRUST SPECIAL SITUATIONS TRUST, SERIES 89

Cross-Reference Sheet

(Form N-8B-2 Items required by Instructions as
to the Prospectus in Form S-6)

Form N-8B-2 Item Number Form S-6 Heading in Prospectus

I. ORGANIZATION AND GENERAL INFORMATION

- | | | |
|----|------------------------------------|--|
| 1. | (a) Name of trust | Prospectus front cover |
| | (b) Title of securities issued | Summary of Essential
Information |
| 2. | Name and address of each depositor | Information as to
Sponsor, Trustee and
Evaluator |

3.	Name and address of trustee	Information as to Sponsor, Trustee and Evaluator
4.	Name and address of principal underwriters	Information as to Sponsor, Trustee and Evaluator
5.	State of organization of trust	The First Trust Special Situations Trust
6.	Execution and termination of trust agreement	Other Information
7.	Changes of name	*
8.	Fiscal year	*
9.	Litigation	*

II. GENERAL DESCRIPTION OF THE TRUST AND SECURITIES OF THE TRUST

10.	(a) Registered or bearer securities	Public Offering
	(b) Cumulative or distributive securities	The First Trust Special Situations Trust
	(c) Redemption	Rights of Unitholders
	(d) Conversion, transfer, etc.	Rights of Unitholders
	(e) Periodic payment plan	*
	(f) Voting rights	Rights of Unitholders
	(g) Notice of certificateholders	Other Information
	(h) Consents required	Rights of Unitholders; Other Information
	(i) Other provisions	The First Trust Special Situations Trust
11.	Types of securities comprising units	The First Trust Special Situations Trust Schedule of Investments
12.	Certain information regarding periodic payment certificates	*
13.	(a) Load, fees, expenses, etc.	Summary of Essential Information; Public Offering; The First Trust Special Situations Trust
	(b) Certain information regarding periodic payment certificates	*
	(c) Certain percentages	Summary of Essential Information; The First Trust Special Situations Trust; Public Offering
	(d) Certain other fees, etc. payable by holders	Rights of Units Holders
	(e) Certain profits receivable by depositor, principal, underwriters, trustee or affiliated persons	The First Trust Special Situations Trust
	(f) Ratio of annual charges to income	*

14.	Issuance of trust's securities	Rights of Unit Holders
15.	Receipt and handling of payments from purchasers	*
16.	Acquisition and disposition of underlying securities	The First Trust Special Situations Trust; Rights of Unit Holders;
17.	Withdrawal or redemption	The First Trust Special Situations Trust; Public Offering; Rights of Unit Holders
18.	(a) Receipt, custody and disposition of income	Rights of Unit Holders
	(b) Reinvestment of distributions	Rights of Unit Holders
	(c) Reserves or special funds	Information as to Sponsor, Trustee and Evaluator
	(d) Schedule of distributions	*
19.	Records, accounts and reports	Rights of Unit Holders
20.	Certain miscellaneous provisions of trust agreement	
	(a) Amendment	Other Information
	(b) Termination	Other Information
	(c) and (d) Trustee, removal and successor	Information as to Sponsor, Trustee and Evaluator
	(e) and (f) Depositor, removal and successor	Information as to Sponsor, Trustee and Evaluator
21.	Loans to security holders	*
22.	Limitations on liability	The First Trust Special Situations Trust; Information as to Sponsor, Trustee and Evaluator
23.	Bonding arrangements	Contents of Registration Statement
24.	Other material provisions of trust agreement	*
III. ORGANIZATION, PERSONNEL AND AFFILIATED PERSONS OF DEPOSITOR		
25.	Organization of depositor	Information as to Sponsor, Trustee and Evaluator
26.	Fees received by depositor	*
27.	Business of depositor	Information as to Sponsor, Trustee and Evaluator
28.	Certain information as to officials and affiliated persons of depositor	*
29.	Voting securities of depositor	*
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
36. Suspension of sales of trust's securities	*
37. Revocation of authority to distribute	*
38. (a) Method of distribution	Public Offering
(b) Underwriting agreements	Public Offering
(c) Selling agreements	Public Offering
39. (a) Organization of principal underwriters	Information as to Sponsor, Trustee and Evaluator
(b) N.A.S.D. membership of principal underwriters	Information as to Sponsor, Trustee and Evaluator
40. Certain fees received by principal underwriters	See Items 13(a) and 13(e)
41. (a) Business of principal underwriters	Information as to Sponsor, Trustee and Evaluator
(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	*
44. (a) Method of valuation	Summary of Essential Information; The First Trust Special Situations Trust, Public Offering
(b) Schedule as to offering price	*
(c) Variation in offering price to certain persons	Public Offering
45. Suspension of redemption rights	*
46. (a) Redemption valuation	Rights of Unit Holders
(b) Schedule as to redemption price	*
47. Maintenance of position in underlying securities	Public Offering; Rights of Unit Holders

V. INFORMATION CONCERNING THE TRUSTEE OR CUSTODIAN

- | | | |
|-----|--|--|
| 48. | Organization and regulation of trustee | Information as to Sponsor, Trustee and Evaluator |
| 49. | Fees and expenses of trustee | The First Trust Special Situations Trust |
| 50. | Trustee's lien | The First Trust Special Situations Trust |

VI. INFORMATION CONCERNING THE INSURANCE OF HOLDERS OF SECURITIES

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|-----|--|---|
| 51. | Insurance of holders of trust's securities | * |
|-----|--|---|

VII. POLICY OF REGISTRANT

- | | | |
|-----|---|--|
| 52. | (a) Provisions of trust agreement with respect to selection or elimination of underlying securities | The First Trust Special Situations Trust; Rights of Unit Holders |
| | (b) Transactions involving elimination of underlying securities | * |
| | (c) Policy regarding substitution or elimination of underlying securities | The First Trust Special Situations Trust; Rights of Unit Holders |
| | (d) Fundamental policy not otherwise covered | * |
| 53. | Tax status of Trust | The First Trust Special Situations Trust |

VIII. FINANCIAL AND STATISTICAL INFORMATION

- | | | |
|-----|--|---|
| 54. | Trust's securities during last ten years | * |
| 55. | | |
| 56. | | |
| 57. | Certain information regarding period payment certificates | * |
| 58. | | |
| 59. | Financial statements (Instruction 1(c) to Form S-6 Auditors) | Report of Independent Statement of Net Assets |

* Inapplicable, answer negative or not required.

Target Equity Trust
Value Ten Series 3

The Trust. The First Trust Special Situations Trust, Series 89 (the "Trust") is a unit investment trust consisting of a portfolio containing common stocks issued by companies which provide income and are considered to have the potential for capital appreciation (the "Equity Securities"). The Trust consists of common stocks of the ten companies in the Dow Jones Industrial Average (Dow Jones Industrial Average is not affiliated with the Sponsor and is the property of Dow Jones & Company, Inc.) having the highest

dividend yield as of the opening of business on the date of this Prospectus. Dow Jones & Company, Inc. has not granted to the Trust or the Sponsor a license to use the Dow Jones Industrial Average. Dow Jones & Company, Inc. has not participated in any way in the creation of the Trust or in the selection of stocks included in the Trust and has not approved any information herein relating thereto.

The objective of the Trust is to provide an above-average total return through a combination of dividend income and capital appreciation by investing the Trust's portfolio in selected common stocks of companies which meet the criteria stated above. See "Schedule of Investments." Units are not designed so that their prices will parallel or correlate with movements in the Dow Jones Industrial Average, and it is expected that their prices will not parallel or correlate with such movements. The Trust has a Mandatory Termination Date of approximately one year from the date of this Prospectus as set forth under "Summary of Essential Information." There is, of course, no guarantee that the objective of the Trust will be achieved.

Each Unit of the Trust represents an undivided fractional interest in all the Equity Securities deposited in the Trust. The Equity Securities deposited in the Trust's portfolio have no fixed maturity date and the value of these underlying Equity Securities will fluctuate with changes in the values of stocks in general. See "Portfolio."

The Sponsor may, from time to time after the Initial Date of Deposit, deposit additional Equity Securities in the Trust. Such deposits of additional Equity Securities will, therefore, be done in such a manner that the original proportionate relationship amongst the individual issues of the Equity Securities shall be maintained. Any deposit by the Sponsor of additional Equity Securities will duplicate, as nearly as is practicable, the original proportionate relationship established on the Initial Date of Deposit, and not the actual proportionate relationship on the subsequent date of deposit, since the actual proportionate relationship may be different than the original proportionate relationship. Any such difference may be due to the sale, redemption or liquidation of any Equity Securities deposited in the Trust on the Initial, or any subsequent, Date of Deposit. See "What is the First Trust Special Situations Trust?" and "How May Equity Securities be Removed from the Trust?"

Public Offering Price. The Public Offering Price per Unit of the Trust during the initial offering period is equal to the aggregate underlying value of the Equity Securities in the Trust (generally determined by the closing sale prices of the Equity Securities) plus or minus a pro rata share of cash, if any, in the Capital and Income Accounts of the Trust, plus a maximum sales charge of 3.6% (equivalent to 3.734% of the net amount invested). The secondary market Public Offering Price per Unit will be based upon the aggregate underlying value of the Equity Securities in the Trust (generally determined by the closing sale prices of the Equity Securities) plus or minus a pro rata share of cash, if any, in the Capital and Income Accounts of the Trust plus a maximum sales charge of 3.1% (equivalent to 3.199% of the net amount invested) prior to the

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.

First Trust

The date of this Prospectus is January 12, 1994

Page 1

first Income Distribution Record Date, and 1.95% (equivalent to 1.989% of the net amount invested) on or after the first Income Distribution Record Date. A pro rata share of accumulated dividends, if any, in the Income Account is included in the Public Offering Price. The minimum purchase is \$1,000. The sales charge is reduced on a graduated scale for sales involving at least 10,000 Units. See "How is the Public Offering Price Determined?"

Estimated Net Annual Distributions. The estimated net annual dividend distributions to Unit holders (based on the most recent quarterly

dividend declared with respect to the Equity Securities in the Trust) at the opening of business on the Initial Date of Deposit for the Target Equity Trust, Value Ten Series 3 was \$37.61 per 100 Units. The estimated net annual dividend distributions per Unit will vary with changes in fees and expenses of the Trust, with changes in dividends received and with the sale or liquidation of Equity Securities; therefore, there is no assurance that the annual dividend distributions will be realized in the future.

Dividend and Capital Gains Distributions. Distributions of dividends received by the Trust will be paid semi-annually in cash on the Distribution Date to Unit holders of record on the Record Date as set forth in the "Summary of Essential Information." The first such distribution will be made on June 30, 1994 to Unit holders of record on June 15, 1994. The second distribution will be made as part of the final liquidation distribution. Distributions of funds in the Capital Account, if any, will be made as part of the final liquidation distribution, and in certain circumstances, earlier. Any distribution of income and/or capital gains will be net of the expenses of the Trust. See "What is the Federal Tax Status of Unit Holders?" Additionally, upon termination of the Trust, the Trustee will distribute, upon surrender of Units for redemption, to each remaining Unit holder his pro rata share of the Trust's assets, less expenses, in the manner set forth under "Rights of Unit Holders-How are Income and Capital Distributed?" Unit holders who elect to become Rollover Unit holders will not receive the final liquidation distribution, but will receive units in the new Target Equity Trust, Value Ten Series (the "1995 Trust") created in conjunction with the termination of this series of the Target Equity Trust, Value Ten Series, if one is being offered. See "Special Redemption, Liquidation and Investment in New Trust." Any Unit holder may elect to have each distribution of income or capital on his Unit, other than the final liquidating distribution in connection with the termination of the Trust, automatically reinvested in additional Units of the Trust subject to a sales charge of 1.95% (equivalent to 1.989% of the net amount invested). See "Rights of Unit Holders-How are the Income and Capital Distributed?"

Secondary Market for Units. While under no obligation to do so, the Sponsor may maintain a market for Units of the Trust and offer to repurchase such Units at prices which are based on the aggregate underlying value of Equity Securities in the Trust (generally determined by the closing sale prices of the Equity Securities) plus or minus cash, if any, in the Capital and Income Accounts of the Trust. If a secondary market is not maintained, a Unit holder may redeem Units through redemption at prices based upon the aggregate underlying value of the Equity Securities in the Trust (generally determined by the closing sale prices of the Equity Securities) plus or minus a pro rata share of cash, if any, in the Capital and Income Accounts of the Trust. A Unit holder tendering 2,500 Units or more for redemption may request a distribution of shares of Equity Securities (reduced by customary transfer and registration charges) in lieu of payment in cash. See "How May Units be Redeemed?"

Special Redemption, Liquidation and Investment in New Trust. Unit holders who hold their Units in book entry form will have the option, subject to any necessary regulatory approval, of specifying by January 10, 1995 (the "Rollover Notification Date") to have all of their Units redeemed in-kind on the Rollover Notification Date and the distributed Equity Securities sold by the Trustee, in its capacity as Distribution Agent, during the Special Redemption and Liquidation Period. (Unit holders so electing are referred to herein as "Rollover Unit holders".) The Distribution Agent will appoint the Sponsor as its agent to determine the manner, timing and execution of sales of underlying Equity Securities. The proceeds of the redemption will then be invested in Units of the 1995 Trust, if one is offered, at a reduced sales charge. The Sponsor may, however, stop creating new Units of the 1995 Trust at any time in its sole discretion without regard to whether all the proceeds to be invested have been invested. Cash which has not been invested on behalf of the Rollover Unit holders in the 1995 Trust will be distributed at the end of the Special Redemption and Liquidation Period. However, the Sponsor anticipates that sufficient Units can be created, although moneys in this Trust may not be fully invested on the next business day. Rollover Unit holders may purchase Units of the 1995

Trust at a reduced sales charge. The portfolio of the 1995 Trust will contain the ten common stocks in the Dow Jones Industrial Average having the highest dividend yield as of the day prior to the Initial Date of Deposit of the 1995 Trust. Rollover Unit holders will receive the amount of dividends in the Income Account of the Trust which will be included in the reinvestment in Units of the 1995 Trust.

Termination. The Trust will terminate approximately one year after the Initial Date of Deposit regardless of market conditions at that time. Commencing on the Mandatory Termination Date, Equity Securities will begin to be sold in connection with the termination of the Trust. The Sponsor will determine the manner, timing and execution of the sale of the Equity Securities. Written notice of any termination of the Trust specifying the time or times at which Unit holders may surrender their certificates for cancellation shall be given by the Trustee to each Unit holder at his address appearing on the registration books of the Trust maintained by the Trustee. At least 30 days prior to the Mandatory Termination Date of the Trust, the Trustee will provide written notice thereof to all Unit holders and will include with such notice a form to enable Unit holders to elect a distribution of shares of Equity Securities (reduced by customary transfer and registration charges) if such Unit holder owns at least 2,500 Units of the Trust, rather than to receive payment in cash for such Unit holder's pro rata share of the amounts realized upon the disposition by the Trustee of Equity Securities. To be effective, the election form, together with surrendered certificates and other documentation required by the Trustee, must be returned to the Trustee at least five business days prior to the Mandatory Termination Date of the Trust. Unit holders not electing the "Rollover Option" or a distribution of shares of the Equity Securities will receive a cash distribution within a reasonable time after the Trust is terminated. See "Rights of Unit Holders-How are Income and Capital Distributed?"

Page 3

Summary of Essential Information
At the Opening of Business on the Initial Date of Deposit
of the Equity Securities-January 12, 1994

Sponsor: Nike Securities L.P.
Trustee: United States Trust Company of New York
Evaluator: Securities Evaluation Service, Inc.

<TABLE>

<CAPTION>

General Information

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	<C>
Initial Number of Units	50,000
Fractional Undivided Interest in the Trust per Unit	1/50,000
Public Offering Price:	
Aggregate Offering Price Evaluation of Equity Securities in Portfolio (1)	\$ 481,511
Aggregate Offering Price Evaluation of Equity Securities per 100 Units	\$ 963.02
Sales Charge of 3.6% of the Public Offering Price per 100 Units (3.734% of the net amount invested)	\$ 35.96
Public Offering Price per 100 Units (2)	\$ 998.98
Sponsor's Initial Repurchase Price per 100 Units	\$ 963.02
Redemption Price per 100 Units (based on aggregate underlying value of Equity Securities) (3)	\$ 963.02

</TABLE>

First Settlement Date	January 20, 1994
Rollover Notification Date	January 10, 1995
Special Redemption and Liquidation Period	Beginning on January 13, 1995 until no later than January 31, 1995
Mandatory Termination Date	February 1, 1995
Discretionary Liquidation Amount	A Trust may be terminated if the value of the Equity Securities is less than the lower of \$2,000,000 or 20% of the total value of Equity Securities deposited in a Trust during the primary offering period.
Trustee's Annual Fee	\$.90 per 100 Units outstanding.
Evaluator's Annual Fee	\$.30 per 100 Units outstanding. Evaluations for purposes of sale, purchase or redemption of Units are made as of the close of trading (4:00 p.m. Eastern time) on the New York Stock Exchange

Supervisory Fee	on each day on which it is open. Maximum of \$.25 per 100 Units outstanding annually payable to an affiliate of the Sponsor.
CUSIP Number	33734W 392
Income Distribution Record Date (4)	June 15, 1994
Income Distribution Date (4)	June 30, 1994

[FN]

(1) Each Equity Security listed on a national securities exchange is valued at the last closing sale price on the New York Stock Exchange, or if no such price exists at the closing ask price thereof.

(2) On the Initial Date of Deposit there will be no accumulated dividends in the Income Account. Anyone ordering Units after such date will pay a pro rata share of any accumulated dividends in such Income Account. The Public Offering Price as shown reflects the value of the Equity Securities at the opening of business on the Initial Date of Deposit and establishes the original proportionate relationship amongst the individual securities. No sales to investors will be executed at this price. Additional Equity Securities will be deposited during the day of the Initial Date of Deposit which will be valued as of 4:00 p.m. Eastern time and sold to investors at a Public Offering Price per Unit based on this valuation.

(3) See "How May Units be Redeemed?"

(4) At the Rollover Notification Date for Rollover Unit holders or upon termination of Trust for other Unit holders, amounts in the Income Account (which consist of dividends on the Equity Securities) will be included in amounts distributed to or on behalf of Unit holders.

Page 4

Target Equity Trust, Value Ten Series 3
The First Trust Special Situations Trust, Series 89

What is The First Trust Special Situations Trust?

The First Trust Special Situations Trust, Series 89 is one of a series of investment companies created by the Sponsor under the name of The First Trust Special Situations Trust, all of which are generally similar but each of which is separate and is designated by a different series number (the "Trust"). This Series consists of an underlying separate unit investment trust designated as: Target Equity Trust, Value Ten Series 3. The Trust was created under the laws of the State of New York pursuant to a Trust Agreement (the "Indenture"), dated the Initial Date of Deposit, with Nike Securities L.P., as Sponsor, United States Trust Company of New York, as Trustee, Securities Evaluation Service, Inc., as Evaluator, and First Trust Advisors L.P., as Portfolio Supervisor.

On the Initial Date of Deposit, the Sponsor deposited with the Trustee confirmations of contracts for the purchase of common stocks issued by companies which provide income and are considered to have the potential for capital appreciation (the "Equity Securities"), together with an irrevocable letter or letters of credit of a financial institution in an amount at least equal to the purchase price of such Equity Securities. In exchange for the deposit of securities or contracts to purchase securities in the Trust, the Trustee delivered to the Sponsor documents evidencing the entire ownership of the Trust.

The objective of the Trust is to provide an above-average total return through a combination of dividend income and capital appreciation by investing in Equity Securities of 10 companies which are in the Dow Jones Industrial Average (Dow Jones Industrial Average is not affiliated with the Sponsor and is the property of Dow Jones & Company Inc.) having the highest dividend yield as of the opening of business on the date of this Prospectus. There is, of course, no guarantee that the objective of the Trust will be achieved.

With the deposit of the Equity Securities on the Initial Date of Deposit, the Sponsor established a percentage relationship

between the amounts of Equity Securities in the Trust's portfolio. See "What are the Equity Securities Selected for Target Equity Trust, Value Ten Series 3?" From time to time following the Initial Date of Deposit, the Sponsor, pursuant to the Indenture, may deposit additional Equity Securities in the Trust and Units may be continuously offered for sale to the public by means of this Prospectus, resulting in a potential increase in the outstanding number of Units of the Trust. Any additional Equity Securities deposited in the Trust will maintain, as nearly as is practicable, the original proportionate relationship of the Equity Securities in the Trust's portfolio. Any deposit by the Sponsor of additional Equity Securities will duplicate, as nearly as is practicable, the original proportionate relationship and not the actual proportionate relationship on the subsequent date of deposit, since the actual proportionate relationship may be different than the original proportionate relationship. Any such difference may be due to the sale, redemption or liquidation of any of the Equity Securities deposited in the Trust on the Initial, or any subsequent, Date of Deposit. See "How May Equity Securities be Removed from the Trust?" The original percentage relationship of each Equity Security to the Trust is set forth herein under "Schedule of Investments." Since the prices of the underlying Equity Securities will fluctuate daily, the ratio, on a market value basis, will also change daily. The portion of Equity Securities represented by each Unit will not change as a result of the deposit of additional Equity Securities in the Trust.

On the Initial Date of Deposit, each Unit of the Trust represented the undivided fractional interest in the Equity Securities deposited in the Trust set forth under "Summary of Essential Information." To the extent that Units of the Trust are redeemed, the aggregate value of the Equity Securities in the Trust will be reduced and the undivided fractional interest represented by each outstanding Unit of the Trust will increase. However, if additional Units are issued by the Trust in connection with the deposit of additional Equity Securities by the Sponsor, the aggregate value of the Equity Securities in the Trust will be increased by amounts allocable to additional Units, and the fractional undivided interest represented by each Unit of the Trust will be decreased proportionately. See "How May Units be Redeemed?" The Trust has a Mandatory Termination Date as set forth herein under "Summary of Essential Information."

Page 5

What are the Expenses and Charges?

At no cost to the Trust, the Sponsor has borne all the expenses of creating and establishing the Trust, including the cost of the initial preparation, printing and execution of the Indenture and the certificates for the Units, legal and accounting expenses, expenses of the Trustee and other out-of-pocket expenses. The Sponsor will not receive any fees in connection with its activities relating to the Trust. However, First Trust Advisors L.P., an affiliate of the Sponsor, will receive an annual supervisory fee, which is not to exceed the amount set forth under "Summary of Essential Information," for providing portfolio supervisory services for the Trust. Such fee is based on the number of Units outstanding in the Trust on January 1 of each year except for the year or years in which an initial offering period occurs in which case the fee for a month is based on the number of Units outstanding at the end of such month. The fee may exceed the actual costs of providing such supervisory services for this Trust, but at no time will the total amount received for portfolio supervisory services rendered to unit investment trusts of which Nike Securities L.P. is the Sponsor in any calendar year exceed the aggregate cost to First Trust Advisors L.P. of supplying such services in such year.

Subsequent to the initial offering period, the Evaluator will receive a fee as indicated in the "Summary of Essential Information." The Trustee pays certain expenses of the Trust for which it is reimbursed by the Trust. The Trustee will receive for its ordinary recurring services to the Trust an annual fee computed at \$.90 per annum per 100 Units in the Trust outstanding based upon the largest aggregate number of Units of the Trust outstanding at any time during the calendar year. For a discussion of the services performed by the Trustee pursuant to its obligations under the Indenture, reference is made to the material set forth under "Rights of Unit Holders."

The Trustee's and Evaluator's fees are payable from the Income Account of the Trust to the extent funds are available and then from the Capital Account of the Trust. Since the Trustee has the use of the funds being held in the Capital and Income Accounts

for payment of expenses and redemptions and since such Accounts are noninterest-bearing to Unit holders, the Trustee benefits thereby. Part of the Trustee's compensation for its services to the Trust is expected to result from the use of these funds. Both fees may be increased without approval of the Unit holders 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.

The following additional charges are or may be incurred by the Trust: all legal expenses of the Trustee incurred by or in connection with its responsibilities under the Indenture; the expenses and costs of any action undertaken by the Trustee to protect the Trust and the rights and interests of the Unit holders; fees of the Trustee for any extraordinary services performed under the Indenture; indemnification of the Trustee for any loss, liability or expense incurred by it without negligence, bad faith or willful misconduct on its part, arising out of or in connection with its acceptance or administration of the Trust; indemnification of the Sponsor for any loss, liability or expense incurred without gross negligence, bad faith or willful misconduct in acting as Depositor of the Trust; all taxes and other government charges imposed upon the Securities or any part of the Trust (no such taxes or charges are being levied or made or, to the knowledge of the Sponsor, contemplated). The above expenses and the Trustee's annual fee, when paid or owing to the Trustee, are secured by a lien on the Trust. In addition, the Trustee is empowered to sell Equity Securities in the Trust in order to make funds available to pay all these amounts if funds are not otherwise available in the Income and Capital Accounts of the Trust. Since the Equity Securities are all common stocks and the income stream produced by dividend payments is unpredictable, the Sponsor cannot provide any assurance that dividends will be sufficient to meet any or all expenses of the Trust. As described above, if dividends are insufficient to cover expenses, it is likely that Equity Securities will have to be sold to meet Trust expenses. These sales may result in capital gains or losses to Unit holders. See "What is the Federal Tax Status of Unit Holders?"

What is the Federal Tax Status of Unit Holders?

The following is a general discussion of certain of the Federal income tax consequences of the purchase, ownership and disposition of the Units. The summary is limited to investors who hold the Units as "capital assets" (generally, property held for investment) within the meaning of Section 1221 of the Internal Revenue

Page 6

Code of 1986 (the "Code"). Unit holders should consult their tax advisers in determining the Federal, state, local and any other tax consequences of the purchase, ownership and disposition of Units in the Trust.

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

1. The Trust is not an association taxable as a corporation for Federal income tax purposes; each Unit holder will be treated as the owner of a pro rata portion of the assets of the Trust under the Code; and the income of the Trust will be treated as income of the Unit holders thereof under the Code. Each Unit holder will be considered to have received his pro rata share of the income derived from each Equity Security when such income is received by the Trust.

2. Each Unit holder will have a taxable event when the Trust disposes of an Equity Security (whether by sale, exchange, redemption, or otherwise) or upon the sale or redemption of Units by such Unit holder. The price a Unit holder pays for his Units, including sales charges, is allocated among his pro rata portion of each Equity Security held by the Trust (in proportion to the fair market values thereof on the date the Unit holder purchases his Units) in order to determine his initial cost for his pro rata portion of each Equity Security held by the Trust. For Federal income tax purposes, a Unit holder's pro rata portion of dividends as defined by Section 316 of the Code paid with respect to an Equity Security held by the Trust is taxable as ordinary income to the extent of such corporation's current and accumulated "earnings and profits." A Unit holder's pro rata portion of dividends paid on such Equity Security which exceeds such current and accumulated earnings and profits will first reduce a Unit holder's tax basis in such Equity Security, and to the extent that such dividends exceed a Unit holder's tax basis in such Equity Security shall

generally be treated as capital gain. In general, any such capital gain will be short-term unless a Unit holder has held his Units for more than one year.

3. A Unit holder's portion of gain, if any, upon the sale or redemption of Units or the disposition of Equity Securities held by the Trust will generally be considered a capital gain except in the case of a dealer or a financial institution and will be long-term if the Unit holder has held his Units for more than one year. A Unit holder's portion of loss, if any, upon the sale or redemption of Units or the disposition of Equity Securities held by the Trust will generally be considered a capital loss except in the case of a dealer or a financial institution and, in general, will be long-term if the Unit holder has held his Units for more than one year. However, a Rollover Unit holder's loss, if any, incurred in connection with the exchange of Units for Units in the next new series of the Target Equity Trust, Value Ten Series (the "1995 Trust"), created in conjunction with the termination of this series of the Target Equity Trust, will generally be disallowed with respect to the disposition of any Equity Securities pursuant to such exchange to the extent that such Unit holder is considered the owner of substantially identical securities under the wash sale provisions of the Code taking into account such Unit holder's deemed ownership of the securities underlying the Units in the 1995 Trust in the manner described above, if such substantially identical securities were acquired within a period beginning 30 days before and ending 30 days after such disposition. However, any gains incurred in connection with such an exchange by a Rollover Unit holder would be recognized. Unit holders should consult their tax advisers regarding the recognition of gains and losses for Federal income tax purposes.

4. The Code provides that "miscellaneous itemized deductions" are allowable only to the extent that they exceed two percent of an individual taxpayer's adjusted gross income. Miscellaneous itemized deductions subject to this limitation under present law include a Unit holder's pro rata share of expenses paid by the Trust, including fees of the Trustee and the Evaluator.

Dividends Received Deduction. A corporation that owns Units will generally be entitled to a 70% dividends received deduction with respect to such Unit holder's pro rata portion of dividends received by the Trust (to the extent such dividends are taxable as ordinary income, as discussed above) in the same manner as if such corporation directly owned the Equity Securities paying such dividends. However, a corporation owning Units should be aware that Sections 246 and 246A of the Code impose additional limitations on the eligibility of dividends for the 70% dividends received deduction. These limitations include a requirement that stock (and therefore Units) must generally be held at least 46 days (as determined under Section 246(c) of

Page 7

the Code). Proposed regulations have been issued which address special rules that must be considered in determining whether the 46 day holding requirement is met. Moreover, the allowable percentage of the deduction will be reduced from 70% if a corporate Unit holder owns certain stock (or Units) the financing of which is directly attributable to indebtedness incurred by such corporation. It should be noted that various legislative proposals that would affect the dividends received deduction have been introduced. Unit holders should consult with their tax advisers with respect to the limitations on and possible modifications to the dividends received deduction.

Recognition of Taxable Gain or Loss Upon Disposition of Securities by the Trust or Disposition of Units. As discussed above, a Unit holder may recognize taxable gain (or loss) when an Equity Security is disposed of by the Trust or if the Unit holder disposes of a Unit (although losses incurred by Rollover Unit holders may be subject to disallowance, as discussed above). For taxpayers other than corporations, net capital gains are subject to a maximum stated marginal tax rate of 28%. 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 Revenue Reconciliation Act of 1993" (the "Tax Act") raises tax rates on ordinary income while capital gains remain subject to a 28% maximum stated rate. Because some or all capital gains are taxed at a comparatively lower rate under the Tax Act, the Tax Act includes a provision that recharacterizes 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. Unit holders and prospective investors should consult with their tax advisers regarding the potential effect of this provision on their investment in Units.

Special Tax Consequences of In-Kind Distributions Upon Redemption of Units, Termination of the Trust and Investment in New Trust. As discussed in "Rights of Unit Holders-How are Income and Capital Distributed?", under certain circumstances a Unit holder who owns at least 2,500 Units may request an In-Kind Distribution upon the redemption of Units or the termination of the Trust. The Unit holder requesting an In-Kind Distribution will be liable for expenses related thereto (the "Distribution Expenses") and the amount of such In-Kind Distribution will be reduced by the amount of the Distribution Expenses. See "Rights of Unit Holders-How are Income and Capital Distributed?" As previously discussed, prior to the redemption of Units or the termination of the Trust, a Unit holder is considered as owning a pro rata portion of each of the Trust assets for Federal income tax purposes. The receipt of an In-Kind Distribution upon the redemption of Units or the termination of the Trust would be deemed an exchange of such Unit holder's pro rata portion of each of the shares of stock and other assets held by the Trust in exchange for an undivided interest in whole shares of stock plus, possibly, cash.

There are generally three different potential tax consequences which may occur under an In-Kind Distribution with respect to each Equity Security owned by the Trust. An "Equity Security" for this purpose is a particular class of stock issued by a particular corporation. If the Unit holder receives only whole shares of an Equity Security in exchange for his or her pro rata portion in each share of such security held by the Trust, there is no taxable gain or loss recognized upon such deemed exchange pursuant to Section 1036 of the Code. If the Unit holder receives whole shares of a particular Equity Security plus cash in lieu of a fractional share of such Equity Security, and if the fair market value of the Unit holder's pro rata portion of the shares of such Equity Security exceeds his tax basis in his pro rata portion of such Equity Security, taxable gain would be recognized in an amount not to exceed the amount of such cash received, pursuant to Section 1031(b) of the Code. No taxable loss would be recognized upon such an exchange pursuant to Section 1031(c) of the Code, whether or not cash is received in lieu of a fractional share. Under either of these circumstances, special rules will be applied under Section 1031(d) of the Code to determine the Unit holder's tax basis in the shares of such particular Equity Security which he receives as part of the In-Kind Distribution. Finally, if a Unit holder's pro rata interest in an Equity Security does not equal a whole share, he may receive entirely cash in exchange for his pro rata portion of a particular Equity Security. In such case, taxable gain or loss is measured by comparing the amount of cash received by the Unit holder with his tax basis in such Equity Security.

Because the Trust will own many Equity Securities, a Unit holder who requests an In-Kind Distribution will have to analyze the tax consequences with respect to each Equity Security owned by the Trust. In analyzing

Page 8

the tax consequences with respect to each Equity Security, such Unit holder must allocate the Distribution Expenses among the Equity Securities (the "Allocable Expenses"). The Allocable Expenses will reduce the amount realized with respect to each Equity Security so that the fair market value of the shares of such Equity Security received (if any) and cash received in lieu thereof (as a result of any fractional shares) by such Unit holder should equal the amount realized for purposes of determining the applicable tax consequences in connection with an In-Kind Distribution. A Unit holder's tax basis in shares of such Equity Security received will be increased by the Allocable Expenses relating to such Equity Security. The amount of taxable gain (or loss) recognized upon such exchange will generally equal the sum of the gain (or loss) recognized under the rules described above by such Unit holder with respect to each Equity Security owned by the Trust. Unit holders who request an In-Kind Distribution are advised to consult their tax advisers in this regard.

As discussed in "Rights of Unit Holders-Special Redemption, Liquidation and Investment in New Trust," a Unit holder may elect to become a Rollover Unit holder. To the extent a Rollover Unit holder exchanges his Units for units of the 1995 Trust in a taxable transaction,

such Unit holder will recognize gains, if any, but generally will not be entitled to a deduction for any losses recognized upon the disposition of any Equity Securities pursuant to such exchange to the extent that such Unit holder is considered the owner of substantially identical securities under the wash sale provisions of the Code taking into account such Unit holder's deemed ownership of the securities underlying the Units in the 1995 Trust in the manner described above, if such substantially identical securities were acquired within a period beginning 30 days before and ending 30 days after such disposition under the wash sale provisions contained in Section 1091 of the Code. In the event a loss is disallowed under the wash sale provisions, special rules contained in Section 1091(d) of the Code apply to determine the Unit holder's tax basis in the securities acquired. Rollover Unit holders are advised to consult their tax advisers.

General. Each Unit holder will be requested to provide the Unit holder's taxpayer identification number to the Trustee and to certify that the Unit holder has not been notified that payments to the Unit holder 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 Unit holder (including amounts received upon the redemption of Units) will be subject to back-up withholding. Distributions by the Trust will generally be subject to United States income taxation and withholding in the case of Units held by non-resident alien individuals, foreign corporations or other non-United States persons. Such persons should consult their tax advisers.

Unit holders will be notified annually of the amounts of income dividends includable in the Unit holder's gross income and amounts of Trust expenses which may be claimed as itemized deductions.

Dividend income and long-term capital gains may also be subject to state and local taxes. Investors should consult their tax advisers for specific information on the tax consequences of particular types of distributions.

Unit holders desiring to purchase Units for tax-deferred plans and IRAs should consult their broker for details on establishing such accounts. Units may also be purchased by persons who already have self-directed plans established. See "Why are Investments in the Trust Suitable for Retirement Plans?"

In the opinion of Carter, Ledyard & Milburn, Special Counsel to the Trust for New York tax matters, under the existing income tax laws of the State of New York, the Trust is not an association taxable as a corporation and the income of the Trust will be treated as the income of the Unit holders thereof.

Why are Investments in the Trust Suitable for Retirement Plans?

Units of the Trust may be well suited for purchase by Individual Retirement Accounts, Keogh Plans, pension funds and other tax-deferred retirement plans, certain of which are briefly described below. Generally, the Federal income tax relating to capital gains and income received in each of the foregoing plans is deferred until distributions are received. Distributions from such plans are generally treated as ordinary income but may, in some cases, be eligible for special 10 year averaging or tax-deferred rollover treatment. The Code substitutes 5 year averaging for 10 year averaging for qualifying lump sum plan distributions after December

Page 9

31, 1986 although certain transition rules apply which retain 10 year averaging for qualifying recipients who attained age 50 before January 1, 1986. Moreover, the Code contains provisions which adversely affect the continued deductibility of annual contributions to an IRA beginning in 1987. 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. Fees and charges with respect to such plans may vary.

Individual Retirement Account-IRA. The deductible amount an individual may contribute will be reduced to the extent an individual has adjusted gross income over \$25,000 (\$40,000 if married, filing jointly or \$0 if married, living apart and filing separately), if either an individual or that individual's spouse (if married, filing jointly) is an active participant in an employer maintained retirement plan. If an individual has adjusted gross income over \$35,000 (\$50,000 if married, filing jointly or \$0 if married,

living apart and filing separately), and if an individual or that individual's spouse is an active participant in an employer maintained retirement plan, no IRA deduction is permitted. Under the Code, an individual may make nondeductible contributions to the extent deductible contributions are not allowed. The combined deductible and nondeductible limit for an individual under the Code is the lesser of \$2,000 (\$2,250 in the case of a spousal IRA) or 100 percent of compensation. Generally, the Federal income tax relating to capital gains and income received in an IRA is deferred until distributions are received. Distributions from an IRA (other than the return of certain excess contributions) are treated as ordinary income, except that under the Code an individual need not pay tax on the return of nondeductible contributions. The Code provides that if amounts are withdrawn from an IRA which includes both deductible and nondeductible contributions, the amount excludable from income for the taxable year is the same proportion to the total amount withdrawn for the taxable year that the individual's aggregate nondeductible IRA contributions bear to the aggregate balance of all IRAs of the individual.

It should be noted that certain transactions which are prohibited under the Code will cause all or a portion of the amount in an IRA to be deemed to be distributed and subject to tax at that time. A participant's entire 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 individual attains age 70 1/2. Excess contributions are subject to an annual 6% excise tax. Distributions made before attainment of age 59 1/2, except in the case of the participant's death or disability, separation from service after attaining age 55, qualified domestic relations orders or distributions applied to certain medical expenses or where the amount distributed is to be rolled over to another IRA, or if distributions are in a form of substantially equal periodic payments over the life or life expectancy of the individual, or over the joint lives of the individual and the individual's beneficiary, are generally subject to a surtax in an amount equal to 10% of the taxable portion of the distribution.

Retirement Plans for the Self-Employed-Keogh Plans. Units of the Trust may be purchased by retirement plans established pursuant to the Self-Employed Individuals Tax Retirement Act of 1962 ("Keogh Plans"). Such plans are available for self-employed individuals, partnerships or unincorporated companies. Under existing law, qualified individuals may generally make annual tax-deductible contributions to a defined contribution Keogh Plan of up to the lesser of 25% of annual compensation (less the Keogh Plan contribution) or \$30,000 for taxable years beginning after December 31, 1983. A defined benefit Keogh Plan is limited to providing benefits each year which do not exceed the lesser of \$90,000 (as adjusted for inflation) or 100% of average compensation for the highest three consecutive calendar years. The assets of the Keogh Plans must be held in a qualified trust or other arrangement which meets the requirements of the Code. Generally, a participant's entire interest in a Keogh Plan 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 individual attains age 70 1/2. Excess contributions to a Keogh Plan are subject to an annual 10% excise tax. Distributions made before attainment of age 59 1/2, except in the case of the participant's death or disability, separation from service after attaining age 55, qualified domestic relations orders or distributions applied to certain medical expenses or where the amount distributed is to be rolled over to an IRA or another qualified plan, or if

Page 10

distributions are in a form of substantially equal periodic payments over the life or life expectancy of the individual, or over the joint lives of the individual and the individual's beneficiary, are generally subject to a surtax in an amount equal to 10% of the distribution.

Corporate Pension and Profit-Sharing Plans. An employer who has established a pension or profit-sharing plan for employees may purchase Units of the Trust for such a plan.

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 qualified corporate retirement plans to the extent such aggregate taxable distributions exceed specified amounts (generally \$150,000, as adjusted or \$112,500, as adjusted, if the recipient has made a "grandfather election") during the tax year. This 15% tax will not apply to distributions on account of death, qualified domestic

relations orders or amounts rolled over to an eligible plan. In general, for qualifying lump sum distributions the excess distribution over \$750,000, as adjusted, or \$562,000, as adjusted, if the recipient has made a "grandfather election," will be subject to the 15% tax.

Excess Accumulations Tax. On the participant's death, a 15% tax will be imposed on aggregate balances remaining in IRAs, Keogh Plans and qualified corporate retirement plans to the extent those balances exceed specified levels. If a spouse is the death beneficiary of all balances and makes a spousal election, the imposition of the tax may be postponed until the spouse's death unless such spouse receives excess distributions during the spouse's life. In such a case, the spouse will be treated as the participant and will be liable for the 15% tax on excess distributions, as described above.

PORTFOLIO

What are Equity Securities?

The Trust consists of ten common stocks in the Dow Jones Industrial Average ("DJIA") (which is unaffiliated with the Sponsor) having the highest dividend yield as of the opening of business on the date of this Prospectus. The yield for each Equity Security was calculated by annualizing the last quarterly or semi-annual ordinary dividend declared and dividing the result by the market value of the Equity Security as of the opening of business on the date of this Prospectus. An investment in the Trust involves the purchase of a quality portfolio of attractive equities with high dividend yields in one convenient purchase. Investing in DJIA stocks with the highest dividend yields may be effective in achieving the Trust's investment objective because regular dividends are common for established companies and dividends have accounted for a substantial portion of the total return on DJIA stocks as a group.

The Dow Jones Industrial Average comprises 30 common stocks chosen by the editors of The Wall Street Journal as representative of the broad market and of American industry. The companies are major factors in their industries and their stocks are widely held by individuals and institutional investors. Changes in the components of the DJIA are made entirely by the editors of The Wall Street Journal without consultation with the companies, the stock exchange or any official agency. For the sake of continuity, changes are made rarely. Most substitutions have been the result of mergers, but from time to time, changes may be made to achieve a better representation. The components of the Dow Jones Industrial Average may be changed at any time for any reason. Any changes in the components of the Dow Jones Industrial Average after the date of this Prospectus will not cause a change in the identity of the common stocks included in the Trust Portfolio, including any additional Equity Securities deposited in the Trust.

Investors should note that the above criteria were applied to the Equity Securities selected for inclusion in the Trust Portfolio as of the opening of business on the date of this Prospectus. Since the Sponsor may deposit additional Equity Securities which were originally selected through this process, the Sponsor may continue to sell Units of the Trust even though the yields on these Equity Securities may have changed subsequent to the Initial Date of Deposit or the Equity Securities may no longer be included in the Dow Jones Industrial

Page 11

Average, and therefore the Equity Securities would no longer be chosen for deposit into the Trust if the selection process were to be made again at a later time.

The Dow Jones Industrial Average, Historical Perspective

The Dow Jones Industrial Average was first published in The Wall Street Journal in 1896. Initially consisting of just 12 stocks, the DJIA expanded to 20 stocks in 1916 and its present size of 30 stocks on October 1, 1928. The companies which make up the DJIA have remained relatively constant over the life of the DJIA. Taking into account name changes, 9 of the original DJIA companies are still in the DJIA today. For two periods of 17 consecutive years, March 14, 1939-July 1956 and June 1, 1959-August 6, 1976, there were no changes to the list. The following is a comparison of the list as it appeared on October 1, 1928 and the current DJIA.

Allied Chemical
American Can
American Smelting
American Sugar
American Tobacco
Atlantic Refining
Bethlehem Steel Corp.
Chrysler Corp.
General Electric Company
General Motors Corp.
General Railway Signal
Goodrich
International Harvester
International Nickel
Mack Trucks
Nash Motors
North American
Paramount Publix
Postum, Inc.
Radio Corporation of America (RCA)
Sears Roebuck & Company

Standard Oil of New Jersey
Texas Corporation
Texas Gulf Sulphur
Union Carbide Corp.
United States Steel Company
Victor Talking Machine
Westinghouse Electric Corp.
Woolworth Corp.
Wright Aeronautical

AlliedSignal
Aluminum Company of America
American Express Company
American Telephone & Telegraph Company
Bethlehem Steel Corp.
Boeing Company
Caterpillar Inc.
Chevron Corp.
Coca-Cola Company
Walt Disney Company
E.I. du Pont de Nemours & Company
Eastman Kodak Company
Exxon Corp.
General Electric Company
General Motors
Goodyear Tire & Rubber Company
International Business Machines Corp.
International Paper Company
McDonald's Corp.
Merck & Co., Inc.
Minnesota Mining & Manufacturing
Company
J.P. Morgan & Co., Inc.
Philip Morris Companies Inc.
Procter & Gamble Company
Sears, Roebuck & Company
Texaco Inc.
Union Carbide Corp.
United Technologies Corp.
Westinghouse Electric Corp.
Woolworth Corp.

What are the Equity Securities Selected for Target Equity Trust,
Value Ten Series 3?

The Trust consists of common stocks of companies which are in
the Dow Jones Industrial Average, having the highest dividend
yield as of the opening of business on the day prior to the date
of this Prospectus.

American Express Company, headquartered in New York, New York,
provides travel-related, diversified financial, international
banking and investment services worldwide. The company's products
and services

Page 12

include credit cards, traveler's cheques, investment and merchant
banking, private and institutional banking, foreign exchange and
various other financial products including annuities and mutual
funds.

Chevron Corp., headquartered in San Francisco, California, is
an international oil company with activities in the United States
and abroad. The company is involved in worldwide, integrated petroleum
operations which explore for, develop and produce petroleum liquids
and natural gas as well as transporting the products. The company
is also involved in the mineral and chemical industry.

E.I. du Pont de Nemours & Company, headquartered in Wilmington,
Delaware, is a diversified international company primarily involved
in petroleum, coal and other energy sources. The company is also
a large chemical manufacturer with interests in chemicals, fibers,
transportation, construction, electronics, health care and agriculture.

Eastman Kodak Company is divided into business activities which
include imaging, information, chemicals and health segments. With
its headquarters in Rochester, New York, Eastman Kodak Company
produces products and provides services which include cameras,
photofinishing services, film, audiovisual equipment, chemicals,
plastics and pharmaceutical and healthcare products.

Exxon Corp., headquartered in Irving, Texas, is principally involved in the energy industry. The company explores for and produces crude oil and natural gas, manufactures petroleum products, explores for and mines coal and minerals and transports and sells crude oil, natural gas and petroleum products.

J.P. Morgan & Company, Inc., headquartered in New York, New York, is a holding company for Morgan Guaranty Trust. The company places emphasis on its wholesale banking services and offers corporate finance and capital markets services. The company provides bond, precious metals and currency trading, Eurobond underwriting and deals in government securities. Operations are both domestic and international.

Philip Morris Companies, Inc., headquartered in New York, New York, operates a large international consumer goods company through its tobacco, food and beer segments. The company's major subsidiaries include Phillip Morris U.S.A., Phillip Morris International, Inc., Kraft General Foods Group and The Miller Brewing Company.

Texaco, Inc., headquartered in White Plains, New York, is engaged in the worldwide exploration, production, transportation, refining and marketing of crude oil, natural gas and petroleum products, including petrochemicals. Texaco owns, leases or has interests in extensive production, manufacturing, marketing, transportation and other facilities throughout the world.

Union Carbide Corporation, headquartered in Danbury, Connecticut, manufactures and sells chemicals and plastics worldwide. The company's products include fabricated plastic products, specialty polymers, industrial chemicals, solvents and coatings and specialty chemicals such as biocides, silicone and plastic additives.

Woolworth Corporation, headquartered in New York, New York, is a multinational retailer of general merchandise and men's, women's and children's apparel, sporting goods, footwear and accessories. The company sells through retail stores and leased departments in the United States, Puerto Rico, US Virgin Islands, Canada, Mexico, Germany, Australia, Belgium, Italy, Netherlands and the United Kingdom.

Dow Jones & Company, Inc., owner of the Dow Jones Industrial Average, has not granted to the Trust or the Sponsor a license to use the Dow Jones Industrial Average. Units are not designed so that their prices will parallel or correlate with movements in the Dow Jones Industrial Average, and it is expected that their prices will not parallel or correlate with such movements. Dow Jones & Company, Inc. has not participated in any way in the creation of the Trust or in the selection of stocks included in the Trust and has not approved any information herein relating thereto.

The following table compares the actual performance of the Dow Jones Industrial Average and approximately equal values of the ten stocks in the DJIA having the highest dividend yield in each of the past 20 years (the "10 Highest Yielding DJIA Stocks"), as of December 31 in each of these years.

Page 13

<TABLE>
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COMPARISON OF DIVIDENDS, APPRECIATION AND TOTAL RETURN

10 Highest Yielding DJIA Stocks (1)			Dow Jones Industrial Average (DJIA)		
	Actual		Actual		
	Dividend	Total	Dividend	Total	

Year	Appreciation (2)	Yield (3)	Return (4)	Appreciation (2)	Yield (3)	Return (4)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
1974	-16.32	7.37	-8.95	-27.57	4.43	-23.14
1975	48.78	7.95	56.73	38.32	6.08	44.40
1976	27.70	7.10	34.80	17.86	4.86	22.72
1977	-6.75	5.92	-0.83	-17.27	4.56	-12.71
1978	-6.92	7.11	0.19	-3.15	5.84	2.69
1979	3.97	8.41	12.38	4.19	6.33	10.52
1980	17.83	8.54	26.37	14.93	6.48	21.41
1981	-0.94	8.29	7.35	-9.23	5.83	-3.40
1982	17.24	8.22	25.46	19.60	6.19	25.79
1983	30.20	8.25	38.45	20.30	5.38	25.68
1984	0.24	6.65	6.89	-3.76	4.82	1.06
1985	21.45	6.97	28.42	27.66	5.12	32.78
1986	23.74	6.13	29.87	22.58	4.33	26.91
1987	1.87	5.10	6.97	2.26	3.76	6.02
1988	15.80	5.80	21.60	11.85	4.10	15.95
1989	20.28	6.94	27.22	26.96	4.75	31.71
1990	-13.00	5.06	-7.94	-4.34	3.77	-0.57
1991	28.32	5.22	33.54	20.32	3.61	23.93
1992	3.44	4.82	8.26	4.17	3.17	7.34
1993	23.06	4.20	27.26	13.72	2.99	16.72

</TABLE>

[FN]

(1) The 10 Highest Yielding DJIA Stocks for any given period were selected by ranking the dividend yields for each of the stocks in the DJIA as of the beginning of the period, based upon an annualization of the last quarterly or semi-annual regular dividend distribution (which would have been declared in the preceding year) divided by that stock's market value on the first trading day on the New York Stock Exchange in the given period.

(2) Appreciation for the 10 Highest Yielding DJIA Stocks ("Stocks") is calculated by subtracting the market value of the Stocks as of the first trading day on the New York Stock Exchange in a given period from the market value of the Stocks as of the last trading day in that period, and dividing the result by the market value of the Stocks as of the first trading day in that period. Appreciation for the DJIA is calculated by subtracting the opening value of the DJIA as of the first trading day in a given period from the closing value of the DJIA as of the last trading day in that period, and dividing the result by the opening value of the DJIA as of the first trading day in that period.

(3) Actual Dividend Yield for the Stocks is calculated by adding the total dividends received on the Stocks in a given period and dividing the result by the market value of the Stocks as of the first trading day in that period. Actual Dividend Yield for the DJIA is calculated by taking the total dividends credited to the DJIA and dividing the result by the opening value of the DJIA as of the first trading day of the period.

(4) Total Return represents the sum of Appreciation and Actual Dividend Yield. Total Return does not take into consideration any sales charges, commissions, expenses or taxes. Total Return does not take into consideration any reinvestment of dividend income. Based on the year-by-year returns contained in the table, over the last 20 years, the 10 highest yielding stocks achieved an average annual total return of 17.53%, as compared to the average annual total return of all of the stocks in the DJIA, which was 12.56%. These stocks also had a higher average dividend yield in each of the last 20 years and outperformed the DJIA in 15 of these years. When viewed for at least three consecutive years, this strategy never lost money. Although the Trust seeks to achieve a better performance than the DJIA, there can be no assurance that the Trust will outperform the DJIA over its one-year life or over consecutive rollover periods, if available.

Page 14

Please refer to the APPENDIX following the last page of this document for details on the chart included at this point.

The returns shown above are not guarantees of future performance and should not be used as a predictor of returns to be expected in connection with the Trust Portfolio. Both stock prices (which may appreciate or depreciate) and dividends (which may be increased, reduced or eliminated) will affect the returns. As indicated in the above table, the 10 Highest Yielding DJIA Stocks underperformed

the DJIA in certain years and there can be no assurance that the Trust Portfolio will outperform the DJIA over the life of the Trust or over consecutive rollover periods, if available. A Holder of Units in the Trust would not necessarily realize as high a Total Return on an investment in the stocks upon which the returns shown above are based. The Total Return figures shown above do not reflect sales charges, commissions, Trust expenses or taxes, and the Trust may not be able to invest equally in the 10 Highest Yielding DJIA Stocks and may not be fully invested at all times. See "What are the Equity Securities Selected for Target Equity Trust, Value Ten Series 3?"

What are Some Additional Considerations for Investors?

The Trust consists of different issues of Equity Securities, all of which are listed on a national securities exchange. In addition, each of the companies whose Equity Securities are included in the portfolio are actively traded, well established corporations.

Page 15

The Trust consists of such of the Equity Securities listed under "Schedule of Investments" as may continue to be held from time to time in the Trust and any additional Equity Securities acquired and held by the Trust pursuant to the provisions of the Trust Agreement together with cash held in the Income and Capital Accounts. Neither the Sponsor nor the Trustee shall be liable in any way for any failure in any of the Equity Securities. However, should any contract for the purchase of any of the Equity Securities initially deposited hereunder fail, the Sponsor will, unless substantially all of the moneys held in the Trust to cover such purchase are reinvested in substitute Equity Securities in accordance with the Trust Agreement, refund the cash and sales charge attributable to such failed contract to all Unit holders on the next distribution date.

Because certain of the Equity Securities from time to time may be sold under certain circumstances described herein, and because the proceeds from such events will be distributed to Unit holders and will not be reinvested, no assurance can be given that the Trust will retain for any length of time its present size and composition. Although the Portfolio is not managed, the Sponsor may instruct the Trustee to sell Equity Securities under certain limited circumstances. Pursuant to the Indenture and with limited exceptions, the Trustee may sell any securities or other property acquired in exchange for Equity Securities such as those acquired in connection with a merger or other transaction. If offered such new or exchanged securities or property, the Trustee shall reject the offer. However, in the event such securities or property are nonetheless acquired by the Trust, they may be accepted for deposit in the Trust and either sold by the Trustee or held in the Trust pursuant to the direction of the Sponsor (who may rely on the advice of the Portfolio Supervisor). See "How May Equity Securities be Removed from the Trust?" Equity Securities, however, will not be sold by the Trust to take advantage of market fluctuations or changes in anticipated rates of appreciation or depreciation or if the Equity Securities are no longer among the ten common stocks in the Dow Jones Industrial Average with the highest dividend yield.

Whether or not the Equity Securities are listed on a national securities exchange, the principal trading market for the Equity Securities may be in the over-the-counter market. As a result, the existence of a liquid trading market for the Equity Securities may depend on whether dealers will make a market in the Equity Securities. There can be no assurance that a market will be made for any of the Equity Securities, that any market for the Equity Securities will be maintained or of the liquidity of the Equity Securities in any markets made. The investigation by the Securities and Exchange Commission of illegal insider trading in connection with corporate takeovers, and possible congressional inquiries and legislation relating to this investigation, may adversely affect the ability of certain dealers to remain market makers. In addition, the Trust may be restricted under the Investment Company Act of 1940 from selling Equity Securities to the Sponsor. The price at which the Equity Securities may be sold to meet redemptions, and the value of the Trust, will be adversely affected if trading markets for the Equity Securities are limited or absent.

An investment in Units should be made with an understanding of the risks which an investment in common stocks entails, including the risk that the financial condition of the issuers of the Equity Securities or the general condition of the common stock market may worsen and the value of the Equity Securities and therefore

the value of the Units may decline. Common stocks are especially susceptible to general stock market movements and to volatile increases and decreases of value as market confidence in and perceptions of the issuers change. These perceptions are based on unpredictable factors including expectations regarding government, economic, monetary and fiscal policies, inflation and interest rates, economic expansion or contraction, and global or regional political, economic or banking crises. Shareholders of common stocks have rights to receive payments from the issuers of those common stocks that are generally subordinate to those of creditors of, or holders of debt obligations or preferred stocks of, such issuers. Shareholders of common stocks of the type held by the Trust have a right to receive dividends only when and if, and in the amounts, declared by the issuer's board of directors and have a right to participate in amounts available for distribution by the issuer only after all other claims on the issuer have been paid or provided for. Common stocks do not represent an obligation of the issuer and, therefore, do not offer any assurance of income or provide the same degree of protection of capital as do debt securities. The issuance of additional debt securities or preferred stock will create prior claims for payment of principal, interest and dividends which could adversely affect the ability and inclination of the issuer to declare or pay dividends on its common stock or the rights of holders of common stock with respect to assets of the issuer upon liquidation or bankruptcy. The

Page 16

value of common stocks is subject to market fluctuations for as long as the common stocks remain outstanding, and thus the value of the Equity Securities in the Portfolio may be expected to fluctuate over the life of the Trust to values higher or lower than those prevailing on the Initial Date of Deposit.

Holders of common stocks incur more risk than holders of preferred stocks and debt obligations because common stockholders, as owners of the entity, have generally inferior rights to receive payments from the issuer in comparison with the rights of creditors of, or holders of debt obligations or preferred stocks issued by, the issuer. Cumulative preferred stock dividends must be paid before common stock dividends and any cumulative preferred stock dividend omitted is added to future dividends payable to the holders of cumulative preferred stock. Preferred stockholders are also generally entitled to rights on liquidation which are senior to those of common stockholders.

Unit holders will be unable to dispose of any of the Equity Securities in the Portfolio, as such, and will not be able to vote the Equity Securities. As the holder of the Equity Securities, the Trustee will have the right to vote all of the voting stocks in the Trust and will vote such stocks in accordance with the instructions of the Sponsor.

Investors should be aware of certain other considerations before making a decision to invest in the Trust.

The value of the Equity Securities will fluctuate over the life of the Trust and may be more or less than the price at which they were deposited in the Trust. The Equity Securities may appreciate or depreciate in value (or pay dividends) depending on the full range of economic and market influences affecting these securities, including the impact of the Sponsor's purchase and sale of the Equity Securities (especially during the primary offering period of Units of the Trust and during the Special Redemption and Liquidation Period) and other factors.

The Sponsor and the Trustee shall not be liable in any way for any default, failure or defect in any Equity Security. In the event of a notice that any Equity Security will not be delivered ("Failed Contract Obligations") to the Trust, the Sponsor is authorized under the Indenture to direct the Trustee to acquire other Equity Securities ("Replacement Securities"). Any Replacement Security will be identical to those which were the subject of the failed contract. The Replacement Securities must be purchased within 20 days after delivery of the notice of a failed contract and the purchase price may not exceed the amount of funds reserved for the purchase of the Failed Contract Obligations.

If the right of limited substitution described in the preceding paragraphs is not utilized to acquire Replacement Securities in the event of a failed contract, the Sponsor will refund the sales charge attributable to such Failed Contract Obligations to all Unit holders of the Trust and the Trustee will distribute the principal attributable to such Failed Contract Obligations not

more than 120 days after the date on which the Trustee received a notice from the Sponsor that a Replacement Security would not be deposited in the Trust. In addition, Unit holders should be aware that, at the time of receipt of such principal, they may not be able to reinvest such proceeds in other securities at a yield equal to or in excess of the yield which such proceeds would have earned for Unit holders of the Trust.

The Indenture also authorizes the Sponsor to increase the size of the Trust and the number of Units thereof by the deposit of additional Equity Securities in the Trust and the issuance of a corresponding number of additional Units.

The Trust consists of the Equity Securities listed under "Schedule of Investments" (or contracts to purchase such Securities) as may continue to be held from time to time in the Trust and any additional Equity Securities acquired and held by the Trust pursuant to the provisions of the Indenture (including provisions with respect to deposits into the Trust of Equity Securities in connection with the issuance of additional Units).

Once all of the Equity Securities in the Trust are acquired, the Trustee will have no power to vary the investments of the Trust, i.e., the Trustee will have no managerial power to take advantage of market variations to improve a Unit holder's investment, but may dispose of Equity Securities only under limited circumstances. See "How May Equity Securities be Removed from the Trust?"

To the best of the Sponsor's knowledge, there is no litigation pending as of the Initial Date of Deposit in respect of any Equity Security which might reasonably be expected to have a material adverse effect on the Trust.

Page 17

At any time after the Initial Date of Deposit, litigation may be instituted on a variety of grounds with respect to the Equity Securities. The Sponsor is unable to predict whether any such litigation will be instituted, or if instituted, whether such litigation might have a material adverse effect on the Trust.

Petroleum Refining Companies. The Trust is considered to be concentrated in common stocks of companies engaged in refining and marketing oil and related products. According to the U.S. Department of Commerce, the factors which will most likely shape the industry to 1996 and beyond include the price and availability of oil from the Middle East, changes in United States environmental policies and the continued decline in U.S. production of crude oil. Possible effects of these factors may be increased U.S. and world dependence on oil from the Organization of Petroleum Exporting Countries ("OPEC") and highly uncertain and potentially more volatile oil prices. Factors which the Sponsor believes may increase the profitability of oil and petroleum operations include increasing demand for oil and petroleum products as a result of the continued increases in annual miles driven and the improvement in refinery operating margins caused by increases in average domestic refinery utilization rates. The existence of surplus crude oil production capacity and the willingness to adjust production levels are the two principal requirements for stable crude oil markets. Without excess capacity, supply disruptions in some countries cannot be compensated for by others. Surplus capacity in Saudi Arabia and a few other countries and the utilization of that capacity prevented during the Persian Gulf crisis, and continue to prevent, severe market disruption. Although unused capacity contributed to market stability in 1990 and 1991, it ordinarily creates pressure to overproduce and contributes to market uncertainty. The likely restoration of a large portion of Kuwait and Iraq's production and export capacity over the next few years could lead to such a development in the absence of substantial growth in world oil demand. Formerly, OPEC members attempted to exercise control over production levels in each country through a system of mandatory production quotas. Because of the crisis in the Middle East, the mandatory system has since been replaced with a voluntary system. Production under the new system has had to be curtailed on at least one occasion as a result of weak prices, even in the absence of supplies from Kuwait and Iraq. The pressure to deviate from mandatory quotas, if they are reimposed, is likely to be substantial and could lead to a weakening of prices. In the longer term, additional capacity and production will be required to accommodate the expected large increases in world oil demand and to compensate for expected sharp drops in U.S. crude oil production and exports from the Soviet Union. Only a few OPEC countries, particularly Saudi Arabia, have the petroleum reserves that will allow the required increase in production capacity to be attained. Given the large-scale financing that is required, the prospect

that such expansion will occur soon enough to meet the increased demand is uncertain.

Declining U.S. crude oil production will likely lead to increased dependence on OPEC oil, putting refiners at risk of continued and unpredictable supply disruptions. Increasing sensitivity to environmental concerns will also pose serious challenges to the industry over the coming decade. Refiners are likely to be required to make heavy capital investments and make major production adjustments in order to comply with increasingly stringent environmental legislation, such as the 1990 amendments to the Clean Air Act. If the cost of these changes is substantial enough to cut deeply into profits, smaller refiners may be forced out of the industry entirely. Moreover, lower consumer demand due to increases in energy efficiency and conservation, due to gasoline reformulations that call for less crude oil, due to warmer winters or due to a general slowdown in economic growth in this country and abroad, could negatively affect the price of oil and the profitability of oil companies. No assurance can be given that the demand for or prices of oil will increase or that any increases will not be marked by great volatility. Some oil companies may incur large cleanup and litigation costs relating to oil spills and other environmental damage. Oil production and refining operations are subject to extensive federal, state and local environmental laws and regulations governing air emissions and the disposal of hazardous materials. Increasingly stringent environmental laws and regulations are expected to require companies with oil production and refining operations to devote significant financial and managerial resources to pollution control. General problems of the oil and petroleum products industry include the ability of a few influential producers significantly to affect production, the concomitant volatility of crude oil prices and increasing public and governmental concern over air emissions, waste product disposal, fuel quality and the environmental effects of fossil-fuel use in general.

Page 18

In addition, any future scientific advances concerning new sources of energy and fuels or legislative changes relating to the energy industry or the environment could have a negative impact on the petroleum products industry. While legislation has been enacted to deregulate certain aspects of the oil industry, no assurances can be given that new or additional regulations will not be adopted. Each of the problems referred to could adversely affect the financial stability of the issuers of any petroleum industry stocks in the Trust.

Legislation. From time to time Congress considers proposals to reduce the rate of the dividends-received deductions. Enactment into law of a proposal to reduce the rate would adversely affect the after-tax return to investors who can take advantage of the deduction. Unit holders are urged to consult their own tax advisers. Further, at any time after the Initial Date of Deposit, legislation may be enacted, with respect to the Equity Securities in the Trust or the issuers of the Equity Securities. Changing approaches to regulation, particularly with respect to the environment or with respect to the petroleum industry, may have a negative impact on certain companies represented in the Trust. There can be no assurance that future legislation, regulation or deregulation will not have a material adverse effect on the Trust or will not impair the ability of the issuers of the Equity Securities to achieve their business goals.

PUBLIC OFFERING

How is the Public Offering Price Determined?

Units are offered at the Public Offering Price. During the initial offering period, the Public Offering Price is based on the aggregate underlying value of the Equity Securities in the Trust, plus or minus cash, if any, in the Income and Capital Accounts of the Trust, plus a sales charge of 3.6% (equivalent to 3.734% of the net amount invested) divided by the amount of Units of the Trust outstanding.

During the initial offering period, the Sponsor's Repurchase Price is based on the aggregate underlying value of the Equity Securities in the Trust, plus or minus cash, if any, in the Income and Capital Accounts of the Trust divided by the number of Units of the Trust outstanding. For secondary market sales after the completion of the initial offering period, the Public Offering Price is also based on the aggregate underlying value of the Equity Securities in the Trust, plus or minus cash, if any, in the Income and Capital Accounts of the Trust, plus a maximum sales charge of 3.1% of

the Public Offering Price (equivalent to 3.199% of the net amount invested) prior to the first Income Distribution Record Date and 1.95% (equivalent to 1.989% of the net amount invested) on or after the first Income Distribution Record Date divided by the number of outstanding Units of the Trust.

The minimum purchase of the Trust is \$1,000. The applicable sales charge for primary market sales is reduced by a discount as indicated below for volume purchases:

<TABLE>
<CAPTION>

Number of Units	Percent of Offering Price	Percent of Net Amount Invested
<S>	<C>	<C>
10,000 to 24,999	0.25%	0.2506%
25,000 to 49,999	0.50%	0.5025%
50,000 to 99,999	0.75%	0.7557%
100,000 or more	1.50%	1.5228%

For secondary market transactions, a dealer will receive from the Sponsor a dealer concession of 65% of the total sales charges for Units sold.

Any such reduced sales charge shall be the responsibility of the selling Underwriters or dealer. The reduced sales charge structure will apply on all purchases of Units in the Trust by the same person on any one day from any one underwriter or dealer. Additionally, Units purchased in the name of the spouse of a purchaser or in the name of a child of such purchaser under 21 years of age will be deemed, for the purposes of calculating the applicable sales charge, to be additional purchases by the purchaser. The reduced sales charges will also be applicable to a trustee or other fiduciary purchasing securities for a single trust estate or single fiduciary account. The purchaser must inform the Underwriter or dealer of any such combined

Page 19

purchase prior to the sale in order to obtain the indicated discount. In addition, with respect to the employees, officers and directors (including their immediate family members, defined as spouses, children, grandchildren, parents, grandparents, mothers-in-law, fathers-in-law, sons-in-law and daughters-in-law, and trustees, custodians or fiduciaries for the benefit of such persons) of the Sponsor, Underwriters, Dealers and their affiliates, the sales charge is reduced by 1.0% of the Public Offering Price for purchases of Units during the primary offering period.

Had the Units of the Trust been available for sale on the business day prior to the Initial Date of Deposit, the Public Offering Price would have been as indicated in "Summary of Essential Information." The Public Offering Price of Units on the date of the prospectus or during the initial offering period may vary from the amount stated under "Summary of Essential Information" in accordance with fluctuations in the prices of the underlying Equity Securities. During the initial offering period, the aggregate value of the Units of the Trust shall be determined on the basis of the aggregate underlying value of the Equity Securities therein plus or minus cash, if any, in the Income and Capital Accounts of the Trust. The aggregate underlying value of the Equity Securities will be determined in the following manner: if the Equity Securities are listed on a national securities exchange or the NASDAQ National Market System, this evaluation is generally based on the closing sale prices on that exchange or that system (unless it is determined that these prices are inappropriate as a basis for valuation) or, if there is no closing sale price on that exchange or system, at the closing ask prices. If the Equity Securities are not so listed or, if so listed and the principal market therefore is other than on the exchange, the evaluation shall generally be based on the current ask prices on the over-the-counter market (unless it is determined that these prices are inappropriate as a basis for evaluation). If current ask prices are unavailable, the evaluation is generally determined (a) on the basis of current ask prices for comparable securities, (b) by appraising the value of the Equity Securities on the ask side of the market or (c) by any combination of the above.

After the completion of the initial offering period, the secondary market Public Offering Price will be equal to the aggregate underlying value of the Equity Securities therein, plus or minus cash, if any, in the Income and Capital Accounts of the Trust plus the applicable sales charge.

Although payment is normally made five business days following the order for purchase, payment may be made prior thereto. Cash, if any, made available to the Sponsor prior to the date of settlement for the purchase of Units may be used in the Sponsor's business and may be deemed to be a benefit to the Sponsor, subject to the limitations of the Securities Exchange Act of 1934. Delivery of Certificates representing Units so ordered will be made five business days following such order or shortly thereafter. See "Rights of Unit Holders-How may Units be Redeemed?" for information regarding the ability to redeem Units ordered for purchase.

How are Units Distributed?

During the initial offering period (i) for Units issued on the Initial Date of Deposit and (ii) for additional Units issued after such date as additional Equity Securities are deposited by the Sponsor, Units will be distributed to the public at the then current Public Offering Price. During such period, the Sponsor may deposit additional Equity Securities in the Trust and create additional Units. Units reacquired by the Sponsor during the initial offering period (at prices based upon the aggregate underlying value of the Equity Securities in the Trust plus or minus a pro rata share of cash, if any in the Income and Capital Accounts of the Trust) may be resold at the then current Public Offering Price. Upon the termination of the initial offering period, unsold Units created or reacquired during the initial offering period will be sold or resold at the then current Public Offering Price.

Upon completion of the initial offering, Units repurchased in the secondary market (see "Will There be a Secondary Market?") may be offered by this prospectus at the secondary market public offering price determined in the manner described above.

It is the intention of the Sponsor to qualify Units of the Trust for sale in a number of states. Sales initially will be made to dealers and others at prices which represent a concession or agency commission of 2.0% of the Public Offering Price, and, for secondary market sales, an amount of the Public Offering Price set forth under "How is the Public Offering Price Determined?" However, resales of Units of the Trust by such dealers and

Page 20

others to the public will be made at the Public Offering Price described in the prospectus. The Sponsor reserves the right to change the amount of the concession or agency commission from time to time. Certain commercial banks may be making Units of the Trust available to their customers on an agency basis. A portion of the sales charge paid by these customers is retained by or remitted to the banks in the amounts indicated in the fourth preceding sentence. Under the Glass-Steagall Act, banks are prohibited from underwriting Trust Units; however, the Glass-Steagall Act does permit certain agency transactions and the banking regulators have not indicated that these particular agency transactions are not permitted under such Act. In Texas and in certain other states, any banks making Units available must be registered as broker/dealers under state law. Any broker/dealer or bank will receive additional concessions of 2.30% for purchases of \$250,000 or more made from the Sponsor on the Initial Date of Deposit.

What are the Sponsor's Profits?

The Underwriters of the Trust will receive a gross sales commission equal to 3.6% of the Public Offering Price of the Units (equivalent to 3.734% of the net amount invested), less any reduced sales charge for quantity purchases as described under "Public Offering-How is the Public Offering Price Determined?" See "Underwriting" for information regarding the receipt of the excess gross sales commissions by the Sponsor from the other Underwriters and additional concessions available to Underwriters, dealers and others. In addition, the Sponsor may be considered to have realized a profit or to have sustained a loss, as the case may be, in the amount of any difference between the cost of the Equity Securities to the Trust (which is based on the Evaluator's determination of the aggregate offering price of the underlying Equity Securities of such Trust on the

Initial Date of Deposit as well as on subsequent deposits) and the cost of such Equity Securities to the Sponsor. See "Underwriting" and Note (2) of "Schedule of Investments." During the initial offering period, the Underwriters also may realize profits or sustain losses as a result of fluctuations after the Date of Deposit in the Public Offering Price received by the Underwriters upon the sale of Units.

In maintaining a market for the Units, the Sponsor will also realize profits or sustain losses in the amount of any difference between the price at which Units are purchased and the price at which Units are resold (which price includes a sales charge of 3.1% prior to the first Income Distribution Record Date, and 1.95% on or after the first Income Distribution Record Date) or redeemed. The secondary market public offering price of Units may be greater or less than the cost of such Units to the Sponsor. The Sponsor may also realize profits or sustain losses in connection with the creation of additional Units for the Distribution Reinvestment Option.

Will There be a Secondary Market?

After the initial offering period, although it is not obligated to do so, the Sponsor intends to, and the Underwriters may, maintain a market for the Units and continuously offer to purchase Units at prices, subject to change at any time, based upon the aggregate underlying value of the Equity Securities in the Trust plus or minus cash, if any, in the Income and Capital Accounts of the Trust. All expenses incurred in maintaining a secondary market, other than the fees of the Evaluator and the costs of the Trustee in transferring and recording the ownership of Units, will be borne by the Sponsor. If the supply of Units exceeds demand, or for some other business reason, the Sponsor may discontinue purchases of Units at such prices. IF A UNIT HOLDER WISHES TO DISPOSE OF HIS UNITS, HE SHOULD INQUIRE OF THE SPONSOR AS TO CURRENT MARKET PRICES PRIOR TO MAKING A TENDER FOR REDEMPTION TO THE TRUSTEE.

RIGHTS OF UNIT HOLDERS

How is Evidence of Ownership Issued and Transferred?

The Trustee is authorized to treat as the record owner of Units that person who is registered as such owner on the books of the Trustee. Ownership of Units may be evidenced by registered certificates executed by the Trustee and the Sponsor. Delivery of certificates representing Units ordered for purchase is normally made five business days following such order or shortly thereafter. Certificates are transferable by presentation and surrender to the Trustee properly endorsed or accompanied by a written instrument or instruments of transfer. Certificates to be redeemed must be properly endorsed or accompanied by a written instrument or instruments of transfer. A Unit holder must sign exactly as his name appears on the face of the

Page 21

certificate with signature guaranteed by a participant in the Securities Transfer Agents Medallion Program ("STAMP") or such other signature guaranty program in addition to, or in substitution for, STAMP, as may be accepted by the Trustee. In certain instances the Trustee may require additional documents such as, but not limited to, trust instruments, certificates of death, appointments as executor or administrator or certificates of corporate authority. Record ownership may occur before settlement.

Certificates will be issued in fully registered form, transferable only on the books of the Trustee in denominations of one Unit or any multiple thereof, numbered serially for purposes of identification.

Unit holders may elect to hold their Units in uncertificated form. Only Unit holders who elect to hold Units in uncertificated form are eligible to participate as a Rollover Unit holder. The Trustee will maintain an account for each such Unit holder and will credit each such account with the number of Units purchased by that Unit holder. Within two business days of the issuance or transfer of Units held in uncertificated form, the Trustee will send to the registered owner of Units a written initial transaction statement containing a description of the Trust; the number of Units issued or transferred; the name, address and taxpayer identification number, if any, of the new registered owner; a notation of any liens and restrictions of the issuer and any adverse claims to which such Units are or may be subject or a statement that there are no such liens, restrictions or adverse claims; and the date the transfer was registered. Uncertificated Units are transferable

through the same procedures applicable to Units evidenced by certificates (described above), except that no certificate need be presented to the Trustee and no certificate will be issued upon the transfer unless requested by the Unit holder. A Unit holder may at any time request the Trustee to issue certificates for Units.

Although no such charge is now made or contemplated, a Unit holder may be required to pay \$2.00 to the Trustee per certificate reissued or transferred and to pay any governmental charge that may be imposed in connection with each such transfer or exchange. For new certificates issued to replace destroyed, stolen or lost certificates, the Unit holder may be required to furnish indemnity satisfactory to the Trustee and pay such expenses as the Trustee may incur. Mutilated certificates must be surrendered to the Trustee for replacement.

How are Income and Capital Distributed?

The Trustee will distribute any net income received with respect to any of the securities in the Trust on or about the Income Distribution Dates to Unit holders of record on the preceding Income Record Date. See "Summary of Essential Information." Because dividends are not received by the Trust at a constant rate throughout the year, such distributions to Unit holders may be more or less than the amount credited to the Income Account as of the Record Date. Persons who purchase Units will commence receiving distributions only after such person becomes a Record Owner. Notification to the Trustee of the transfer of Units is the responsibility of the purchaser, but in the normal course of business such notice is provided by the selling broker-dealer. Proceeds received on the sale of any Equity Securities in the Trust, to the extent not used to meet redemptions of Units or pay expenses, will, however, be distributed on the last day of each month to Unit holders of record on the fifteenth day of such month if the amount available for distribution equals at least \$1.00 per 100 Units. The Trustee is not required to pay interest on funds held in the Capital Account of a Trust (but may itself earn interest thereon and therefore benefit from the use of such funds). Notwithstanding, distributions of funds in the Capital Account, if any, will be made as part of the final liquidation distribution, and in certain circumstances, earlier. See "What is the Federal Tax Status of Unit Holders?"

Under regulations issued by the Internal Revenue Service, the Trustee is required to withhold a specified percentage of any distribution made by the Trust if the Trustee has not been furnished the Unit holder'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 Unit holder under certain circumstances by contacting the Trustee, otherwise the amount may be recoverable only when filing a tax return. Under normal circumstances the Trustee obtains the Unit holder's tax identification number from the selling broker. However, a Unit holder should examine his or her statements from the Trustee to make sure that the Trustee has been provided a certified tax identification number in order to avoid this possible "back-up withholding." In the event the Trustee has not been previously provided such number, one should be provided as soon as possible.

Page 22

Within a reasonable time after the Trust is terminated, each Unit holder who is not a Rollover Unit holder will, upon surrender of his Units for redemption, receive (i) the pro rata share of the amounts realized upon the disposition of Equity Securities, unless he elects an In-Kind Distribution as described below and (ii) a pro rata share of any other assets of the Trust, less expenses of the Trust. Not less than 30 days prior to the Mandatory Termination Date of the Trust the Trustee will provide written notice thereof to all Unit holders and will include with such notice a form to enable Unit holders to elect a distribution of shares of Equity Securities (an "In-Kind Distribution"), if such Unit holder owns at least 2,500 Units of the Trust, rather than to receive payment in cash for such Unit holder's pro rata share of the amounts realized upon the disposition by the Trustee of Equity Securities. An In-Kind Distribution will be reduced by customary transfer and registration charges. To be effective, the election form, together with surrendered certificates and other documentation required by the Trustee, must be returned to the Trustee at least five business days prior to the Mandatory Termination Date of the Trust. A Unit holder may, of course, at any time after the Equity Securities are distributed, sell all or a portion of the shares.

The Trustee will credit to the Income Account of the Trust any dividends received on the Equity Securities therein. All other

receipts (e.g., return of principal, capital gains, etc.) are credited to the Capital Account of the Trust.

The Trustee may establish reserves (the "Reserve Account") within the Trust for state and local taxes, if any, and any governmental charges payable out of the Trust.

Distribution Reinvestment Option. Any Unit holder may elect to have each distribution of income or capital on his Units, other than the final liquidating distribution in connection with the termination of the Trust, automatically reinvested in additional Units of the Trust. Each person who purchases Units of the Trust may elect to become a participant in the Distribution Reinvestment Option by notifying the Trustee of their election. The Distribution Reinvestment Option may not be available in all states. In order to enable a Unit holder to participate in the Distribution Reinvestment Option with respect to a particular distribution on his Units, the card must be received by the Trustee within 10 days prior to the Record Date for such distribution. Each subsequent distribution of income or capital on the participant's Units will be automatically applied by the Trustee to purchase additional Units of the Trust without a sales charge. IT SHOULD BE REMEMBERED THAT EVEN IF DISTRIBUTIONS ARE REINVESTED, THEY ARE STILL TREATED AS DISTRIBUTIONS FOR INCOME TAX PURPOSES.

What Reports will Unit Holders Receive?

The Trustee shall furnish Unit holders in connection with each distribution a statement of the amount of income, if any, and the amount of other receipts, if any, which are being distributed, expressed in each case as a dollar amount per Unit. 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 Unit holder of the Trust the following information in reasonable detail: (1) a summary of transactions in the Trust for such year; (2) any Equity Securities sold during the year and the Equity Securities held at the end of such year by the Trust; (3) the redemption price per Unit based upon a computation thereof on the 31st day of December of such year (or the last business day prior thereto); and (4) amounts of income and capital distributed during such year.

In order to comply with Federal and state tax reporting requirements, Unit holders will be furnished, upon request to the Trustee, evaluations of the Securities in the Trust furnished to it by the Evaluator.

How May Units be Redeemed?

A Unit holder may redeem all or a portion of his Units by tender to the Trustee at its corporate trust office in the City of New York of the certificates representing the Units to be redeemed, or in the case of uncertificated Units, delivery of a request for redemption, duly endorsed or accompanied by proper instruments of transfer with signature guaranteed as explained above (or by providing satisfactory indemnity, as in connection with lost, stolen or destroyed certificates), and payment of applicable governmental charges, if any. No redemption fee will be charged. On the seventh calendar day following such tender, or if the seventh calendar day is not a business day, on the first business day prior thereto, the Unit holder will be entitled to receive in cash an amount for each Unit equal to the Redemption Price per Unit next computed after receipt by the Trustee of such tender of Units. The "date of tender" is deemed to be the date on which Units are received

Page 23

by the Trustee, except that as regards Units received after 4:00 p.m. Eastern time, the date of tender is the next day on which the New York Stock Exchange is open for trading and such Units will be deemed to have been tendered to the Trustee on such day for redemption at the redemption price computed on that day. Units so redeemed shall be cancelled.

Any Unit holder tendering 2,500 Units or more for redemption may request by written notice submitted at the time of tender from the Trustee in lieu of a cash redemption a distribution of shares of Equity Securities in an amount and value of Equity Securities per Unit equal to the Redemption Price Per Unit as determined as of the evaluation next following tender. To the extent possible, In-Kind Distributions ("In-Kind Distributions") shall be made by the Trustee through the distribution of each of the Equity Securities in book-entry form to the account of the Unit holder's

bank or broker-dealer at the Depository Trust Company. An In-Kind Distribution will be reduced by customary transfer and registration charges. The tendering Unit holder will receive his pro rata number of whole shares of each of the Equity Securities comprising the portfolio and cash from the Capital Account equal to the fractional shares to which the tendering Unit holder is entitled. The Trustee may adjust the number of shares of any issue of Equity Securities included in a Unit holder's In-Kind Distribution to facilitate the distribution of whole shares, such adjustment to be made on the basis of the value of Equity Securities on the date of tender. If funds in the Capital Account are insufficient to cover the required cash distribution to the tendering Unit holder, the Trustee may sell Equity Securities in the manner described above.

Under regulations issued by the Internal Revenue Service, the Trustee is required to withhold a specified percentage of the principal amount of a Unit redemption if the Trustee has not been furnished the redeeming Unit holder'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 Unit holder only when filing a tax return. Under normal circumstances the Trustee obtains the Unit holder's tax identification number from the selling broker. However, any time a Unit holder elects to tender Units for redemption, such Unit holder should make sure that the Trustee has been provided a certified tax identification number in order to avoid this possible "back-up 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 income shall be withdrawn from the Income Account of the Trust to the extent that funds are available for such purpose. All other amounts paid on redemption shall be withdrawn from the Capital Account of the Trust.

The Trustee is empowered to sell Equity Securities of the Trust in order to make funds available for redemption. To the extent that Equity Securities are sold, the size and diversity of the Trust will be reduced. Such sales may be required at a time when Equity Securities would not otherwise be sold and might result in lower prices than might otherwise be realized.

The Redemption Price per Unit and the Public Offering Price per Unit (which includes the sales charge) during the initial offering period (as well as the secondary market Public Offering Price) will be determined on the basis of the aggregate underlying value of the Equity Securities in the Trust plus or minus cash, if any, in the Income and Capital Accounts of the Trust. The Redemption Price per Unit is the pro rata share of each Unit determined by the Trustee by adding: (1) the cash on hand in the Trust other than cash deposited in the Trust to purchase Equity Securities not applied to the purchase of such Equity Securities; (2) the aggregate value of the Equity Securities (including "when issued" contracts, if any) held in the Trust, as determined by the Evaluator on the basis of the aggregate underlying value of the Equity Securities in the Trust next computed; and (3) dividends receivable on the Equity Securities trading ex-dividend as of the date of computation; and deducting therefrom: (1) amounts representing any applicable taxes or governmental charges payable out of the Trust; (2) any amounts owing to the Trustee for its advances; (3) an amount representing estimated accrued expenses of the Trust, including but not limited to fees and expenses of the Trustee (including legal fees), the Evaluator and supervisory fees, if any; (4) cash held for distribution to Unit holders of record of the Trust as of the business day prior to the evaluation being made; and (5) other liabilities incurred by the Trust; and finally dividing the results of such computation by the number of Units of the Trust outstanding as of the date thereof.

Page 24

The aggregate value of the Equity Securities will be determined in the following manner: if the Equity Securities are listed on a national securities exchange or the NASDAQ National Market System, this evaluation is generally based on the closing sale prices on that exchange or that system (unless it is determined that these prices are inappropriate as a basis for valuation) or, if there is no closing sale price on that exchange or system, at the closing bid prices. If the Equity Securities are not so listed or, if so listed and the principal market therefore is other than on the exchange, the evaluation shall generally be based on the current bid prices on the over-the-counter market (unless these prices are inappropriate as a basis for evaluation). If current bid prices are unavailable, the evaluation is generally determined (a) on the basis of current bid prices for comparable securities,

(b) by appraising the value of the Equity Securities on the bid side of the market or (c) by any combination of the above.

The right of redemption may be suspended and payment postponed for any period during which the New York Stock Exchange is closed, other than for customary weekend and holiday closings, or during which the Securities and Exchange Commission determines that trading on the New York Stock Exchange is restricted or any emergency exists, as a result of which disposal or evaluation of the Securities is not reasonably practicable, or for such other periods as the Securities and Exchange Commission may by order permit. Under certain extreme circumstances, the Sponsor may apply to the Securities and Exchange Commission for an order permitting a full or partial suspension of the right of Unit holders to redeem their Units. 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.

Special Redemption, Liquidation and Investment in the New Trust

It is expected that a special redemption and liquidation will be made of all Units of the Trust held by any Unit holder (a "Rollover Unit holder") who affirmatively notifies the Trustee in writing that he so desires by the Rollover Notification Date specified in the "Summary of Essential Information."

All Units of Rollover Unit holders will be redeemed In-Kind on the first day of the Special Redemption and Liquidation Period and the underlying Equity Securities will be distributed to the Distribution Agent on behalf of the Rollover Unit holders. During the Special Redemption and Liquidation Period (as set forth in "Summary of Essential Information"), the Distribution Agent will be required to sell all of the underlying Equity Securities on behalf of Rollover Unit holders. The sales proceeds will be net of brokerage fees, governmental charges or any expenses involved in the sales.

The Distribution Agent will engage the Sponsor as its agent to sell the distributed Equity Securities. The Sponsor will attempt to sell the Equity Securities as quickly as is practicable during the Special Redemption and Liquidation Period. The Sponsor does not anticipate that the period will be longer than 10 business days, and it could be as short as one day, given that the Equity Securities are usually highly liquid. The liquidity of any Equity Security depends on the daily trading volume of the Equity Security and the amount that the Sponsor has available for sale on any particular day.

It is expected (but not required) that the Sponsor will generally follow the following guidelines in selling the Equity Securities: for highly liquid Equity Securities, the Sponsor will generally sell Equity Securities on the first day of the Special Redemption and Liquidation Period; for less liquid Equity Securities, on each of the first two days of the Special Redemption and Liquidation Period, the Sponsor will generally sell any amount of any underlying Equity Securities at a price no less than 1/2 of one point under the closing sale price of those Equity Securities on the preceding day. Thereafter, the Sponsor intends to sell without any price restrictions at least a portion of the remaining underlying Equity Securities, the numerator of which is one and the denominator of which is the total number of days remaining (including that day) in the Special Redemption and Liquidation Period.

The Rollover Unit holders' proceeds will be invested in the 1995 Trust, if then registered in such state and being offered, the portfolio of which will contain the ten highest yielding stocks in the Dow Jones Industrial Average as of the day prior to the Date of Deposit of the 1995 Trust. The proceeds of redemption available on each day will be used to buy 1995 Trust Units as the proceeds become available.

The Sponsor intends to create 1995 Trust Units as quickly as possible, dependent upon the availability and reasonably favorable prices of the Equity Securities included in the 1995 Trust portfolio, and it is intended

Page 25

that Rollover Unit holders will be given first priority to purchase the 1995 Trust Units. There can be no assurance, however, as to the exact timing of the creation of the 1995 Trust Units or the aggregate number of 1995 Trust Units which the Sponsor will create. The Sponsor may, in its sole discretion, stop creating new Units (whether permanently or temporarily) at any time it chooses, regardless of whether all proceeds of the Special Redemption and Liquidation

have been invested on behalf of Rollover Unit holders. Cash which has not been invested on behalf of the Rollover Unit holders in 1995 Trust Units will be distributed at the end of the Special Redemption and Liquidation Period. However, since the Sponsor can create Units, the Sponsor anticipates that sufficient Units can be created, although moneys in the 1995 Trust may not be fully invested on the next business day.

Any Rollover Unit holder may thus be redeemed out of the Trust and become a holder of an entirely different Trust, the 1995 Trust, with a different portfolio of Equity Securities. The Rollover Unit holders' Units will be redeemed In-Kind and the distributed Equity Securities shall be sold during the Special Redemption and Liquidation Period. In accordance with the Rollover Unit holders' offer to purchase the 1995 Trust Units, the proceeds of the sales (and any other cash distributed upon redemption) will be invested in the 1995 Trust, at the public offering price, including the applicable sales charge per Unit (which for Rollover Unit holders is currently expected to be 1.95% of the Public Offering Price of the 1995 Trust Units).

This process of redemption, liquidation, and investment in a new Trust is intended to allow for the fact that the portfolios selected by the Sponsor are chosen on the basis of growth and income potential only for a year, at which point a new portfolio is chosen. It is contemplated that a similar process of redemption, liquidation and investment in a new trust will be available for the 1995 Trust and each subsequent series of the Trust, approximately a year after that Series' creation.

The Sponsor believes that the gradual redemption, liquidation and investment in the Target Equity Trust, Value Ten Series will help mitigate any negative market price consequences stemming from the trading of large volumes of securities and of the underlying Equity Securities in Target Equity Trust, Value Ten Series in a short, publicized period of time. The above procedures may, however, be insufficient or unsuccessful in avoiding such price consequences. In fact, market price trends may make it advantageous to sell or buy more quickly or more slowly than permitted by these procedures. Rollover Unit holders could then receive a less favorable average Unit price than if they bought all their Units of the Target Equity Trust, Value Ten Series on any given day of the period.

It should also be noted that Rollover Unit holders may realize taxable capital gains on the Special Redemption and Liquidation but, in certain unlikely circumstances, will not be entitled to a deduction for certain capital losses and, due to the procedures for investing in the 1995 Trust, no cash would be distributed at that time to pay any taxes. Included in the cash for the Special Redemption and Liquidation will be an amount of cash attributable to the second semi-annual distribution of dividend income; accordingly, Rollover Unit holders also will not have cash distributed to pay any taxes. See "What is the Federal Tax Status of Unit holders?"

In addition, during this period a Unit holder will be at risk to the extent that Equity Securities are not sold and will not have the benefit of any stock appreciation to the extent that moneys have not been invested; for this reason, the Sponsor will be inclined to sell and purchase the Equity Securities in as short a period as they can without materially adversely affecting the price of the Equity Securities.

Unit holders who do not inform the Distribution Agent that they wish to have their Units so redeemed and liquidated ("Remaining Unit holders") will continue to hold Units of the Trust as described in this Prospectus until the Trust is terminated or until the Mandatory Termination Date listed in the Summary of Essential Information, whichever occurs first. These Remaining Unit holders will not realize capital gains or losses due to the Special Redemption and Liquidation, and will not be charged any additional sales charge. If a large percentage of Unit holders become Rollover Unit holders, the aggregate size of the Trust will be sharply reduced. As a consequence, expenses, if any, in excess of the amount to be borne by the Trustee would constitute a higher percentage amount per Unit than prior to the Special Redemption, Liquidation and Investment in the 1995 Trust. The Trust might also reduce to the Discretionary Liquidation Amount listed in the Summary of Essential Information because of the lesser number of Units in the Trust, and possibly also due to a value reduction, however temporary, in Units caused by the Sponsor's sales of Equity Securities;

so, the Sponsor could then choose to liquidate the Trust without the consent of the remaining Unit holders. See "How May the Indenture be Amended or Terminated?" The Equity Securities remaining in the Trust after the Special Redemption and Liquidation Period will be sold by the Sponsor as quickly as possible without, in its judgment, materially adversely affecting the market price of the Equity Securities.

The Sponsor may for any reason, in its sole discretion, decide not to sponsor the 1995 Trust or any subsequent series of the Trust, without penalty or incurring liability to any Unit holder. If the Sponsor so decides, the Sponsor shall notify the Unit holders before the Special Redemption and Liquidation Period would have commenced. All Unit holders will then be remaining Unit holders, with rights to ordinary redemption as before. See "How May Units be Redeemed?" The Sponsor may modify the terms of the 1995 Trust or any subsequent series of the Trust. The Sponsor may also modify the terms of the Special Redemption, Liquidation and Investment in the 1995 Trust upon notice to the Unit holders prior to the Rollover Notification Date specified in the Summary of Essential Information.

INVESTORS SHOULD BE AWARE THAT THE STAFF OF THE DIVISION OF INVESTMENT MANAGEMENT OF THE SECURITIES AND EXCHANGE COMMISSION IS OF THE VIEW THAT THE ROLLOVER OPTION DESCRIBED IN THIS PROSPECTUS CONSTITUTES AN "EXCHANGE OFFER" FOR THE PURPOSES OF SECTION 11(C) OF THE INVESTMENT COMPANY ACT OF 1940, AND WOULD THEREFORE BE PROHIBITED ABSENT AN EXEMPTIVE ORDER. THE SPONSOR HAS APPLIED FOR AN EXEMPTIVE ORDER UNDER SECTION 11(C) WHICH WOULD PERMIT IT TO OFFER THE ROLLOVER OPTION, BUT NO ASSURANCE CAN BE GIVEN THAT THE SEC WILL ISSUE SUCH AN ORDER.

Also, because of the Special Redemption and Liquidation in the 1995 Trust, there is a possibility that the Trust may be reduced below the Discretionary Liquidation Amount and that the Trust could therefore be terminated at that time before the Mandatory Termination Date of the Trust.

How May Units be Purchased by the Sponsor?

The Trustee shall notify the Sponsor of any tender of Units for redemption. If the Sponsor's bid in the secondary market at that time equals or exceeds the Redemption Price per Unit, it may purchase such Units by notifying the Trustee before 1:00 p.m. Eastern time on the same business day and by making payment therefor to the Unit holder not later than the day on which the Units would otherwise have been redeemed by the Trustee. Units held by the Sponsor may be tendered to the Trustee for redemption as any other Units. In the event the Sponsor does not purchase Units, the Trustee may sell Units tendered for redemption in the over-the-counter market, if any, as long as the amount to be received by the Unit holder is equal to the amount he would have received on redemption of the Units.

The offering price of any Units acquired by the Sponsor will be in accord with the Public Offering Price described in the then effective prospectus describing such Units. Any profit or loss resulting from the resale or redemption of such Units will belong to the Sponsor.

How May Equity Securities be Removed from the Trust?

The Portfolio of the Trust is not "managed" by the Sponsor or the Trustee; their activities described herein are governed solely by the provisions of the Indenture. The Indenture provides that the Sponsor may (but need not) direct the Trustee to dispose of an Equity Security in the event that an issuer defaults in the payment of a dividend that has been declared, that any action or proceeding has been instituted restraining the payment of dividends or there exists any legal question or impediment affecting such Equity Security, that the issuer of the Equity Security has breached a covenant which would affect the payments of dividends, the credit standing of the issuer or otherwise impair the sound investment character of the Equity Security, that the issuer has defaulted on the payment on any other of its outstanding obligations, that the price of the Equity Security has declined to such an extent or other such credit factors exist so that in the opinion of the Sponsor, the retention of such Equity Securities would be detrimental to the Trust. Except as stated under "Portfolio - What are Some Additional Considerations for Investors?" for Failed Obligations,

the acquisition by the Trust of any securities or other property other than the Equity Securities is prohibited. Pursuant to the Indenture and with limited exceptions, the Trustee may sell any securities or other property acquired in exchange for Equity Securities such as those acquired in connection with a merger or other transaction. If offered such new or exchanged securities or property, the Trustee shall reject the offer. However, in the event such securities or property are nonetheless acquired by the Trust, they may be accepted for

Page 27

deposit in the Trust and either sold by the Trustee or held in the Trust pursuant to the direction of the Sponsor (who may rely on the advice of the Portfolio Supervisor). Proceeds from the sale of Equity Securities by the Trustee are credited to the Capital Account of the Trust for distribution to Unit holders or to meet redemptions.

The Trustee may also sell Equity Securities designated by the Sponsor, or if not so directed, in its own discretion, for the purpose of redeeming Units of the Trust tendered for redemption and the payment of expenses.

The Sponsor, in designating Equity Securities to be sold by the Trustee, will generally make selections in order to maintain, to the extent practicable, the proportionate relationship among the number of shares of individual issues of Equity Securities. To the extent this is not practicable, the composition and diversity of the Equity Securities may be altered. In order to obtain the best price for the Trust, it may be necessary for the Sponsor to specify minimum amounts (generally 100 shares) in which blocks of Equity Securities are to be sold.

INFORMATION AS TO SPONSOR, TRUSTEE AND EVALUATOR

Who is the Sponsor?

Nike Securities L.P., the Sponsor, specializes in the underwriting, trading and distribution of unit investment trusts and other securities. Nike Securities L.P., an Illinois limited partnership formed in 1991, acts as Sponsor for successive series of The First Trust Combined Series, The First Trust Special Situations Trust, The First Trust Insured Corporate Trust, The First Trust of Insured Municipal Bonds, The First Trust GNMA, Templeton Growth and Treasury Trust, Templeton Foreign Fund & U.S. Treasury Securities Trust and The Advantage Growth and Treasury Securities Trust. First Trust introduced the first insured unit investment trust in 1974 and to date more than \$7.5 billion in First Trust unit investment trusts have been deposited. The Sponsor's employees include a team of professionals with many years of experience in the unit investment trust industry. The Sponsor is a member of the National Association of Securities Dealers, Inc. and Securities Investor Protection Corporation and has its principal offices at 1001 Warrenville Road, Lisle, Illinois 60532; telephone number (708) 241-4141. As of August 31, 1993, the total partners' capital of Nike Securities L.P. was \$14,270,063 (unaudited). (This paragraph relates only to the Sponsor and not to the Trust or to any series thereof or to any other Underwriter. The information is included herein only for the purpose of informing investors as to the financial responsibility of the Sponsor and its ability to carry out its contractual obligations. More detailed financial information will be made available by the Sponsor upon request.)

Who is the Trustee?

The Trustee is United States Trust Company of New York with its principal place of business at 45 Wall Street, New York, New York 10005 and its unit investment trust offices at 770 Broadway, New York, New York 10003. Unit holders who have questions regarding the Trust may call the Customer Service Help Line at 1-800-682-7520. The Trustee is a member of the New York Clearing House Association and is subject to supervision and examination by the Comptroller of the Currency, the Federal Deposit Insurance Corporation and the Board of Governors of the Federal Reserve System.

The Trustee, whose duties are ministerial in nature, has not participated in the selection of the Equity Securities. For information relating to the responsibilities of the Trustee under the Indenture, reference is made to the material set forth under "Rights of Unit Holders."

The Trustee and any successor trustee may resign by executing an instrument in writing and filing the same with the Sponsor and mailing a copy of a notice of resignation to all Unit holders.

Upon receipt of such notice, the Sponsor is obligated to appoint a successor trustee promptly. If the Trustee becomes incapable of acting or becomes bankrupt or its affairs are taken over by public authorities, the Sponsor may remove the Trustee and appoint a successor as provided in the Indenture. If upon resignation of a trustee no successor 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. The resignation or removal of a trustee becomes effective only when the successor trustee accepts its appointment as such or when a court of competent jurisdiction appoints a successor trustee.

Page 28

Any corporation into which a Trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which a Trustee shall be a party, shall be the successor Trustee. The Trustee must be a banking corporation organized under the laws of the United States or any State and having at all times an aggregate capital, surplus and undivided profits of not less than \$5,000,000.

Limitations on Liabilities of Sponsor and Trustee

The Sponsor and the Trustee shall be under no liability to Unit holders for taking any action or for refraining from taking any action in good faith pursuant to the Indenture, or for errors in judgment, but shall be liable only for their own willful misfeasance, bad faith, gross negligence (ordinary negligence in the case of the Trustee) or reckless disregard of their obligations and duties. The Trustee shall not be liable for depreciation or loss incurred by reason of the sale by the Trustee of any of the Equity Securities. In the event of the failure of the Sponsor to act under the Indenture, the Trustee may act thereunder and shall not be liable for any action taken by it in good faith under the Indenture.

The Trustee shall not be liable for any taxes or other governmental charges imposed upon or in respect of the Equity Securities or upon the interest thereon or upon it as Trustee under the Indenture or upon or in respect of the Trust which the Trustee may be required to pay under any present or future law of the United States of America or of any other taxing authority having jurisdiction. In addition, the Indenture contains other customary provisions limiting the liability of the Trustee.

If the Sponsor shall fail to perform any of its duties under the Indenture or becomes incapable of acting or becomes bankrupt or its affairs are 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 amounts prescribed by the Securities and Exchange Commission, or (b) terminate the Indenture and liquidate the Trust as provided herein, or (c) continue to act as Trustee without terminating the Indenture.

Who is the Evaluator?

The Evaluator is Securities Evaluation Service, Inc., 531 East Roosevelt Road, Suite 200, Wheaton, Illinois 60187. The Evaluator may resign or may be removed by the Sponsor and the Trustee, in which event the Sponsor and the Trustee are to use their best efforts to appoint a satisfactory successor. Such resignation or removal shall become effective upon the 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.

The Trustee, Sponsor and Unit holders may rely on any evaluation furnished by the Evaluator and shall have no responsibility for the accuracy thereof. Determinations by the Evaluator under the Indenture 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, Sponsor or Unit holders for errors in judgment. This provision shall not protect the Evaluator in any case of willful misfeasance, bad faith, gross negligence or reckless disregard of its obligations and duties.

OTHER INFORMATION

How May the Indenture be Amended or Terminated?

The Sponsor and the Trustee have the power to amend the Indenture without the consent of any of the Unit holders when such an amendment is (1) to cure any ambiguity or to correct or supplement any provision

of the Indenture which may be defective or inconsistent with any other provision contained therein, or (2) to make such other provisions as shall not adversely affect the interest of the Unit holders (as determined in good faith by the Sponsor and the Trustee).

The Indenture provides that the Trust shall terminate upon the Mandatory Termination Date indicated herein under "Summary of Essential Information." The Trust may be liquidated at any time by consent of 100% of the Unit holders of the Trust or by the Trustee when the value of the Equity Securities owned by the Trust as shown by any evaluation, is less than the lower of \$2,000,000 or 20% of the total value of Equity Securities deposited in such Trust during the primary offering period, or in the event that Units of the Trust not yet sold aggregating more than 60% of the Units of the Trust are tendered for redemption by the Underwriter,

Page 29

including the Sponsor. If the Trust is liquidated because of the redemption of unsold Units of the Trust by the Underwriter, the Sponsor will refund to each purchaser of Units of the Trust the entire sales charge paid by such purchaser. In the event of termination, written notice thereof will be sent by the Trustee to all Unit holders of the Trust. Within a reasonable period after termination, the Trustee will follow the procedures set forth under "How are Income and Capital Distributed?" Also, because of the Special Redemption and Liquidation in New Trust, there is a possibility that the Trust may be reduced below the Discretionary Liquidation Amount and that the Trust could therefore be terminated at that time before the Mandatory Termination Date of the Fund.

Commencing on the Mandatory Termination Date, Equity Securities will begin to be sold in connection with the termination of the Trust. The Sponsor will determine the manner, timing and execution of the sale of the Equity Securities. Written notice of any termination of the Trust specifying the time or times at which Unit holders may surrender their certificates for cancellation shall be given by the Trustee to each Unit holder at his address appearing on the registration books of the Trust maintained by the Trustee. At least 60 days prior to the Mandatory Termination Date of the Trust the Trustee will provide written notice thereof to all Unit holders and will include with such notice a form to enable Unit holders to elect a distribution of shares of Equity Securities (reduced by customary transfer and registration charges), if such Unit holder owns at least 2,500 Units of the Trust, rather than to receive payment in cash for such Unit holder's pro rata share of the amounts realized upon the disposition by the Trustee of Equity Securities. To be effective, the election form, together with surrendered certificates and other documentation required by the Trustee, must be returned to the Trustee at least five business days prior to the Mandatory Termination Date of the Trust. Unit holders not electing a distribution of shares of Equity Securities and who do not elect the Rollover Option will receive a cash distribution from the sale of the remaining Equity Securities within a reasonable time after the Trust is terminated. Regardless of the distribution involved, the Trustee will deduct from the funds of the Trust any accrued costs, expenses, advances or indemnities provided by the Trust Agreement, including estimated compensation of the Trustee and costs of liquidation and any amounts required as a reserve to provide for payment of any applicable taxes or other governmental charges. Any sale of Equity Securities in the Trust upon termination may result in a lower amount than might otherwise be realized if such sale were not required at such time. The Trustee will then distribute to each Unit holder his pro rata share of the balance of the Income and Capital Accounts.

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. Carter, Ledyard & Milburn, will act as counsel for the Trustee and as special New York tax counsel for the Trust.

Experts

The statement of net assets, including the schedule of investments, of the Trust at the opening of business on the Initial Date of Deposit appearing in this Prospectus and Registration Statement has been audited by Ernst & Young, independent auditors, as set forth in their report thereon appearing elsewhere herein and in the Registration Statement, and is included in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

UNDERWRITING

The Underwriters named below, including the Sponsor, have purchased Units in the following respective amounts:

<TABLE>

<CAPTION>

Name	Address	Number of Units
<u><S></u> Sponsor	<u><C></u>	<u><C></u>
Nike Securities L.P.	1001 Warrenville Rd., Lisle, IL 60532	15,500
Underwriters		
A.G. Edwards & Sons, Inc.*	One North Jefferson Avenue, St. Louis, MO 63103	5,000
Gruntal & Co., Incorporated*	14 Wall Street, 14th Floor, New York, NY 10005	5,000
Kemper Securities, Inc.*	77 West Wacker Drive, 28th Floor, Chicago, IL 60601	5,000
B.C. Christopher Division of Fahnestock Inc.	4717 Grand Ave., Suite 700, Kansas City, MO 64112	1,500
Advest, Inc.	One Commercial Plaza, 280 Trumbull Street, 18th Floor, Hartford, CT 06103	1,000
Boenning & Scattergood Inc.	Four Falls Corporate Center, Suite 212, Rte. 23, West Conshohocken, PA 19428	1,000
Bryn Mawr Investment Group, Inc.	919 Conestoga Road, Bldg. 2, Suite 306, Rosemont, PA 19085	1,000
Dain Bosworth Incorporated	Dain Bosworth Plaza, 60 S. 6th Street, 14th Floor, Minneapolis, MN 55402-4422	1,000
D.A. Davidson	D.A. Davidson Building, Great Falls, MT 59401	1,000
First of Michigan Corporation	100 Renaissance Center, 26th Floor, Detroit, MI 48243	1,000
Huntleigh Securities Corporation	222 South Central, Suite 300, St. Louis, MO 63105	1,000
John G. Kinnard & Co., Incorporated	1700 Northstar West, Minneapolis, MN 55402-9963	1,000
Legg Mason Wood Walker, Inc.	111 South Calvert Street, Baltimore, MD 21203-1476	1,000
McDonald & Company Securities, Inc.	800 Superior Street, Suite 2100, Cleveland, OH 44114	1,000
Morgan Keegan & Company, Incorporated	Morgan Keegan Tower, 50 Front Street, Memphis, TN 38103	1,000
W.H. Newbold's Son & Co., Inc.	1500 Walnut Street, 15th Floor, Philadelphia, PA 19102	1,000
Oppenheimer & Co., Inc.	Oppenheimer Tower, One World Financial Center, New York, NY 10281	1,000
Rauscher Pierce Refsnes, Inc.	Plaza of the Americas, 2200 Rauscher Pierce Refsnes Tower, Dallas, TX 75201	1,000
Raymond James & Associates, Inc.	880 Carillon Parkway, St. Petersburg, FL 33710	1,000
Roosevelt & Cross Incorporated	20 Exchange Place, 47th Floor, New York, NY 10005	1,000
Spelman & Co., Inc.	2355 Northside Drive, Suite 200, San Diego, CA 92018	1,000
Stern (M.L.) & Co., Inc.	8350 Wilshire Blvd., Beverly Hills, CA 90211	1,000
		50,000 =====

</TABLE>

[FN]

* These Underwriters have purchased a minimum of 50,000 Units on the Initial Date of Deposit, and have indicated their intention

ated their intention to purchase a total of at least 100,000 Units from the Sponsor during the initial offering period enabling them to qualify for a 2.60% Underwriting Concession.

On the Initial Date of Deposit, the Underwriters of the Trust became the owners of the Units of the Trust and entitled to the benefits thereof, as well as the risks inherent therein.

The Underwriter Agreement provides that a public offering of the Units of the Trust will be made at the Public Offering Price described in the prospectus. Units may also be sold to or through dealers and others during the initial offering period and in the secondary market at prices representing a concession or agency commission as described in "Public Offering-How are Units Distributed?"

The Underwriters have agreed to underwrite additional Units of the Trust as they become available. The Sponsor will receive from the Underwriters the excess over the gross sales commission contained in the following table:

Page 31

Underwriting Concessions

<u>\$100,000-999,999</u> Underwritten	<u>\$1,000,000 or more</u> Underwritten
2.30%	2.60%

From time to time the Sponsor may implement programs under which Underwriters and dealers of the Trust may receive nominal awards from the Sponsor for each of their registered representatives who have sold a minimum number of UIT Units during a specified time period. In addition, at various times the Sponsor may implement other programs under which the sales force of an Underwriter or dealer may be eligible to win other nominal awards for certain sales efforts, or under which the Sponsor will reallocate to any such Underwriter or dealer that sponsors sales contests or recognition programs conforming to criteria established by the Sponsor, or participates in sales programs sponsored by Sponsor, an amount not exceeding the total applicable sales charges on the sales generated by such person at the public offering price during such programs. Also, the Sponsor in its discretion may from time to time pursuant to objective criteria established by the Sponsor pay fees to qualifying Underwriters or dealers for certain services or activities which are primarily intended to result in sales of Units of the Trust. Such payments are made by the Sponsor out of its own assets, and not out of the assets of the Trust. These programs will not change the price Unit holders pay for their Units or the amount that the Trust will receive from the Units sold.

The Sponsor may from time to time in its advertising and sales materials compare the returns on the Trust and returns over specified periods on other similar Trusts sponsored by Nike Securities L.P. with returns on investments such as corporate or U.S. Government bonds, bank CDs and money market accounts or money market funds, each of which has investment characteristics that may differ from those of the Trust. U.S. Government bonds, for example, are backed by the full faith and credit of the U.S. Government and bank CDs and money market accounts are insured by an agency of the federal government. Money market accounts and money market funds provide stability of principal, but pay interest at rates that vary with the condition of the short-term debt market. The investment characteristics of the Trust are described more fully elsewhere in this Prospectus.

Information on percentage changes in the dollar value of Units, on the basis of changes in Unit price plus the amount of dividends and capital gains distributed or reinvested may be included from time to time in advertisements, sales literature, reports and other information furnished to current or prospective Unit holders. Total return figures are not averaged, and may not reflect deduction of the sales charge, which would decrease the return. Average annualized return figures reflect deduction of the maximum sales charge. No provision is made for any income taxes payable.

Past performance may not be indicative of future results. The Trust is not actively managed. Unit price and return fluctuate with the value of the common stocks in the portfolio, so there

may be a gain or loss when Units are sold.

Trust performance may be compared to performance on the same basis (with distributions reinvested) of the Dow Jones Industrial Average, the S&P 500 Composite Price Stock Index, or performance data from Lipper Analytical Services, Inc. and Morningstar Publications, Inc. or from publications such as Money Magazine, The New York Times, U.S. News and World Report, Business Week, Forbes Magazine or Fortune Magazine. As with other performance data, performance comparisons should not be considered representative of the Trust's relative performance for any future period.

Page 32

REPORT OF INDEPENDENT AUDITORS

The Sponsor, Nike Securities L.P., and Unit Holders
THE FIRST TRUST SPECIAL SITUATIONS TRUST, SERIES 89

We have audited the accompanying statement of net assets, including the schedule of investments, of Target Equity Trust, Value Ten Series 3, comprising The First Trust Special Situations Trust, Series 89 as of the opening of business on January 12, 1994. This statement of net assets is the responsibility of the Trust's Sponsor. Our responsibility is to express an opinion on this statement of net assets 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 statement of net assets is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of net assets. Our procedures included confirmation of the letter of credit held by the Trustee and deposited in the Trust on January 12, 1994. An audit also includes assessing the accounting principles used and significant estimates made by the Sponsor, as well as evaluating the overall presentation of the statement of net assets. We believe that our audit of the statement of net assets provides a reasonable basis for our opinion.

In our opinion, the statement of net assets referred to above presents fairly, in all material respects, the financial position of Target Equity Trust, Value Ten Series 3, comprising The First Trust Special Situations Trust, Series 89 at the opening of business on January 12, 1994 in conformity with generally accepted accounting principles.

ERNST & YOUNG

Chicago, Illinois
January 12, 1994

Page 33

Statement of Net Assets

Target Equity Trust, Value Ten Series 3
The First Trust Special Situations Trust, Series 89
At the Opening of Business on the Initial Date of Deposit
January 12, 1994

<TABLE>

<CAPTION>

NET ASSETS

<S>	<C>
Investment in Equity Securities represented by purchase contracts (1) (2)	\$ 481,511
	=====
Units outstanding	50,000
	=====

</TABLE>

<TABLE>
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ANALYSIS OF NET ASSETS

<S>	<C>
Cost to investors (3)	\$ 499,493
Less sales charge (3)	(17,982)

Net Assets	\$ 481,511
	=====

</TABLE>

NOTES TO STATEMENT OF NET ASSETS

[FN]

(1) Aggregate cost of the Equity Securities listed under "Schedule of Investments" is based on their aggregate underlying value.

(2) An irrevocable letter of credit totaling \$600,000 issued by Bankers Trust Company has been deposited with the Trustee covering the monies necessary for the purchase of the Equity Securities pursuant to purchase contracts for such Equity Securities.

(3) The aggregate cost to investors includes a sales charge computed at the rate of 3.6% of the Public Offering Price, (equivalent to 3.734% of the net amount invested), assuming no reduction of sales charge for quantity purchases.

Page 34

Schedule of Investments

Target Equity Trust, Value Ten Series 3
The First Trust Special Situations Trust, Series 89
At the Opening of Business on the Initial Date of Deposit
January 12, 1994

<TABLE>
<CAPTION>

Number of Shares	Ticker Symbol and Name of Issuer of Equity Securities (1)	Percentage of Aggregate Offering Price	Market Value per Share	Cost of Equity Securities to Trust (2)	Current Dividend Yield (3)
<C>	<S>	<C>	<C>	<C>	<C>
1,574	AXP American Express Company	10.05%	\$30.750	\$ 48,401	3.25%
531	CHV Chevron Corp.	10.01%	90.750	48,188	3.86%
916	DD E.I. du Pont de Nemours & Company	9.89%	52.000	47,632	3.38%
1,037	EK Eastman Kodak Company	9.91%	46.000	47,702	4.35%
743	XON Exxon Corp.	9.95%	64.500	47,923	4.47%
695	JPM J.P. Morgan & Company, Inc.	10.00%	69.250	48,129	3.93%
826	MO Philip Morris Companies, Inc.	10.01%	58.375	48,218	4.45%
732	TX Texaco, Inc.	10.05%	66.125	48,403	4.84%
2,179	UK Union Carbide Corporation	10.07%	22.250	48,483	3.37%
1,947	Z Woolworth Corporation	10.06%	24.875	48,432	4.66%
	Total Investments	100%		\$481,511	
		=====		=====	

</TABLE>

[FN]

(1) All Equity Securities are represented by regular way contracts to purchase such Equity Securities for the performance of which an irrevocable letter of credit has been deposited with the Trustee. The purchase contracts for the Equity Securities were entered into by the Sponsor on January 11, 1994.

(2) The cost of the Equity Securities to the Trust represents the aggregate underlying value with respect to the Equity Securities acquired (generally determined by the closing sale prices of the Equity Securities on January 11, 1994). The valuation of the Equity Securities has been determined by the Evaluator, certain shareholders of which are officers of the Sponsor. The aggregate underlying value of the Equity Securities on the Initial Date of Deposit was \$481,511. Cost and loss to Sponsor relating to the Equity Securities sold to the Trust were \$481,602 and \$91, respectively.

(3) Current Dividend Yield for each Equity Security was calculated by annualizing the last quarterly or semi-annual ordinary dividend received on that Equity Security and dividing the result by that Equity Security's closing sale price on January 11, 1994.

Page 35

<TABLE>	
<CAPTION>	
CONTENTS:	
<S>	<C>
Summary of Essential Information	4
Target Equity Trust, Value Ten Series 3	
The First Trust Special Situations Trust, Series 89	
What is The First Trust Special Situations Trust?	5
What are the Expenses and Charges?	6
What is the Federal Tax Status of Unit Holders?	7
Why are Investments in the Trust Suitable for Retirement Plans?	10
Portfolio:	
What are Equity Securities?	11
The Dow Jones Industrial Average, Historical Perspective	12
The Dow Jones Industrial Average	12
What are the Equity Securities Selected for Target Equity Trust, Value Ten Series 3?	12
What are Some Additional Considerations for Investors?	15
Public Offering:	
How is the Public Offering Price Determined?	19
How are Units Distributed?	20
What are the Sponsor's Profits?	21
Will There be a Secondary Market?	21
Rights of Unit Holders:	
How is Evidence of Ownership Issued and Transferred?	21
How are Income and Capital Distributed?	22
What Reports will Unit Holders Receive?	23
How May Units be Redeemed?	23
Special Redemption, Liquidation and Investment in the New Trust	25
How May Units be Purchased by the Sponsor?	27
How May Equity Securities be Removed from the Trust?	27
Information as to Sponsor, Trustee and Evaluator:	
Who is the Sponsor?	28
Who is the Trustee?	28
Limitations on Liabilities of Sponsor and Trustee	29
Who is the Evaluator?	29
Other Information:	
How May the Indenture be Amended or Terminated?	29
Legal Opinions	30
Experts	30
Underwriting	31
Report of Independent Auditors	33
Statement of Net Assets	34
Schedule of Investments	35
</TABLE>	

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

THIS PROSPECTUS DOES NOT CONTAIN ALL THE INFORMATION SET FORTH IN THE REGISTRATION STATEMENTS AND EXHIBITS RELATING THERETO, WHICH THE TRUST HAS 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 HEREBY MADE.

FIRST TRUST
Target Equity Trust,
Value Ten Series 3

First Trust
1001 Warrenville Road, Suite 300
Lisle, Illinois 60532
1-708-241-4141

Trustee:
United States Trust Company
of New York
770 Broadway
New York, New York 10003
1-800-682-7520

PLEASE RETAIN THIS PROSPECTUS
FOR FUTURE REFERENCE

January 12, 1994

Page 36

-APPENDIX-

The graph which appears on page 15 of the prospectus represents a comparison between a \$10,000 investment made on January 1, 1974 in those stocks which comprise the Dow Jones Industrial Average and an identical investment in the 10 common stocks in the Dow Jones Industrial Average having the highest dividend yield as of December 31 of each respective year. The chart indicates that \$10,000 invested on January 1, 1974 in the stocks which comprise the Dow Jones Industrial Average would presently be worth \$106,495 as opposed to \$252,889 had the \$10,000 been invested in the 10 common stocks in the Dow Jones Industrial Average having the highest dividend yield as of December 31 of each respective year. Both figures assume that dividends received during each year will be reinvested at year end and sales charges, commissions, expenses and taxes were not considered in determining total returns.

Page 37

CONTENTS OF REGISTRATION STATEMENT

A. Bonding Arrangements of Depositor:

Nike Securities L.P. is covered by a Brokers' Fidelity Bond, in the total amount of \$1,000,000, the insurer being National Union Fire Insurance Company of Pittsburgh.

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

The facing sheet

The Cross-Reference Sheet

The Prospectus

The signatures

Exhibits

S-1
SIGNATURES

The Registrant, The First Trust Special Situations Trust, Series 89, hereby identifies The First Trust Special Situations Trust, Series 4 Great Lakes Growth and Treasury Trust, Series 1 and The First Trust Special Situations Trust, Series 18 Wisconsin Growth and Treasury Securities Trust, Series 1, 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, The First Trust Special Situations Trust, Series 89, has duly caused this Amendment to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the Village of Lisle and State of Illinois on January 12, 1994.

THE FIRST TRUST SPECIAL SITUATIONS
TRUST, SERIES 89

By NIKE SECURITIES L.P.
Depositor

By Carlos E. Nardo
Senior Vice President

S-2

Pursuant to the requirements of the Securities Act of 1933, this Amendment to the Registration Statement has been signed below by the following person in the capacity and on the date indicated:

NAME	TITLE*	DATE
Robert D. Van Kampen	Sole Director) of Nike Securities) Corporation, the) General Partner of) Nike Securities L.P.)))) Carlos E. Nardo) Attorney-in-Fact**))	January 12, 1994

* The title of the person named herein represents his capacity in and relationship to Nike Securities L.P., Depositor.

** An executed copy of the related power of attorney was filed with the Securities and Exchange Commission in connection with the Amendment No. 1 to Form S-6 of The First Trust Special Situations Trust, Series 18 (File No. 33-42683) and the same is hereby incorporated herein by this reference.

S-3

CONSENT OF INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated January 12, 1994 in Amendment No. 1 to the Registration Statement (Form S-6) (File No. 33-51623) and related Prospectus of The First Trust Special Situations Trust, Series 89.

ERNST & YOUNG

Chicago, Illinois
January 12, 1994

CONSENTS OF COUNSEL

The consents of counsel to the use of their names in the Prospectus included in this Registration Statement will be contained in their respective opinions to be filed as Exhibits 3.1, 3.2, 3.3 and 3.4 of the Registration Statement.

CONSENT OF SECURITIES EVALUATION SERVICE, INC.

The consent of Securities Evaluation Service, Inc. to the use of its name in the Prospectus included in the Registration Statement will be filed as Exhibit 4.1 to the Registration Statement.

S-4

EXHIBIT INDEX

- 1.1 Form of Standard Terms and Conditions of Trust for The First Trust Special Situations Trust, Series 22 and certain subsequent Series, effective November 20, 1991 among Nike Securities L.P., as Depositor, United States Trust Company of New York as Trustee, Securities Evaluation Service, Inc., as Evaluator, and First Trust Advisors L.P. as Portfolio Supervisor (incorporated by reference to Amendment No. 1 to Form S-6 [File No. 33-43693] filed on behalf of The First Trust Special Situations Trust, Series 22).
- 1.1.1 Form of Trust Agreement for Series 89 among Nike Securities L.P., as Depositor, United States Trust Company of New York, as Trustee, Securities Evaluation Service, Inc., as Evaluator, and First Trust Advisors L.P., as Portfolio Supervisor.
- 1.2 Copy of Certificate of Limited Partnership of Nike Securities L.P. (incorporated by reference to Amendment No. 1 to Form S-6 [File No. 33-42683] filed on behalf of The First Trust Special Situations Trust, Series 18).
- 1.3 Copy of Amended and Restated Limited Partnership Agreement of Nike Securities L.P. (incorporated by reference to Amendment No. 1 to Form S-6 [File No. 33-

42683] filed on behalf of The First Trust Special Situations Trust, Series 18).

- 1.4 Copy of Articles of Incorporation of Nike Securities Corporation, the general partner of Nike Securities L.P., Depositor (incorporated by reference to Amendment No. 1 to Form S-6 [File No. 33-42683] filed on behalf of The First Trust Special Situations Trust, Series 18).
- 1.5 Copy of By-Laws of Nike Securities Corporation, the general partner of Nike Securities L.P., Depositor (incorporated by reference to Amendment No. 1 to Form S-6 [File No. 33-42683] filed on behalf of The First Trust Special Situations Trust, Series 18).
- 1.6 Underwriter Agreement (incorporated by reference to Amendment No. 1 to Form S-6 [File No. 33-42755] filed on behalf of The First Trust Special Situations Trust, Series 19).
- 2.1 Copy of Certificate of Ownership (included in Exhibit 1.1 filed herewith on page 2 and incorporated herein by reference).

S-5

- 3.1 Opinion of counsel as to legality of securities being registered.
- 3.2 Opinion of counsel as to Federal income tax status of securities being registered.
- 3.3 Opinion of counsel as to New York income tax status of securities being registered.
- 3.4 Opinion of counsel as to advancement of funds by Trustee.
- 4.1 Consent of Securities Evaluation Service, Inc.
- 6.1 List of Directors and Officers of Depositor and other related information (incorporated by reference to Amendment No. 1 to Form S-6 [File No. 33-42683] filed on behalf of The First Trust Special Situations Trust, Series 18).
- 7.1 Power of Attorney executed by the Director listed on page S-3 of this Registration Statement (incorporated by reference to Amendment No. 1 to Form S-6 [File No. 33-42683] filed on behalf of The First Trust Special Situations Trust, Series 18).

S-6

THE FIRST TRUST SPECIAL SITUATIONS TRUST, SERIES 89

TRUST AGREEMENT

Dated: January 12, 1994

The Trust Agreement among Nike Securities L.P., as Depositor, United States Trust Company of New York, as Trustee, Securities Evaluation Service, Inc., as Evaluator, and First Trust Advisors L.P., as Portfolio Supervisor, sets forth certain provisions in full and incorporates other provisions by reference to the document entitled "Standard Terms and Conditions of Trust for The First Trust Special Situations Trust, Series 22 and certain subsequent Series, Effective November 20, 1991" (herein called the "Standard Terms and Conditions of Trust"), and such provisions as are incorporated by reference constitute a single instrument. All references herein to Articles and Sections are to Articles and Sections of the Standard Terms and Conditions of Trust.

WITNESSETH THAT:

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

PART I

STANDARD TERMS AND CONDITIONS OF TRUST

Subject to the provisions of Part II and Part III 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 full in this instrument.

PART II

SPECIAL TERMS AND CONDITIONS OF TRUST

The following special terms and conditions are hereby agreed to:

A. The Securities initially deposited in the Trust pursuant to Section 2.01 of the Standard Terms and Conditions of Trust are set forth in the Schedules hereto.

B. (1) The aggregate number of Units outstanding for the Trust on the Initial Date of Deposit is 50,000 Units.

(2) The initial fractional undivided interest in and ownership of the Trust represented by each Unit thereof shall be 1/50,000.

Documents representing this number of Units for the Trust are being delivered by the Trustee to the Depositor pursuant to Section 2.03 of the Standard Terms and Conditions of Trust.

C. The Percentage Ratio is as follows on the Initial Date of Deposit:

10.05% American Express Company, 10.01% Chevron Corp., 9.89% E.I. du Pont de Nemours & Company, 9.91% Eastman Kodak Company, 9.95% Exxon Corp., 10.00% J.P. Morgan & Company, Inc., 10.01% Philip Morris Companies, Inc., 10.05% Texaco, Inc., 10.07% Union Carbide Corporation, 10.06% Woolworth Corporation.

D. The Record Date shall be as set forth in the prospectus for the sale of Units dated the date hereof (the "Prospectus") under "Summary of Essential Information."

E. The Distribution Date shall be as set forth in the Prospectus under "Summary of Essential Information."

F. The Mandatory Termination Date for the Trust shall be as set forth in the Prospectus under "Summary of Essential Information."

G. The Evaluator's compensation as referred to in Section 4.03 of the Standard Terms and Conditions of Trust shall be an annual fee of \$0.30 per 1,000 Units, calculated based on the largest number of Units outstanding during each period in respect of which a payment is made pursuant to Section 3.05.

H. The Trustee's Compensation Rate pursuant to Section 6.04 of the Standard Terms and Conditions of Trust shall be an annual fee of \$0.90 per 1,000 Units, calculated based on the largest number of Units outstanding during each period in respect of which a payment is made pursuant to Section 3.05. However, in no event, except as may otherwise be provided in the

Standard Terms and Conditions of Trust, shall the Trustee receive compensation in any one year from any Trust of less than \$2,000 for such annual compensation.

I. The Initial Date of Deposit for the Trust is January 12, 1993.

J. The minimum amount of Equity Securities to be sold by the Trustee pursuant to Section 5.02 of the Indenture for the redemption of Units shall be 100 shares.

K. Section 1.01(26) shall be amended to read as follows:

"(26) The term "Rollover Unit holder" shall be defined as set forth in Section 5.05, herein."

L. Section 1.01(27) shall be amended to read as follows:

"(27) The "Rollover Notification Date" shall be defined as set forth in the Prospectus under "Summary of Essential Information."

M. Section 1.01(28) shall be amended to read as follows:

"(28) The term "Rollover Distribution" shall be defined as set forth in Section 5.05, herein."

N. Section 1.01(29) shall be amended to read as follows:

"(29) The term "Distribution Agent" shall refer to the Trustee acting in its capacity as distribution agent pursuant to Section 5.02 herein."

O. Section 1.01(30) shall be amended to read as follows:

"(30) The term "Special Redemption and Liquidation Period" shall be as set forth in the Prospectus under "Summary of Essential Information."

PART III

A. The term "Capital Account" as set forth in the Prospectus shall be deemed to refer to the "Principal Account."

B. The following sentence shall be substituted for the second sentence of paragraph (b) of Section 2.01:

The Depositor, in each case, shall ensure that each deposit of additional Securities pursuant to this Section shall be, as nearly as is practicable, in the identical

ratio as the Percentage Ratio for such Securities as is specified in the Trust Agreement for each Trust (provided, however, that any deposit of additional securities made subsequent to the 90-day period following the first deposit of securities in the Trust shall exactly replicate such Percentage Ratio), and the Depositor shall ensure that such Securities are identical to those deposited on the Initial Date of Deposit.

C. The second paragraph of Section 3.02 of the Standard Terms and Conditions is hereby deleted and replaced with the following sentence:

"Any non-cash distributions (other than a non-taxable distribution of the shares of the distributing corporation which shall be retained by the Trust) received by the Trust shall be dealt with in the manner described at Section 3.11, herein, and shall be retained or disposed of by the Trust according to those provisions. The proceeds of any disposition shall be credited to the Income Account of the Trust. Neither the Trustee nor the Depositor shall be liable or responsible in any way for depreciation or loss incurred by reason of any such sale."

D. Paragraph (c) of Subsection II of Section 3.05 of the Standard Terms and Conditions of Trust is hereby amended to read as follows:

"On each Distribution Date the Trustee shall distribute to each Unit holder of record at the close of business on the Record Date immediately preceding such Distribution Date an amount per Unit equal to such Unit holder's pro rata share of the balance of the Principal Account (except for monies on deposit therein required to purchase Contract Obligations) computed as of the close of business on such Record Date after deduction of any amounts provided in Subsection I."

E. Section 3.05.II(a) of the Standard Terms and Conditions of Trust is hereby amended to read in its entirety as follows:

"II. (a) On each Distribution Date, the Trustee shall distribute to each Unit holder of record at the close of business on the Record Date immediately preceding such Distribution Date an amount per Unit equal to such Unit holder's Income Distribution (as defined below), plus such Unit holder's pro rata share of the balance of the Principal Account (except for monies on deposit therein required to purchase Contract Obligations) computed as of the close of business on such Record Date after deduction of any amounts provided in Subsection I, provided, however, that the

Trustee shall not be required to make a distribution from the Principal Account unless the amount available for distribution shall equal \$1.00 per 1,000 Units.

The Trust shall provide the following distribution elections: (1) distributions to be made by check mailed to the post office address of the Unit holder as it appears on the registration books of the Trustee, or (2) the following reinvestment option:

The Trustee will, for any Unit holder who provides the Trustee written instruction, properly executed and in form satisfactory to the Trustee, received by the Trustee no later than its close of business 10 business days prior to a Record Date (the "Reinvestment Notice Date"), reinvest such Unit holder's distribution from the Income and Capital Accounts in Units of the Trust, purchased from the Depositor, to the extent the Depositor shall make Units available for such purchase, at the Depositor's offering price as of the fifth business day prior to the following Distribution Date, and at such reduced sales charge as may be described in the prospectus for the Trust. If, for any reason, the Depositor does not have Units of the Trust available for purchase, the Trustee shall distribute such Unit holder's distribution from the Income and Capital Accounts in the manner provided in clause (1) of the preceding paragraph. The Trustee shall be entitled to rely on a written instruction received as of the Reinvestment Notice Date and shall not be affected by any subsequent notice to the contrary. The Trustee shall have no responsibility for any loss or depreciation resulting from any reinvestment made in accordance with this paragraph, or for any failure to make such reinvestment in the event the Depositor does not make Units available for purchase.

Any Unit holder who does not effectively elect reinvestment in Units of the Trust pursuant to the preceding paragraph shall receive a cash distribution in the manner provided in clause (1) of the second preceding paragraph."

F. Section 3.05.II(b) of the Standard Terms and Conditions of Trust is hereby amended to read in its entirety as follows:

"II. (b) For purposes of this Section 3.05, the Unit holder's Income Distribution shall be equal to such Unit holder's pro rata share of the cash balance in the Income Account computed as of the close of business on the Record Date immediately preceding such Income Distribution after deduction of (i) the fees and expenses then deductible

pursuant to Section 3.05.I. and (ii) the Trustee's estimate of other expenses properly chargeable to the Income Account pursuant to the Indenture which have accrued, as of such Record Date, or are otherwise properly attributable to the period to which such Income Distribution relates."

G. Section 3.11 of the Standard Terms and Conditions of Trust is hereby deleted in its entirety and replaced with the following language:

"Section 3.11. Notice to Depositor.

In the event that the Trustee shall have been notified at any time of any action to be taken or proposed to be taken by at least a legally required number of holders of any Securities deposited in a Trust, the Trustee shall take such action or omit from taking any action, as appropriate, so as to insure that the Securities are voted as closely as possible in the same manner and the same general proportion as are the Securities held by owners other than the Trust.

In the event that an offer by the issuer of any of the Securities or any other party shall be made to issue new securities, or to exchange securities, for Trust Securities, the Trustee shall reject such offer. However, should any issuance, exchange or substitution be effected notwithstanding such rejection or without an initial offer, any securities, cash and/or property received shall be deposited hereunder and shall be promptly sold, if securities or property, by the Trustee pursuant to the Depositor's direction, unless the Depositor advises the Trustee to keep such securities or property. The Depositor may rely on the Portfolio Supervisor in so advising the Trustee. The cash received in such exchange and cash proceeds of any such sales shall be distributed to Unit holders on the next distribution date in the manner set forth in Section 3.05 regarding distributions from the Principal Account. The Trustee shall not be liable or responsible in any way for depreciation or loss incurred by reason of any such sale.

Neither the Depositor nor the Trustee shall be liable to any person for any action or failure to take action pursuant to the terms of this Section 3.11.

Whenever new securities or property is received and retained by the Trust pursuant to this Section 3.11, the Trustee shall, within five days thereafter, mail to all Unit holders of the Trust notices of such acquisition unless legal counsel for the Trust determines that such notice is not required by The Investment Company Act of 1940, as

amended."

H. Section 5.02 of the Standard Terms and Conditions of Trust is amended by adding the following after the second paragraph of such section:

"Notwithstanding anything herein to the contrary, in the event that any tender of Units pursuant to this Section 5.02 would result in the disposition by the Trustee of less than a whole Security, the Trustee shall distribute cash in lieu thereof and sell such Securities as directed by the Sponsors as required to make such cash available.

Unit holders may redeem 2,500 Units or more and request a distribution in kind of (i) such Unit holder's pro rata portion of each of the Securities in the Trust, in whole shares, and (ii) cash equal to such Unit holder's pro rata portion of the Income and Principal Accounts as follows: (x) a pro rata portion of the net proceeds of sale of the Securities representing any fractional shares included in such Unit holder's pro rata share of the Securities and (y) such other cash as may properly be included in such Unit holder's pro rata share of the sum of the cash balances of the Income and Principal Accounts in an amount equal to the Unit Value determined on the basis of a Trust Fund Evaluation made in accordance with Section 5.01 determined by the Trustee on the date of tender less amounts determined in clauses (i) and (ii)(x) of this Section. Subject to Section 5.05 with respect to Rollover Unit holders, to the extent possible, distributions of Securities pursuant to an in kind redemption of Units shall be made by the Trustee through the distribution of each of the Securities in book-entry form to the account of the Unit holder's bank or broker-dealer at the Depository Trust Company. Any distribution in kind will be reduced by customary transfer and registration charges."

I. The following Section 5.05 shall be added:

"Section 5.05. Rollover of Units. (a) If the Depositor shall offer a subsequent series of Focus Investment Trust, Series 1 (the "new Series"), the Trustee shall, at the Depositor's sole cost and expense, include in the notice sent to Unit holders specified in Section 8.02 a form of election whereby Unit holders, whose redemption distribution would be in an amount sufficient to purchase at least one Unit of the New Series, may elect to have their Units(s) redeemed in kind in the manner provided in Section 5.02, the Securities included in the redemption distribution sold, and the cash proceeds applied by the Distribution Agent to purchase Units of the New Series, all as

hereinafter provided. The Trustee shall honor properly completed election forms returned to the Trustee, accompanied by any Certificate evidencing Units tendered for redemption or a properly completed redemption request with respect to uncertificated Units, by its close of business on the Rollover Notification Date.

All Units so tendered by a Unit holder (a "Rollover Unit holder") shall be redeemed and cancelled on the Rollover Notification Date. Subject to payment by such Rollover Unit holder of any tax or other governmental charges which may be imposed thereon, such redemption is to be made in kind pursuant to Section 5.02 by distribution of cash and/or Securities to the Distribution Agent on the Rollover Notification Date of the net asset value (determined on the basis of the Trust Fund Evaluation as of the Rollover Notification Date in accordance with Section 4.01) multiplied by the number of Units being redeemed (herein called the "Rollover Distribution"). Any Securities that are made part of the Rollover Distribution shall be valued for purposes of the redemption distribution as of the Rollover Notification Date.

All Securities included in a Unit holder's Rollover Distribution shall be sold by the Distribution Agent during the Special Redemption and Liquidation Period specified in the Prospectus pursuant to the Depositor's direction, and the Distribution Agent shall employ the Depositor as broker in connection with such sales. For such brokerage services, the Depositor shall be entitled to compensation at its customary rates, provided however, that its compensation shall not exceed the amount authorized by applicable Securities laws and regulations. The Depositor shall direct that sales be made in accordance with the guidelines set forth in the Prospectus under the heading "Special Redemption, Liquidation and Investment in New Trust." Should the Depositor fail to provide direction, the Distribution Agent shall sell the Securities in the manner provided in the prospectus for "less liquid Equity Securities." The Distribution Agent shall have no responsibility for any loss or depreciation incurred by reason of any sale made pursuant to this Section.

Upon each trade date for sales of Securities included in the Rollover Unit holder's Rollover Distribution, the Distribution Agent shall, as agent for such Rollover Unit holder, enter into a contract with the Depositor to purchase from the Depositor Units of the New Series (if any), at the Depositor's public offering price for such Units on such day, and at such reduced sales charge as shall be described in the prospectus for the Trust. Such contract shall

provide for purchase of the maximum number of Units of the New Series whose purchase price is equal to or less than the cash proceeds held by the Distribution Agent for the Unit holder on such day (including therein the proceeds anticipated to be received in respect of Securities traded on such day net of all brokerage fees, governmental charges and any other expenses incurred in connection with such sale), to the extent Units are available for purchase from the Depositor. In the event a sale of Securities included in the Rollover Unit holder's redemption distribution shall not be consummated in accordance with its terms, the Distribution Agent shall apply the cash proceeds held for such Unit holder as of the settlement date for the purchase of Units of the New Series to purchase the maximum number of units which such cash balance will permit, and the Depositor agrees that the settlement date for Units whose purchase was not consummated as a result of insufficient funds will be extended until cash proceeds from the Rollover Distribution are available in a sufficient amount to settle such purchase. If the Unit holder's Rollover Distribution will produce insufficient cash proceeds to purchase all of the Units of the New Series contracted for, the Depositor agrees that the contract shall be rescinded with respect to the Units as to which there was a cash shortfall without any liability to the Rollover Unit holder or the Distribution Agent. Any cash balance remaining after such purchase shall be distributed within a reasonable time to the Rollover Unit holder by check mailed to the address of such Unit holder on the registration books of the Trustee. Units of the New Series will be uncertificated unless and until the Rollover Unit holder requests a certificate. Any cash held by the Distribution Agent shall be held in a non-interest bearing account which will be of benefit to the Distribution Agent in accordance with normal banking procedures. Neither the Trustee nor the Distribution Agent shall have any responsibility or liability for loss or depreciation resulting from any reinvestment made in accordance with this paragraph, or for any failure to make such reinvestment in the event the Depositor does not make Units available for purchase.

(b) Notwithstanding the foregoing, the Depositor may, in their discretion at any time, decide not to offer Trust Series in the future, and if so, this Section 5.05 concerning the Rollover of Units shall be inoperative.

(c) The Distribution Agent shall receive no fees for performing its duties hereunder. The Distribution Agent shall, however, be entitled to receive reimbursement from the Trust for any and all expenses and disbursements to the same extent as the Trustee is permitted reimbursement

hereunder."

J. Paragraph (g) of Section 6.01 of the Standard Terms and Conditions of Trust is hereby amended by inserting the following after the first word thereof:

"(i) the value of any Trust as shown by an evaluation by the Trustee pursuant to Section 5.01 hereof shall be less than the lower of \$2,000,000 or 20% of the total principal amount of Securities deposited in such Trust, or (ii)"

K. Section 1.01(4) shall be amended to read as follows:

"(4) "Portfolio Supervisor" shall mean First Trust Advisors L.P. and its successors in interest, or any successor portfolio supervisor appointed as hereinafter provided."

IN WITNESS WHEREOF, Nike Securities L.P., United States Trust Company of New York, Securities Evaluation Service, Inc. and First Trust Advisors L.P. have each caused this Trust Agreement to be executed and the respective corporate seal to be hereto affixed and attested (if applicable) by authorized officers; all as of the day, month and year first above written.

NIKE SECURITIES L.P.,
Depositor

By Carlos E. Nardo
Senior Vice President

UNITED STATES TRUST COMPANY
OF NEW YORK, Trustee

By Thomas Porrazzo
Vice President

[SEAL]

ATTEST:

Rosalia A. Raviele
Assistant Secretary

SECURITIES EVALUATION
SERVICE, INC., Evaluator

By James R. Couture
President

Directors of the said corporation; and that he signed his name thereto by like authority.

Dorothy S. Bochino
Notary Public

[SEAL]

My Commission expires: May 8, 1995

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

I, Jacqueline A. Morris, a Notary Public in and for the said County and State aforesaid, do hereby certify that James R. Couture and James G. Prince, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, and personally known to me to be a President and Vice President and Assistance Secretary, respectively, of Securities Evaluation Service Inc., a corporation, appeared before me this day in person and acknowledged that they signed, sealed with the corporate seal of said Securities Evaluation Service, Inc. and delivered the said instrument as their free and voluntary act as such President and Vice President and Assistant Secretary, respectively, and as the free and voluntary act of said Securities Evaluation Service, Inc. for the uses and purposes therein set forth.

given under my hand and notarial seal on January 12, 1994.

Jacqueline A. Morris
Notary Public

[SEAL]

My Commission expires: February 24, 1994

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

I, John P. Byron, a Notary Public in and for the said County and State aforesaid, do hereby certify that Carlos E. Nardo, personally known to me to be the same person whose name is subscribed to the foregoing instrument, and personally known to me to be a Senior Vice President of First Trust Advisors L.P., a limited partnership, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his free and voluntary act as such Senior Vice President and as the free and voluntary act of said First Trust Advisors L.P., for

the uses and purposes therein set forth.

Given under my hand and notarial seal on January 12, 1994.

John P. Byron
Notary Public

[SEAL]

My Commission expires: March 14, 1997

SCHEDULE A TO TRUST AGREEMENT

Securities Initially Deposited
The First Trust Special Situations Trust, Series 89

(Note: Incorporated herein and made a part hereof for the Trust is the "Schedule of Investments" for the Trust as set forth in the Prospectus.)

CHAPMAN AND CUTLER
111 WEST MONROE STREET
CHICAGO, ILLINOIS 60603

January 12, 1994

Nike Securities L.P.
1001 Warrenville Road
Lisle, Illinois 60532

Re: The First Trust Special Situations Trust, Series 89

Gentlemen:

We have served as counsel for Nike Securities L.P., as Sponsor and Depositor of The First Trust Special Situations Trust, Series 89 in connection with the preparation, execution and delivery of a Trust Agreement dated January 12, 1994 among Nike Securities L.P., as Depositor, United States Trust Company of New York, as Trustee, Securities Evaluation Service, Inc., as Evaluator, and First Trust Advisors L.P., as Portfolio Supervisor, pursuant to which the Depositor has delivered to and deposited the Securities listed in Schedule A 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 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 in the Fund have been duly authorized; and

2. the certificates evidencing the Units in the Fund when duly executed and delivered by the Depositor and the Trustee in accordance with the aforementioned Trust Agreement, will constitute valid and binding obligations 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. 33-51623) relating to the

Units referred to above, 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

EFF:jlg

CHAPMAN AND CUTLER
111 WEST MONROE STREET
CHICAGO, ILLINOIS 60603

January 12, 1994

Nike Securities L.P.
1001 Warrenville Road
Lisle, Illinois 60532

United States Trust Company of New York
770 Broadway
New York, New York 10003

Re: The First Trust Special Situations Trust, Series 89

Gentlemen:

We have acted as counsel for Nike Securities L.P., Depositor of The First Trust Special Situations Trust, Series 89 (the "Fund"), in connection with the issuance of units of fractional undivided interests in the Trust of said Fund (the "Trust"), under a Trust Agreement, dated January 12, 1994 (the "Indenture"), between Nike Securities L.P., as Depositor, United States Trust Company of New York, as Trustee, Securities Evaluation Service, Inc., as Evaluator and First Trust Advisors L.P., as Portfolio Supervisor.

In this connection, we have examined the Registration Statement, the form of Prospectus proposed to be filed with the Securities and Exchange Commission, the Indenture and such other instruments and documents we have deemed pertinent. The opinions expressed herein assume that the Trust will be administered, and investments by the Trust from proceeds of subsequent deposits, if any, will be made, in accordance with the terms of the Indenture. The Trust holds Equity Securities as such term is defined in the Prospectus.

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 Trust is not an association taxable as a

corporation for Federal income tax purposes; each Unit holder will be treated as the owner of a pro rata portion of the assets of the Trust under the Internal Revenue Code of 1986 (the "Code"); the income of the Trust will be treated as income of the Unit holders thereof under the Code; and an item of Trust income will have the same character in the hands of a Unit holder as it would have in the hands of the Trustee. Each Unit holder will be considered to have received his pro rata share of income derived from each Trust asset when such income is received by the Trust.

II. Each Unit holder will have a taxable event when the Trust disposes of an Equity Security (whether by sale, exchange, redemption, or otherwise) or upon the sale or redemption of Units by such Unit holder. The price a Unit holder pays for his Units, including sales charges, is allocated among his pro rata portion of each Equity Security held by the Trust (in proportion to the fair market values thereof on the date the Unit holder purchases his Units) in order to determine his initial cost for his pro rata portion of each Equity Security held by the Trust. For Federal income tax purposes, a Unit holder's pro rata portion of dividends as defined by Section 316 of the Code paid by a corporation are taxable as ordinary income to the extent of such corporation's current and accumulated "earnings and profits." A Unit holder's pro rata portion of dividends which exceed such current and accumulated earnings and profits will first reduce a Unit holder's tax basis in such Equity Security (and accordingly his basis in his Units), and to the extent that such dividends exceed a Unit holder's tax basis in such Equity Security shall be treated as gain from the sale or exchange of property.

III. A Unit holder's portion of gain, if any, upon the sale or redemption of Units or the disposition of Equity Securities held by the Trust will generally be considered a capital gain except in the case of a dealer or a financial institution and will be generally long-term if the Unit holder has held his Units for more than one year. A Unit holder's portion of loss, if any, upon the sale or redemption of Units or the disposition of Equity Securities held by the Trust will generally be considered a capital loss except in the case of a dealer or a financial institution and will be generally long-term if the Unit holder has held his Units for more than one year. However, a Rollover Unit holder's loss, if any, incurred in connection with the exchange of Units for Units in the next new series of the Target Equity Trust (the "1995 Trust") will generally be disallowed with respect to the disposition of any Equity Securities pursuant to such exchange to the extent that such Unit holder is considered the owner of substantially identical securities under the wash sale provisions of the Code taking into account such Unit holder's deemed ownership of securities underlying the Units in the 1995 Trust in the manner described above, if such substantially identical securities were acquired within a period

beginning 30 days before and ending 30 days after such disposition. However, any gains incurred in connection with such exchange by a Rollover Unit holder would be recognized.

IV. The Code provides that "miscellaneous itemized deductions" are allowable only to the extent that they exceed two percent of an individual taxpayer's adjusted gross income. Miscellaneous itemized deductions subject to this limitation under present law include a Unit holder's pro rata share of expenses paid by the Trust, including fees of the Trustee and the Evaluator.

For taxable years beginning after December 31, 1986 and before January 1, 1996, certain corporations may be subject to the environmental tax (the "Superfund Tax") imposed by Section 59A of the Code. Income received from, and gains recognized from the disposition of, an Equity Security by the Trust will be included in the computation of the Superfund Tax by such corporations holding Units in the Trust.

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.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement (File No. 33-51623) 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.

Very truly yours,

CHAPMAN AND CUTLER

EFF/jlg

CARTER, LEDYARD & MILBURN
COUNSELLORS AT LAW
2 WALL STREET
NEW YORK, NEW YORK 10005

January 12, 1994

The First Trust Special Situations
Trust, Series 89
Target Equity Trust, Value Ten Series 3
c/o United States Trust Company
of New York, as Trustee
770 Broadway - 6th Floor
New York, New York 10003

Re: The First Trust Special Situations Trust, Series 89
Target Equity Trust, Value Ten Series 3

Dear Sirs:

We are acting as special counsel with respect to New York tax matters for The First Trust Special Situations Trust, Series 89 Target Equity Trust, Value Ten Series 3 (the "Trust"), which will be established under a Standard Terms and Conditions of Trust dated November 20, 1991, and a related Trust Agreement dated as of today (collectively, the "Indenture"), among Nike Securities L.P., as Depositor (the "Depositor"); Securities Evaluation Service, Inc., as Evaluator; First Trust Advisors L.P., as Portfolio Supervisor and United States Trust Company of New York, as Trustee (the "Trustee"). Pursuant to the terms of the Indenture, units of fractional undivided interest in the Trust (the "Units") will be issued in the aggregate number set forth in the Indenture.

We have examined and are familiar with originals or certified copies, or copies otherwise identified to our satisfaction, of such documents as we have deemed necessary or appropriate for the purpose of this opinion. In giving this opinion, we have relied upon the two opinions, each dated today and addressed to the Trustee, of Chapman and Cutler, counsel for the Depositor, with respect to the matters of law set forth therein.

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

1. The Trust will not constitute an association taxable as a corporation under New York law, and accordingly will not be subject to the New York State franchise tax or the New York City general corporation tax.

2. Under the income tax laws of the State and City of New York, the income of the Trust will be considered the income of the holders of the Units.

We consent to the filing of this opinion as an exhibit to the Registration Statement (No. 33-51623) filed with the Securities and Exchange Commission with respect to the registration of the sale of the Units and to the references to our name under the captions "What is the Federal Tax Status of Unit Holders?" and "Legal Opinions" in such Registration Statement and the preliminary prospectus included therein.

Very truly yours,

CARTER, LEDYARD & MILBURN

CARTER, LEDYARD & MILBURN
COUNSELLORS AT LAW
2 WALL STREET
NEW YORK, NEW YORK 10005

January 12, 1994

United States Trust Company
of New York, as Trustee of
The First Trust Special Situations
Trust, Series 89
Target Equity Trust, Value Ten Series 3
770 Broadway - 6th Floor
New York, New York 10003

Attention: Mr. C. William Steelman
Executive Vice President

Re: The First Trust Special Situations Trust, Series 89
Target Equity Trust, Value Ten Series 3

Dear Sirs:

We are acting as counsel for United States Trust Company of New York (the "Trust Company") in connection with the execution and delivery of a ure.

In rendering the foregoing opinion, we have not considered, among other things, whether the Securities have been duly authorized and delivered.

Very truly yours,

CARTER, LEDYARD & MILBURN

SES
Securities Evaluation Service, Inc.
Suite 200
531 E. Roosevelt Road
Wheaton, Illinois 60187

January 12, 1994

Nike Securities L.P.
1001 Warrenville Road
Lisle, IL 60532

Re: THE FIRST TRUST SPECIAL SITUATIONS TRUST, SERIES 89

Gentlemen:

We have examined the Registration Statement File No. 33-51623 for the above captioned fund. We hereby consent to the use in the Registration Statement of the references to Securities Evaluation Service, Inc. as evaluator.

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

Sincerely,

Securities Evaluation Service, Inc.

James R. Couture
President