FORM 497

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FILER

PRUDENTIAL UNIT TRUSTS CORPORATE HIGH YIELD SERIES 3

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Mailing Address
C/O PRUDENTIAL SECURITIES INC
32 OLD SLIP FINANCIAL SQUAARE
NEW YORK NY 10292

Business Address
32 OLD SLIP FINANCIAL SQ
PRUDENTIAL SECURITIES INCORPORATED
NEW YORK NY 10292
2128046165

Rule 497(b)
Registration No. 33-23962

CUSIP: 74431D410R MAIL CODE B

Prospectus--PART A

NOTE: PART A of this Prospectus may not be distributed unless accompanied by PART B.

Prudential Unit Trusts
Corporate High Yield Series 3

(LOGO)

The objective of this Trust is the providing of a high level of current income through investment in a diversified fixed portfolio consisting of ``high yield/high risk'' corporate debt obligations, most of which are rated below BBB by Standard & Poor's Corporation or Baa by Moody's Investors Service or are unrated. Such ``high yield/high risk'' Securities should be viewed as speculative and an investor should review his ability to assume the risks associated with speculative corporate bonds. The value of the Units of the Trust will fluctuate with the value of the portfolio of underlying Securities. Securities such as those included in the Trust are, under most circumstances, subject to greater market fluctuations and risk of loss of income and principal than are investments in lower yielding fixed-income securities. A reduction in the credit rating of a Security or a general increase in interest rates would be expected to reduce the value of the underlying portfolio.
Minimum Purchase: 1 Unit.

Sponsor: Prudential Securities (LOGO)

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.

Please read and retain this Prospectus for future reference

Prospectus dated December 31, 1993

PRUDENTIAL UNIT TRUSTS
Corporate High Yield Series 3
Table of Contents

<TABLE>
<CAPTION>

</TABLE>

This Prospectus does not contain all of the information with respect to the investment company set forth in its registration statement and exhibits relating thereto which have been 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.

No person is authorized to give any information or to make any representations with respect to this investment company not contained herein; and any information or representations not contained herein must not be relied upon as having been authorized. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any state to any person to whom it is not lawful to make such offer in such state.

SUMMARY

THE PRUDENTIAL UNIT TRUSTS, Corporate High Yield Series 3 (the ``Trust'') is a unit investment trust composed of ``high yield/high risk'' corporate debt obligations and, if applicable, equity securities (the ``Securities''). The Securities were, as of the Date of Deposit, rated CCC or better by Standard & Poor's Corporation or Caa or better by Moody's Investors Service or, if unrated, had comparable credit characteristics, in the opinion of the Sponsor. Subsequent to the Date of Deposit the ratings of the Securities in the Trust may have declined below the minimum rating required for the acquisition of Securities. See ``Schedule of Portfolio Securities'' for the ratings of the bonds on a recent date. Securities having a rating below BBB or Baa generally reflect a higher risk than bonds rated BBB or higher by Standard & Poor's Corporation or Baa or higher by Moody's Investors Service with regard to the scheduled payment of principal and interest. The ratings of the Securities set forth in Part A--``Schedule of Portfolio Securities'' may have declined due to, among other factors, a decline in creditworthiness of the issuer of said Securities.

The Portfolio of the Trust may contain equity securities issued to the Trust subsequent to the Date of Deposit in connection with the capital restructuring of an issuer whose corporate debt securities were held in the Portfolio of the Trust. The risks of such equity securities include the risks of equity securities in general and the risks associated with the equity securities of the specific issuer in particular. In addition, the market for such equity securities may be limited or may not exist resulting in the inability of the Trustee to dispose of such equity securities.

THE OBJECTIVE of the Trust is the providing of a high level of current income through investment in a diversified fixed portfolio consisting on the Date of Deposit primarily of intermediate (defined as having a length of time until maturity of between 4 and 12 years) and long-term (defined as having a length of time until maturity of 12 years or longer) ``high yield/high risk'' corporate bonds most of which are rated below BBB by Standard & Poor's Corporation or Baa by Moody's Investors Services or are unrated. ``High yield/high risk'' bonds, the generic name for corporate bonds rated lower than BBB/Baa by Standard & Poor's and Moody's, are frequently issued by corporations in the growth stage of their development or whose credit characteristics have decreased or which have substantial outstanding debt issued in connection with corporate restructuring or changes in corporate control. The highest permitted rating for the Trust debt obligations on the Date of Deposit was BBB/Baa. On such date at least 65% of the portfolio of the Trust consisted of ``high yield/high risk'' corporate debt obligations rated below BBB/Baa. The Trust may be an appropriate investment vehicle for investors who desire to participate in the ``high yield/high risk'' corporate bond market with commensurate higher risk, through a portfolio which offers greater diversification than they might be able to achieve if acquired individually. Defaults in ``high yield/high risk'' debt instruments resulting in lost principal and interest have increased substantially in recent years. Neither the Sponsor nor the Trustee shall be liable in any way for any default, failure or defect in any Security. There is, of course, no guarantee that the

Trust's objective will be achieved since the payment of interest is dependent on the continuing ability of the respective issuers of the Securities to make such payments. (See ``High Yield/High Risk Obligations--Risk Factors.'')

MONTHLY DISTRIBUTIONS of principal, premium, if any, and interest received by the Trust will be made on or shortly after the twenty-fifth day of each month to Unit Holders of record as of the preceding Record Date. Alternatively, Unit Holders may elect to have their monthly distributions reinvested in the Reinvestment Program of the Sponsor, as, if and when such program is available to Unit Holders. (See Part B--``Reinvestment Program.'')

PUBLIC OFFERING PRICE of the Units is equal to the aggregate bid side evaluation of the underlying Securities divided by the number of Units outstanding in the Trust, plus a sales charge as set forth in Part B--``Public Offering of Units--Volume Discount.'' Units are offered at the Public Offering Price plus accrued interest. (See Part B--``Public Offering of Units.'')

THE SPONSOR, although not obligated to do so, presently intends to maintain a secondary market for the Units based on the aggregate bid side evaluation of the underlying Securities, as more fully described under Part B--``Public Offering of Units--Secondary Market.'' If such a market is not maintained, a Unit Holder may be able to liquidate his

Units only through redemption at prices that are also based on the aggregate bid side evaluation of the underlying Securities. (See Part B--``Rights of Unit Holders--Redemption--Computation of Redemption Price per Unit.'')

``HIGH YIELD/HIGH RISK'' OBLIGATIONS--RISK FACTORS. An investment in Units of the Trust should be made with an understanding of the risks which an investment in fixed-income intermediate and long-term ``high yield/high risk'' corporate debt obligations may entail, including the risk that the value of the Units will decline with increases in interest rates and that yields fluctuate over time. Securities such as those included in the Trust rated BBB or lower are subject to greater market fluctuations and risk of loss of income and principal than are investments in lower yielding fixed-income securities. Such fluctuations will occur and will affect the value of the Portfolio and the Units. Securities which are rated lower than BBB or Baa are speculative as such ratings indicate a quality of less than investment grade. Bonds rated BBB or Baa, although investment grade, have speculative characteristics. Bonds which are rated BB, B, CCC, CC and C by Standard & Poor's are regarded, on balance, as predominantly speculative with respect to capacity to pay interest and repay principal in accordance with the terms of the obligation. BB indicates the lowest degree of speculation and C the highest degree of speculation. While such bonds will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions. Bonds rated D by Standard & Poor's are in payment default (ie. when interest or principal payments are not made on the date due). Bonds which are rated Ba by Moody's are judged to have speculative elements; their future cannot be considered as well-assured. Often the protection of interest and principal payments may be very moderate and thereby not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this class. Bonds which are rated B by Moody's generally lack characteristics of a desirable investment. Assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small. Bonds rated Caa by Moody's are of poor standing. Such issues may be in default or there may be present elements of danger with respect to principal and interest. Bonds which are rated Ca by Moody's represent obligations which are speculative in a high degree. Such issues are often in default or have other marked shortcomings. Bonds which are rated C by Moody's are the lowest class of bonds and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing. Credit ratings evaluate the safety of principal and interest payments, not market value risk of ``high yield/high risk'' bonds. (See Part B--``Bond Ratings.'') Buyers of Units should be aware that many of the Securities are unrated by any national rating organization and that the market for unrated bonds may not be as broad as the market for rated bonds, which may result in the achievement of the Trust's investment objective being more dependent on the Sponsor's credit analysis than is the case for higher quality Securities and in less flexibility in the disposal, if required, of such nonrated bonds. There is no established retail secondary market for many of these Securities. The Sponsor does not anticipate that these Securities could be sold other than to institutional investors. However, the Sponsor expects that there is a readily available market among institutional investors for these Securities in the event it is necessary to sell such Securities to meet redemptions of Units. The limited market for these Securities may affect the choice of the particular Security to be sold for purposes of redemption and the amount actually realized by the Trust upon such sale. Such sale may result in a loss to the Trust. In a fixed portfolio, redemption of a majority of Units will likely result in a complete and unanticipated liquidation of a Trust before maturity, resulting in unanticipated losses to investors. Investors should carefully review the objective of the Trust and consider their ability to assume the risks involved before making an investment in the Trust. See Part B--``Bond Ratings'' for a comparison of investment grade and speculative ratings issued by Standard & Poor's and Moody's.

Lower rated and comparable nonrated securities tend to offer higher yields than higher rated securities with the same maturities because the creditworthiness of the issuers of lower rated securities is not as strong as that of other issuers. Since investors generally perceive that there are greater risks associated with the lower rated securities in the Trust, the yields and prices of such securities tend to fluctuate more than higher rated securities with changes in the perceived quality of the credit of their issuers. In addition, the market value of ``high yield/high risk'' fixed-income securities may fluctuate more than the market value of higher rated securities since ``high yield/high risk'' fixed-income securities tend to reflect short-term credit developments of both the issuer and the general market to a greater extent than higher rated securities. Lower rated securities generally involve greater risks of loss of income and principal than higher rated securities.) The issuers of lower rated securities may possess less creditworthy characteristics than the issuers of higher rated securities. ``High yield/high risk'' bonds are also affected by variables such as interest rates, inflation rates and real growth in the economy. However, the prices of bonds rated BBB or lower have been found to be less sensitive to interest rate

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*Percentages computed on the basis of the aggregate bid side evaluation of the Securities in the Trust on December 9, 1993.

changes than higher rated investments, but more sensitive to adverse economic changes or individual corporate developments. A ``high yield/high risk'' bond's value will, however, decrease in a rising interest market, as will the value of the Trust's assets. Therefore, investors should consider carefully the relative risks associated with investment in securities which carry lower ratings. In addition, the Portfolio of the Trust may also include Restricted Securities (not to exceed 10%* which have been privately placed and which are considered to be illiquid Securities since Restricted Securities cannot be offered for sale publicly by the Trustee unless and until such securities are registered with the Securities and Exchange Commission or are otherwise determined to be exempt from such registration. (See Part B--``The Trust-- Portfolio Summary.'')

The ``high yield/high risk'' debt obligations in the portfolio are generally subordinate to other debt of an issuer. Payments of principal, premium, if any, interest and sinking fund requirements on subordinated debt are generally not made until rights to payment of senior debt have been satisfied. In the event of the bankruptcy, liquidation or reorganization of an issuer the senior debt obligations are generally paid in full prior to any payments on the subordinated debt and assets of an issuer may be insufficient to make payments on the subordinated debt. A default on senior debt generally prevents payments from being made on subordinated debt. The subordinated debt may not be secured. Secured lenders are generally entitled to be paid in full prior to holders of unsecured debt. A default on a Security by an issuer will result in a loss to Unit Holders. The widespread expansion of government, consumer and corporate debt within our economy has made the corporate sector, especially cyclically sensitive industries, more vulnerable to economic downturns or increased interest rates. An economic downturn could severely disrupt the market for ``high yield/high risk'' bonds and adversely affect the value of outstanding bonds and the ability of issuers to repay principal and interest as well as result in a higher incidence of ``high yield/high risk'' bond defaults. Bonds rated BBB or lower are likely to be disproportionately negatively affected by a downturn in the economy or a substantial period of rising interest rates due to the fact that highly leveraged issuers may experience financial stress which would adversely affect their ability to service their principal and interest payment obligations, to meet projected business goals and to obtain additional financing, and more likely to suffer rapid credit status changes than bonds rated A or better. In addition, periods of economic uncertainty can be expected to result in increased volatility of market prices of ``high yield/high risk'' bonds, and a Trust's asset value. As a result, frequent dispositions of bonds by the Trustee may be required with a resulting rapid diminution in the size of the Trust and a reduction in the net annual income. In the event the issuer of a security defaults on the payments of income or principal the Trust may incur expenses in exercising its rights to payments on the defaulted security. Because amounts (if any) recovered by the Trustee may not be reflected in the value of the Units until actually received by the Trust, it is possible that a Unit Holder would bear a portion of the cost of recovery without receiving the benefit of any portion of the payment recovered if the Units are sold before the recovery is received or the sale price does not adequately reflect the potential recovery. The Securities and Exchange Commission investigation into insider trading, other SEC actions, actions by the Internal Revenue Service and other governmental agencies, new legislation requiring federally insured savings and loan associations to divest their investments in ``high yield/high risk'' bonds and pending proposals designed to limit the use, or tax and other advantages in ``high yield/high risk'' bonds, if enacted, could have a material effect on the Trust's net asset value and investment practices, and future legislation may have a significantly negative impact on the ability of issuers to issue ``high yield/high risk'' debt and on the ``high yield/high risk'' debt market in general and might adversely affect the value of the Securities in the Trust. A collapse of the ``high yield/high risk'' debt market would likely cause the Securities to decline in value resulting in a loss to Unit Holders. Unit Holders should assess the risks relating to an investment in ``high yield/high risk'' debt in determining whether to invest in Units.

Each California investor must have an annual income of at least $30,000 and a net worth of at least $30,000 or a net worth of $75,000. Net worth is to be computed exclusive of home, home furnishings and personal automobiles.

Note: ``Rights of Unit Holders-Distribution of Interest and Principal'' in Part B is amended so that in the first sentence of the fourth paragraph of such section the word ``first'' is replaced with the word ``tenth''.

Note: Part B of the Prospectus is amended as follows. The fifth paragraph of the opinion contained in the first paragraph of "Tax Status" is amended so that the words "in the case of a Security issued after July 18, 1984" are deleted from the second sentence and the language "(i) the Unit Holder purchased a Unit after April 30, 1993, and (ii)" is inserted after the word "which" in the fourth sentence. The fourth paragraph of "Tax Status" is amended to replace "20%" with "31%" in the second sentence and the fifth paragraph of such section is amended to replace the word "continue" with "continued" in the second sentence.

Portfolio Summary

The Portfolio contains 14 issues of Securities. The Securities are representative of issuers as follows: Communications: 10.4%*; Holding Companies: 9.0%*; Resort: 10.9%*; Industrial Products: 15.8%*; Finance/Insurance: 28.4%*; Manufacturing: 15.2%*; Health/Health Care: 4.3%*; Retail: 6.0%*. The Portfolio of the Trust is concentrated in the Securities of Finance/Insurance issuers. Three Securities in the Trust have been issued with an ``original issue discount'' (see Part B--``Tax Status''). The Portfolio of the Trust includes 3 issues of equity securities (10.0%* of the Trust). The maturity dates of the issues range from 1995 to 2007. The weighted average life to maturity of the Securities in the Trust as of the Date of Deposit was 10.6 years.

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*Percentages computed on the basis of the aggregate bid side evaluation of the Securities in the Trust on December 9, 1993.

See ``Schedule of Portfolio Securities'' for sinking fund and optional refunding redemption dates (as of the date of such schedule) for each Security. The Trust consists of marketable Securities although the market for certain of the Securities may be limited to institutional investors. (See Part B--``The Trust--Portfolio Summary''.)

Portfolio Rating: Standard & Poor's: B: 55.9%*; CCC: 9.2%*; C: 9.0%*; Non-Rated Securities: 25.9%*; Moody's: B: 50.9%*; Caa: 13.3%*; Ca: 20.8%*; Non-Rated Securities: 15.0%*

For a description of the meaning of the applicable rating symbols as published by Standard & Poor's Corporation and Moody's Investors Service, see Part B--``Bond Ratings''. It should be emphasized, however, that the ratings of Standard & Poor's and Moody's represent their opinions as to the quality of the Securities which they undertake to rate, and that these ratings are general and are not absolute standards of quality.

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*Percentages computed on the basis of the aggregate bid side evaluation of the Securities in the Trust on December 9, 1993.

SUMMARY OF ESSENTIAL INFORMATION
PRUDENTIAL UNIT TRUSTS
CORPORATE HIGH YIELD SERIES 3
As of December 9, 1993

<TABLE>

<S>	<C>
FACE AMOUNT OF SECURITIES........................	$4,963,453.35
NUMBER OF UNITS..................................	19,859
FRACTIONAL UNDIVIDED INTEREST IN THE TRUST REPRESENTED BY EACH UNIT.......................	1/19,859th
PUBLIC OFFERING PRICE	
Aggregate bid side evaluation of Securities in the Trust...................................	$4,439,175.75
Divided by 19,859 Units........................	$ 223.53
Plus sales charge of 5.50% of Public Offering Price (5.820% of net amount invested in Securities)..................................	$ 13.01
Public Offering Price per Unit(2)..............	$ 236.54
Plus accrued interest(3).......................	$ 13.73
Total......................................	$ 250.27
REDEMPTION PRICE AND SPONSOR'S REPURCHASE PRICE PER UNIT (based on bid side evaluation of underlying Securities, $13.01 less than Public Offering Price per Unit) includes accrued interest(3)......................................	$ 237.26
CALCULATION OF ESTIMATED NET ANNUAL INCOME PER	

UNIT		
Estimated Annual Income per Unit................	$	23.76
Less estimated annual expenses per Unit(5)....	$	(1.22)
Estimated Net Annual Income per Unit...........	$	22.54
DAILY RATE OF INCOME ACCRUAL PER UNIT............	$	.0626
ESTIMATED CURRENT RETURN (based on Public Offering Price)(4)(6)..................................		9.53%
ESTIMATED LONG-TERM RETURN(6)....................		12.43%
MONTHLY INTEREST DISTRIBUTION		
Estimated Net Annual Income per Unit..........	$	22.54
Divided by 12.................................	$	1.87

RECORD DATE: The tenth day of each month.
DISTRIBUTION DATE: The twenty-fifth day of each month.
MINIMUM PRINCIPAL DISTRIBUTION: No distribution need be made from the Principal Account if the balance therein is less than $5 per Unit.
TRUSTEE'S ANNUAL FEE: $.79 per $1,000 face amount of underlying Securities.
SPONSOR'S ANNUAL PORTFOLIO SUPERVISION FEE: Maximum $.05 per $1,000 face amount of underlying Securities.
PREMIUM AND DISCOUNT ISSUES IN PORTFOLIO:
Face amount of Securities with bid side evaluation: over par--29.0%; at par--0%; at a discount from par--71.0%
EVALUATOR'S FEE FOR EACH EVALUATION: Maximum of $14.
EVALUATION TIME: 3:30 P.M. New York time
MANDATORY TERMINATION DATE: October 1, 2015
MINIMUM VALUE OF TRUST: The Trust may be terminated if the value of the Trust is less than $14,000,000.
DATE OF DEPOSIT: September 22, 1988(1)
</TABLE>

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(1) The Date of Deposit is the date on which the Trust Indenture was signed and the deposit of Securities with the Trustee was made.

(2) This Public Offering Price is computed as of December 9, 1993 and may vary from the Public Offering Price on the date of this Prospectus or any subsequent date.

(3) Figure shown represents interest accrued to the expected date of settlement (normally five business days after purchase).

(4) The estimated current return is increased for transactions entitled to a reduced sales charge. (See Part B--``The Trust--Estimated Annual Income and Current Return per Unit.'')

(5) Includes Trustee's fee, Sponsor's Portfolio supervision fee, estimated expenses and Evaluator's fees.

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

<AUDIT-REPORT>

INDEPENDENT AUDITORS' REPORT

THE UNIT HOLDERS, SPONSOR AND TRUSTEE
PRUDENTIAL UNIT TRUSTS
CORPORATE HIGH YIELD SERIES 3

We have audited the statement of financial condition and schedule of portfolio securities of the Prudential Unit Trusts Corporate High Yield Series 3 as of August 31, 1993, and the related statements of operations and changes in net assets for each of the three years in the period then ended. These financial statements are the responsibility of the Trustee (see Footnote (a)(1)). Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of the securities owned as of August 31, 1993 as shown in the statement of financial condition and schedule of portfolio securities by correspondence with United States Trust Company of New York, the Trustee. An audit also includes assessing the accounting principles used and the significant estimates made by the Trustee, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Prudential Unit Trusts Corporate High Yield Series 3 as of August 31, 1993, and the results of its operations and the changes in its net assets for each of the three years in the period then ended in conformity with generally accepted accounting principles.

DELOITTE & TOUCHE

December 6, 1993
New York, New York

</AUDIT-REPORT>

STATEMENT OF FINANCIAL CONDITION

PRUDENTIAL UNIT TRUSTS
CORPORATE HIGH YIELD SERIES 3

August 31, 1993

<TABLE>

TRUST PROPERTY

<S>		<C>
Investments in Securities at market value (cost $4,871,687 (Note (a) and Schedule of Portfolio Securities Notes (3), (4) and (5)		$5,450,739
Accrued interest receivable (Schedule of Portfolio Securities Note 5)		209,555
Cash		162,488
Total		$5,822,782
NET ASSETS		
Balance applicable to 19,859 units of fractional undivided interest outstanding (Note (c))		
Capital, less net unrealized market appreciation of $579,052	$5,450,739	
Undistributed principal and net investment income (Note (b))	372,043	
Net assets		$5,822,782
Net asset value per unit ($5,822,782 divided by 19,859 units)		$ 293.21

See notes to financial statements

</TABLE>

<TABLE>

STATEMENTS OF OPERATIONS

PRUDENTIAL UNIT TRUSTS
CORPORATE HIGH YIELD SERIES 3

<CAPTION>

	For the years ended August 31, 1993	1992	1991
<S>	<C>	<C>	<C>
Investment income -- interest (Schedule of Portfolio Securities Note (5))	$1,093,347	$ 1,475,355	$ 2,239,590
Less: Expenses			
Trust fees and expenses	22,983	21,274	31,663
Total expenses	22,983	21,274	31,663
Investment income -- net	1,070,364	1,454,081	2,207,927
Net gain (loss) on investments:			
Realized loss on securities sold or redeemed	(669,690)	(2,746,494)	(4,212,416)
Net unrealized market appreciation	1,408,174	4,939,441	3,201,940
Net gain (loss) on investments	738,484	2,192,947	(1,010,476)
Net increase in net assets resulting from operations	$1,808,848	$ 3,647,028	$ 1,197,451

See notes to financial statements

</TABLE>

<TABLE>

STATEMENTS OF CHANGES IN NET ASSETS

PRUDENTIAL UNIT TRUSTS
CORPORATE HIGH YIELD SERIES 3

<CAPTION>

	For the years ended August 31, 1993	1992	1991
<S>	<C>	<C>	<C>
Operations:			
Investment income -- net	$ 1,070,364	$ 1,454,081	$ 2,207,927
Realized loss on securities sold or redeemed	(669,690)	(2,746,494)	(4,212,416)
Net unrealized market appreciation	1,408,174	4,939,441	3,201,940
Net increase in net assets resulting from operations	1,808,848	3,647,028	1,197,451
Less: Distributions to Unit Holders			
Principal	(5,126,714)	(2,022,965)	(2,276,521)
Investment income -- net	(1,203,439)	(1,451,220)	(2,243,577)
Total distributions	(6,330,153)	(3,474,185)	(4,520,098)
Less: Capital Share Transactions			
Redemption of 465 Units, 3,589 Units and 9,063 Units, respectively	(223,307)	(1,762,368)	(4,404,949)
Accrued interest on redemption	(10,590)	(78,003)	(205,420)
Total capital share transactions	(233,897)	(1,840,371)	(4,610,369)

Net decrease in net assets	(4,755,202)	(1,667,528)	(7,933,016)
Net assets:			
Beginning of year	10,577,984	12,245,512	20,178,528
End of year (including undistributed principal and net investment income of $372,043, $696,985 and $612,375, respectively)	$ 5,822,782	$10,577,984	$12,245,512

See notes to financial statements

</TABLE>

NOTES TO FINANCIAL STATEMENTS

PRUDENTIAL UNIT TRUSTS
CORPORATE HIGH YIELD SERIES 3

August 31, 1993

(a) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Trust is registered under the Investment Company Act of 1940 as a Unit Investment Trust. The following is a summary of the significant accounting policies of the Trust:

(1) Basis of Presentation

The Trustee has custody of and responsibility for all accounting and financial books, records, financial statements and related data of the Trust and is responsible for establishing and maintaining a system of internal controls directly related to, and designed to provide reasonable assurance as to the integrity and reliability of, financial reporting of the Trust. The Trustee is also responsible for all estimates and accruals reflected in the Trust's financial statements. The Evaluator determines the price for each underlying Security included in the Trust's Schedule of Portfolio Securities on the basis set forth in Part B of this Prospectus, "Public Offering of Units -- Public Offering Price". Under the Securities Act of 1933 ("the Act"), as amended, the Sponsor is deemed to be an issuer of the Trust Units. As such, the Sponsor has the responsibility of an issuer under the Act with respect to financial statements of each Trust included in the Registration Statement under the Act and amendments thereto.

(2) Investments

Investments are stated at market value as determined by the Evaluator based on the bid side evaluations on the last day of trading during the period, except that value on the date of deposit (September 22, 1988) represents the cost of investments to the Trust based on the offering side evaluations as of the date of deposit.

(3) Income Taxes

The Trust is not an association taxable as a corporation for Federal income tax purposes; accordingly, no provision is required for such taxes.

(4) Expenses

The Trust pays annual Trustee's fees, including estimated expenses, Evaluator's fees, and Sponsor's annual portfolio supervision fees and may incur additional charges as explained under "Expenses and Charges" in Part B of this Prospectus.

NOTES TO FINANCIAL STATEMENTS

PRUDENTIAL UNIT TRUSTS
CORPORATE HIGH YIELD SERIES 3

August 31, 1993

(b) DISTRIBUTIONS

Effective July 2, 1993, interest received by the Trust is distributed to the Unit Holders on or shortly after the twenty-fifth day of each month after deducting applicable expenses. Receipts other than interest are distributed as explained in "Rights of Unit Holders -- Distribution of Interest and Principal" in Part B of this Prospectus.

(c) ORIGINAL COST TO INVESTORS

The original cost to investors represents the aggregate initial public offering price as of the date of deposit (September 22, 1988) exclusive of accrued interest.

<TABLE>

A reconciliation of the original cost of units to investors to the net amount applicable to investors as of August 31, 1993 follows:

<S>	<C>
Original cost to investors	$ 35,053,273
Less: Gross underwriting commissions (sales charge)	(1,664,950)
Net cost to investors	33,388,323
Cost of securities sold or redeemed	(28,516,636)
Net unrealized market appreciation	579,052
Net amount applicable to investors	$ 5,450,739

(d) OTHER INFORMATION

</TABLE>
<TABLE>

Selected data for a unit of the Trust during each year:

<CAPTION>

	For the years ended August 31, 1993	1992	1991
<S>	<C>	<C>	<C>
Principal distributions during year	$257.87	$ 90.54	$ 90.40
Net investment income distributions during year	$ 60.41	$ 65.36	$ 80.72
Net asset value at end of year	$293.21	$520.47	$512.09
Trust units outstanding at end of year	19,859	20,324	23,913

</TABLE>

<TABLE>

SCHEDULE OF PORTFOLIO SECURITIES

PRUDENTIAL UNIT TRUSTS
CORPORATE HIGH YIELD SERIES 3

August 31, 1993

<CAPTION>

Port-folio No.	Title of Securities	Ratings of Issues Moody's Investors Service	Standard & Poor's Corp.	Aggregate Principal/ No. of Shares	Interest Rates	Dates of Maturity	Sinking Fund Redemptions<F2>	Optional Refunding Redemptions<F1>	Market Value <F3><F4>
<C>	<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1.	Ambase Corporation, Senior Subordinated Notes	Ca	B+	$ 500,000	14.875%	07/15/98	07/15/95@100	09/29/93@105.625	$ 535,000
2.	Ampex Group Inc., Senior Subordinated Debentures <F5>	NR	NR	500,000	13.250	08/01/99	08/01/97@100	09/29/93@101.893	35,000
3.	Barry's Jewelers Inc., Subordinated Notes <F6>	NR	NR	9,457	12.625	05/15/96	05/01/96@100	NONE	804
4.	Charter Medical Corporation, Senior Subordinated Debentures <F6> NR	NR		215,000	7.500	02/15/03	08/15/99@100	NONE	189,738
5.	Delphi Financial Group, Inc., Senior Subordinated Debentures <F5> B1	B+		376,000	11.750	03/15/99	03/15/96@100	09/29/93@103.42	389,160
6.	Fairchild Corp., Junior Subordinated Debentures (formerly Banner Industries)	B3	B-	720,000	13.000	03/01/07	03/01/98@100	09/29/93@104.39	698,400
7.	Great American Communications								

	Corporation, Senior Subordinated Debentures	Ca	C	500,000	14.375	10/01/99	10/01/97@100	09/29/93@105	250,000
8.	I.C.H. Corporation, Senior Subordinated Notes	B3	B-	745,000	11.250	12/01/96	12/01/94@100	09/29/93@104	731,963
9.	McCaw Cellular Communications, Inc., Senior Subordinated Debentures	B3	CCC+	290,000	14.000	06/15/98	06/15/96@100	09/29/93@104.851	307,400
10.	NTC Group, Inc., Senior Subordinated Notes	B3	B	500,000	13.875	08/01/99	08/01/96@100	09/29/93@105.5	520,000
11.	PST Holdings, Inc., Senior Subordinated Notes	B3	B-	800,000	13.125	06/01/97	06/01/94@100	09/29/93@104.38	835,000
12.	Trump's Castle Funding Inc., First Mortgage Series A-1 <F6><F9>	Caa	NR	583,443	9.500	08/15/98	06/15/91@100	NONE	472,588
13.	Woodward & Lothrop Inc., Subordinated Notes	Caa	CCC	250,000	14.750	08/15/95	NONE	09/29/93@100	100,000
				$5,988,900					$5,065,053
14.	Barry's Jewelers Inc., 96,774 Shares of Common Stock <F6>								157,741
15.	Price Communications Corporation, 49,558 Shares of Common Stock <F7>								133,311
16.	US Gypsum, 5,081 Shares of Common Stock <F8>								94,634

</TABLE>

<F1> There is shown under this heading the date on which each issue of Securities is redeemable by the operation of optional call provisions and the redemption price for that date; unless otherwise indicated, each issue continues to be redeemable at declining prices thereafter but not below par. Securities listed as non-callable, as well as Securities listed as callable, may also be redeemable at par under certain circumstances from special redemption payments.

<F2> There is shown under this heading the date on which an issue of Securities is subject to scheduled sinking fund redemption and the redemption price for that date.

<F3> The market value of the Securities as of August 31, 1993 was determined by the Evaluator on the basis of bid side evaluations for the Securities at such date.

<F4> At August 31, 1993, the net unrealized market appreciation of all Securities was comprised of the following:

Gross unrealized market appreciation ..	$1,217,117
Gross unrealized market depreciation ..	(638,065)
Net unrealized market appreciation	$ 579,052

The aggregate cost of the Securities for Federal income tax purposes was $4,871,687 at August 31, 1993.

<F5> The Issuer of Portfolio No. 2 is in default as of August 31, 1993 and, accordingly, the accrual of interest has been discontinued for this security. If interest had been accrued at August 31, 1993, interest income and accrued interest receivable would have increased by approximately $189,941. This amount includes approximately $90,900 of interest on Leaseway Transportation Corporation, Subordinated Debenture which was lost as these bonds were sold prior to August 31, 1993. The Issuer of Portfolio No. 5 is also in default but all interest due to date has been received. The Sponsor cannot predict at this time whether principal and interest payments will be made with respect to these Securities or whether the Trust will dispose of such securities.

(continued)

<F6> During 1992, Barry's Jewelers Inc. restructured its debt and the Trust received $12,905 Barry's Jewelers Inc. Subordinated Notes 12.625% due 5/15/96, 96,774 shares of Barry's Jewelers Inc. Common Stock and cash of $27,420 in exchange for $500,000 Barry's Jewlers Inc., Subordinated Notes 12.625% originally in the Trust. The Trust recognized a loss on the restructuring of approximately $636,360. Also, Charter Medical Corporation restructured its debt and the Trust received $215,490 Charter Medical Corporation Senior Subordinated Debentures 7.50% due 2/15/03, 19,340 shares of Charter Medical Corporation Common Stock and cash of $4 in exchange for $500,000 Charter Medical Corporation Senior Subordinated Debentures, 14.0% originally in the Trust. The Trust recognized a loss on the restructuring of approximately $158,000. Additionally, Trump's Castle Funding Inc. restructured its debt and the Trust received $566,330 Trump's Castle Funding, Inc., First Mortgage Series A-1, 9.5% due 8/15/98 in exchange for $500,000. Trump's Castle Funding, Inc., First Mortgage Series A-1, 13.75% originally in the Trust.

<F7> During 1993, Price Communications Corporation restructured its debt and the Trust received 49,558 shares of Price Communications Corporation Common Stock in place of the $950,000 Price Communications Corporation, Subordinated Debentures, 14.625% due 9/15/00 originally in the Trust. The Trust recognized a loss on restructuring of $819,990.

<F8> During 1993, U.S. Gypsum restructured its debt and the Trust received 5,081 shares of U.S. Gypsum Common Stock in place of the $100,000 U.S. Gypsum, Senior Subordinated Debentures, 13.25% due 7/15/00 originally in the Trust. The Trust recognized a loss on restructuring of $29,848.

<F9> During 1993, Trump's Castle Funding Inc. First Mortgage Series A-1 did not pay cash interest at the stated rate of 9.5%. An additional 17,113 shares with a market value of $13,118 were received in lieu of the cash paying at variable interest rates.

MAIL CODE B

Prospectus--PART B

Note that Part B of this Prospectus may not be distributed unless accompanied by PART A.

PRUDENTIAL UNIT TRUSTS

CORPORATE HIGH YIELD SERIES
THE TRUST

The trust is one of a series of similar but separate unit investment trusts created by the Sponsor under the name Prudential Unit Trusts, Corporate High Yield Series (the ``Trust''). Each Trust is denoted by a different series number and was created under the laws of the State of New York pursuant to a Trust Indenture and Agreement and a related Reference Trust Agreement dated the Date of Deposit (collectively, the ``Indenture''),* among Prudential Securities Incorporated (the ``Sponsor''), United States Trust Company of New York (the ``Trustee'') and Kenny Information Systems, Inc. (the ``Evaluator''). On the Date of Deposit the Sponsor deposited certain securities and contracts and funds for the purchase of such securities (collectively, the ``Securities.'') The Sponsor, Prudential Securities Incorporated, is a wholly-owned, indirect subsidiary of The Prudential Insurance Company of America.

The initial public offering of Units in the Trust has been completed. The units offered hereby are issued and outstanding Units which have been acquired by the Sponsor either by purchase from the Trustee of Units tendered for redemption or in the secondary market.

Portfolio Summary

The objective of the Trust is the providing of a high level of current income through investment in a diversified fixed portfolio of Securities (the ``Portfolio'') consisting primarily of intermediate and long-term ``high yield/high risk'' corporate debt obligations, most of which are rated below BBB by Standard & Poor's Corporation or Baa by Moody's Investors Service or are unrated. The Trust may be an appropriate investment vehicle for investors who desire to participate in the ``high yield/high risk'' corporate bond market with commensurate higher risk, through a portfolio which offers greater diversification than they might be able to achieve if acquired individually. The Securities were, as of the Date of Deposit, rated CCC or better by Standard & Poor's Corporation or Caa or better by Moody's Investors Service or, if unrated, had comparable credit characteristics, as determined by the Sponsor. (See ``Objectives and Securities Selection'' and ``Bond Ratings'') Thereafter, the ratings of such Securities may have declined. Securities such as those included in the Trust rated BBB or lower are subject to greater market fluctuations and risk of loss of income and principal than are investments in lower yielding securities. Securities which are rated lower than BBB or Baa are speculative as such ratings indicate a quality of less than investment grade. Bonds rated BBB or Baa, although investment grade, also possess speculative characteristics. Bonds which are rated BB, B, CCC, CC and C by Standard & Poor's are regarded, on balance, as predominantly speculative with respect to capacity to pay interest and repay principal in accordance with the terms of the obligation. BB indicates the lowest degree of speculation and C the highest degree of speculation. While such bonds will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions. Bonds rated D by Standard & Poor's are in payment default (i.e., when interest or principal payments are not made on the date due). Bonds which are rated Ba by Moody's are judged to have speculative elements; their future cannot be considered as well-assured. Often the protection of interest and principal payments may be very moderate and thereby not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this class. Bonds which are rated B by Moody's generally lack characteristics of a desirable investment. Assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small. Bonds rated Caa by Moody's are of poor standing. Such issues may be in default or there may be present elements of danger with respect to principal and interest. Bonds which are rated Ca by Moody's represent obligations which are speculative in a high degree. Such issues are often in default or have other marked shortcomings. Bonds which are rated C by Moody's are the lowest rated class of bonds and issues so rated can be regarded as having extremely poor prospects of ever obtaining any real investment standing. Credit ratings evaluate the safety of principal and interest payments, not market value risk of ``high yield/high risk'' bonds. (See ``Bond Ratings.'') Buyers of Units should be aware that some of the Securities may be unrated by any national rating organization and that the market for unrated bonds is not as broad as the market for rated bonds, which may result in the achievement of the Trust's investment objective being more dependent on the Sponsor's credit analyses than is the case for higher quality Securities and less flexibility in the disposal of such non-rated bonds. There is no established retail

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*Reference is hereby made to said Indenture and any statements contained herein are qualified in their entirety by the provisions of said Indenture.

secondary market for many of these Securities. The Sponsor does not anticipate that these Securities could be sold other than to institutional investors. However, the Sponsor expects that there is a readily available market among institutional investors for these Securities in the event it is necessary to sell such Securities to meet redemptions of Units. The limited market for these Securities may affect the choice of the particular Security to be sold for purposes of redemption and the amount actually realized by the Trust upon such sale. Such sale may result in a loss to the Trust. In a fixed portfolio, redemption of a majority of Units will likely result in a complete and unanticipated liquidation of a Trust before maturity, resulting in unanticipated losses to investors. There is, of course, no guarantee that the Trust's objectives will be achieved. Investors should carefully review the objective of the Trust and consider their ability to assume the risks involved before making an investment in the Trust.

A portion of the Portfolio (See Part A--``Portfolio Summary'') (restricted securities not to exceed 10% of the aggregate offering side evaluation on the Date of Deposit), may be Restricted Securities (``Restricted Securities''). Restricted Securities are acquired on a private placement basis and cannot be offered for sale publicly by the Trustee unless and until such securities are registered with the Securities and Exchange Commission or are otherwise determined to be exempt from such registration. Among the additional factors which will be considered by the Evaluator in determining the value of any Restricted Securities are (i) an estimate of the existence and extent of any available market therefor, (ii) the estimated period of time during which such Securities will not be freely marketable, (iii) the estimated expenses of qualifying such Securities for public sale, if required, (iv) estimated underwriting commissions, if any, and (v) any credit or other factors affecting the issuer or the guarantor of such Securities. If the Trustee is required to sell Restricted Securities in the open market, there is no assurance that the price realized on the sale of such Securities would not be adversely affected by the absence of an established secondary market for certain of such Securities. The secondary market, if any, would probably be limited to institutional investors and any such sale could result in a loss to the Trust.

``High yield/high risk'' bonds, the generic name for corporate bonds rated lower than BBB/Baa by Standard & Poor's and Moody's, are frequently issued by corporations in the growth stage of their development or whose credit characteristics have decreased or which have substantial outstanding debt issued in connection with corporate restructuring or changes in corporate control.

Defaults in ``high yield/high risk'' debt instruments resulting in lost principal and interest have increased substantially in recent years. Neither the Sponsor nor the Trustee shall be liable in any way for any default, failure or defect in any Security.

Trading of ``high yield/high risk'' bonds takes place primarily in over-the-counter markets consisting of groups of dealer firms that are typically major securities firms. Because the ``high yield/high risk'' bond market is a dealer market, rather than an auction market, no single obtainable price for a given bond prevails at any given time. Prices are determined by negotiation between traders. Not all dealers maintain markets in all ``high yield/high risk'' bonds. Therefore, since there are fewer traders in these bonds than there are in bonds rated A or better, the bid-offer spread is usually greater for ``high yield/high risk'' bonds than it is for bonds rated A or better. (See ``Public Offering of Units--Public Offering Price.'') Because the ``high yield/high risk'' bond market is a specialized market the investors in it have been predominantly financial institutions.

``High yield/high risk'' bonds offer higher returns than other bonds as compensation for holding an obligation of an issuer which is viewed as less creditworthy. While all security investments have some degree of risk, these types of securities are subject to greater market fluctuations and risk of loss of income and principal than are investments in lower yielding securities due to their speculative nature. However, the Trust is designed to reduce the effect of these risks by diversifying holdings to minimize the portfolio impact of any single investment.

Lower rated and comparable nonrated securities tend to offer higher yields than higher rated securities with the same maturities because the creditworthiness of the issuers of lower rated securities is not as strong as that of other issues. Since investors generally perceive that there are greater risks associated with the lower rated securities in the Trust, the yields and prices of such securities tend to fluctuate more than higher rated securities with changes in the perceived quality of the credit of their issuers. In addition, the market value of ``high yield/high risk'' fixed-income securities may fluctuate more than the market value of higher rated securities since ``high yield/high risk'' fixed-income securities tend to reflect short-term credit developments of both the issuer and the general market to a greater extent than higher rated securities. Lower rated securities generally involve greater risks of loss of income and principal than higher rated securities. The issuers of lower rated securities possess less creditworthy characteristics than the issuers of higher rated securities. ``High yield/high risk'' bonds are directly and adversely affected by variables such as interest rates, inflation rates and real growth in the economy. However, the prices of bonds rated BBB or lower have been found to be less sensitive to interest rate changes than higher

rated investments, but more sensitive to adverse economic changes or individual corporate developments. A ``high yield/high risk'' bond's value will, however, decrease in a rising interest market, as will the value of the Trust's assets. Therefore, investors should consider carefully the relative risks associated with investment in securities which carry lower ratings.

The ``high yeld/high risk'' debt obligations in the Portfolio are generally subordinate to other debt of an issuer. Payments of principal, premium, if any, interest and sinking fund requirements on subordinated debt are generally not made until rights to payment of senior debt have been satisfied. In the event of the bankruptcy, liquidation or reorganization of an issuer the senior debt obligations are generally paid in full prior to any payments on the subordinated debt and assets of an issuer may be insufficient to make payments on the subordinated debt. A default on senior debt generally prevents payments from being made on subordinated debt. The subordinated debt may not be secured. Secured lenders are generally entitled to be paid in full prior to holders of unsecured debt. A default on a Security by an issuer will result in a loss to Unit Holders. The widespread expansion of government, consumer and corporate debt within our economy has made the corporate sector, especially cyclically sensitive industries, more vulnerable to economic downturns or increased interest rates. An economic downturn could severely disrupt the market for ``high yield/high risk'' bonds and adversely affect the value of outstanding bonds and the ability of issuers to repay principal and interest, as well as result in a higher incidence of ``high yield/high risk'' bond defaults. ``High yield/high risk'' bonds are likely to be disproportionately negatively affected by a downturn in the economy or a substantial period of rising interest rates due to the fact that highly leveraged issuers may experience financial stress which would adversely affect their ability to service their principal and interest payment obligations, to meet projected business goals and to obtain additional financing, and more likely to suffer rapid credit status changes than investment grade bonds. As a result, frequent dispositions of bonds by the Trustee may be required with a resulting rapid diminution in the size of the Trust and a reduction in the net annual income. In the event the issuer of a security defaults on the payments on income or principal the Trust may incur expenses in exercising its rights to payments or the defaulted Security. Because amounts (if any) recovered by the Trustee may not be reflected in the value of the Units until actually received by the Trust it is possible that a Unit Holder would bear a portion of the cost of recovery without receiving the benefit of any portion of the payment recovered if the Units are sold before the recovery is received or the sale price does not adequately reflect the potential recovery. The Securities and Exchange Commission investigation into insider trading, other SEC actions, actions by the Internal Revenue Service and other governmental agencies, new legislation requiring federally insured savings and loan associations to divest their investments in ``high yield/high risk'' bonds and pending proposals designed to limit the use, or tax and other advantages in ``high yield/high risk'' bonds, if enacted, could have a material affect on the Trust's net asset value and investment practices, and future legislation may have a significantly negative impact on the ability of issuers to issue ``high yield/high risk'' debt and on the ``high yield/high risk'' debt market in general and might adversely affect the value of the Securities in the Trust. A collapse of the ``high yield/high risk'' debt market would likely cause the Securities to decline in value resulting in a loss to Unit Holders. Unit Holders should assess the risks relating to an investment in ``high yield/high risk'' debt in determining whether to invest in Units.

Trust Formation

On the Date of Deposit, the Sponsor deposited with the Trustee the underlying Securities, or confirmations of contracts for the purchase of such Securities. Confirmations of contracts for the purchase of such Securities were delivered to the Trustee together with an irrevocable letter or letters of credit issued by a commercial bank or banks in an amount necessary to complete the purchase of such Securities. The Trust was created simultaneously with the deposit of the Securities with the Trustee and the execution of the Indenture. The Trustee then immediately delivered to the Sponsor certificates of beneficial interest (the ``Certificates'') representing the units (the ``Units'') comprising the entire ownership of the Trust. Through this Prospectus, the Sponsor is offering the Units for sale to the public. The holders of Units (the ``Unit Holders'' or ``Unit Holder,'' as the context requires) will have the right to have their Units redeemed at a price based on the aggregate bid side evaluation of the Securities (the ``Redemption Price'') if they cannot be sold in the secondary market which the Sponsor, although not obligated to, proposes to maintain. The Trust has a mandatory termination date set forth under Part A--``Summary of Essential Information,'' but may be terminated substantially prior thereto upon the occurrence of certain events, including a reduction in the value of the Trust below the value set forth under Part A--``Summary of Essential Information''.

On a recent date, each Unit represented the fractional undivided interest in the Securities and net income of the Trust set forth under Part A--``Summary of Essential Information'' in the ratio of 1 Unit for each approximately $1,000 face amount of Securities initially deposited in the Trust. If any Units are redeemed after the date of this Prospectus by the Trustee, the face amount of Securities in the Trust will be reduced by an amount allocable to redeemed Units and the fractional undivided interest in the Trust represented by each unredeemed Unit will be increased. Units will remain outstanding until redeemed upon tender to the Trustee by any Unit Holder (which may include the Sponsor) or until the termination of the Trust pursuant to the Indenture.

The Trust consists of the Securities listed under Part A-- ``Schedule of Portfolio Securities'' herein, as long as such Securities may continue to be held from time to time in the Trust (including certain securities deposited in the Trust in exchange or substitution for any Securities pursuant to the Indenture) together with accrued and undistributed interest thereon and undistributed and uninvested cash realized from the disposition of Securities. BECAUSE CERTAIN OF THE SECURITIES FROM TIME TO TIME MAY BE REDEEMED OR WILL MATURE IN ACCORDANCE WITH THEIR TERMS OR MAY BE SOLD UNDER CERTAIN CIRCUMSTANCES DESCRIBED HEREIN AND BECAUSE THE PROCEEDS OF SUCH REDEMPTION, MATURITY OR SALE MAY NOT BE REINVESTED, NO ASSURANCE CAN BE GIVEN THAT THE TRUST WILL RETAIN FOR ANY LENGTH OF TIME ITS PRESENT SIZE AND COMPOSITION. THE TRUSTEE HAS NOT PARTICIPATED IN THE SELECTION OF SECURITIES FOR THE TRUST, AND NEITHER THE SPONSOR, NOR THE TRUSTEE WILL BE LIABLE IN ANY WAY FOR ANY DEFAULT, FAILURE OR DEFECT IN ANY SECURITIES.

To the best knowledge of the Sponsor, there was no material litigation pending as of the Date of Deposit in respect of any Securities which might reasonably be expected to have a material adverse effect upon the Trust. At any time after the Date of Deposit, litigation may be initiated on a variety of grounds with respect to Securities in the Trust. Such litigation may affect the validity of such Securities. Although the outcome of litigation of such nature cannot be predicted, opinions of bond counsel are delivered with respect to each Security on the date of issuance to the effect that such Security has been validly issued. If legal proceedings are instituted after the Date of Deposit seeking, among other things, to restrain or enjoin the payment of any of the Securities or attacking their validity or the authorization or existence of the Issuer, the Sponsor may, in accordance with the Indenture, direct the Trustee to sell such Securities and distribute the proceeds of such sale to Unit Holders.

In addition, other factors may arise from time to time which potentially may impair the ability of Issuers to meet obligations undertaken with respect to Securities.

Most of the Securities are subject to redemption prior to their stated maturity dates pursuant to optional refunding redemption and/or sinking fund provisions. In general, optional refunding redemption provisions are more likely to be exercised when the evaluation of Securities is at a premium over par than when it is at a discount from par. Generally, the evaluation of Securities will be at a premium over par when market interest rates fall below the coupon rate on such Securities. The percentage of the face amount of Securities in the Portfolio of the Trust at a bid side evaluation in excess of par is set forth under Part A-- ``Summary of Essential Information.'' The Sponsor is unable to predict at this time when such redemptions will occur and the extent of such redemptions. Certain Securities in the Portfolio may be subject to sinking fund provisions early in the life of the Trust. Such provisions are designed to redeem a significant portion of an issue of Securities gradually over the life of such issue. Particular bonds of an issue of Securities to be redeemed are generally chosen by lot. See Part A--``Schedule of Portfolio Securities'' for a listing of the optional refunding and sinking fund redemption provisions, if any, with respect to each of the Securities. The disposition of such Securities may result in a loss to the Trust to the extent the current market value is higher than the price at which a Security is redeemed. A Unit Holder will have a taxable event upon the redemption of a Security. (See ``Tax Status.'') Certain Securities in the Portfolio, including Securities listed as not being subject to redemption provisions, may be redeemed in whole or in part other than by operation of the stated redemption or sinking fund provisions under certain unusual or extraordinary circumstances specified in the instruments setting forth the terms and provisions of such Securities.

On a recent date certain of the Securities in the Portfolio of the Trust were valued at prices in excess of prices at which such Securities may be redeemed in the future. A primary reason for the value of such Securities being greater than face value is that the interest coupons are at higher rates than the current market interest rate for comparable currently issued debt securities. To the extent that a Security is redeemed (or sold) at a price which is less than the valuation of such Security on the date a Unit Holder acquired his Units, the proceeds distributable to such Unit Holder in respect of such redemption (or sale) will be less than that portion of the purchase price for such Units which was attributable to such Security (representing a loss of capital to such Unit Holder). Such proceeds, however, may be more or less than the valuation of such Security at the time of such redemption (or sale). Similarly, certain of the Securities in the Trust may be valued at a price in excess of their face value of maturity (i.e., such Securities were valued at a premium above par). The proceeds distributable to a Unit Holder upon the maturity of a Security which was valued at a premium on the date the Unit Holder's Units were acquired will be less than that portion of the purchase price for such Units which was attributable to such Security (representing a loss of capital to such Unit Holder). Market premium attributable to interest rate changes does not indicate market confidence in an issue.

The Portfolio of the Trust may consist of Securities the current market value of some of which were below face value. A primary reason for the market value of such Securities being less than face value at maturity may be that the interest coupons of such Securities are at lower rates than the current market interest rate for comparably rated debt securities, even though at the time of the issuance of such Securities the interest coupons thereon represented then prevailing interest rates on

comparably rated debt securities then newly issued. The current yields (coupon interest income as a percentage of market price, ignoring any original issue discount) of such Securities are lower than the current yields (computed on the same basis) of comparably rated debt securities of similar type newly issued at currently prevailing interest rates. Securities selling at market discounts tend to increase in market value as they approach maturity when the principal amount is payable. If currently prevailing interest rates for newly issued and otherwise comparable securities increase, the market discount of previously issued bonds will become deeper and if such currently prevailing interest rates for newly issued comparable securities decline, the market discount of previously issued securities will be reduced, other things being equal. Market discount attributable to interest rate changes does not indicate a lack of market confidence in an issue.

Subsequent to the Date of Deposit, a Security in the Trust may cease to be rated or the rating assigned may be reduced below the minimum requirements of the Trust for the acquisition of Securities. Although such events may be considered by the Sponsor in determining whether to direct the Trustee to dispose of the Security (see ``Sponsor--Responsibility,'' herein), such events do not automatically require the elimination of such Security from the Portfolio.

The Sponsor, although not obligated to do so, presently intends to maintain a secondary market for the Units at prices based on the bid side evaluation of the Securities in the Trust. (See ``Public Offering of Units--Secondary

Market,'' herein.) Holders of Units in the Trust, in the absence of a secondary market for Units, will have the right to have one or more of their Units redeemed by the Trustee at a price equal to the Redemption Price thereof (See ``Rights of Unit Holders--Redemption,'' herein), based on the then aggregate bid side evaluation for the Securities in the Portfolio. DUE TO FLUCTUATIONS IN THE MARKET PRICE OF THE SECURITIES IN THE PORTFOLIO AND THE FACT THAT THE PUBLIC OFFERING PRICE INCLUDES A SALES CHARGE, AMONG OTHER FACTORS, THE AMOUNT REALIZED BY A UNIT HOLDER UPON THE REDEMPTION OR SALE OF UNITS MAY BE LESS THAN THE PRICE PAID FOR SUCH UNITS BY THE UNIT HOLDER. (SEE ``RIGHTS OF UNIT HOLDERS--REDEMPTION--COMPUTATION OF REDEMPTION PRICE PER UNIT,'' HEREIN.)

Objectives and Securities Selection

The objective of the Trust is the providing of a high level of current income through investment in a diversified fixed portfolio consisiting primarily of intermediate and long-term ``high yield/high risk'' corporate debt obligations, many of which are rated below BBB by Standard & Poor's Corporation or Baa by Moody's Investors Service or are unrated. The Trust may be an appropriate investment vehicle for investors who desire to participate in the ``high yield/high risk'' corporate bond market with commensurate higher risk, through a portfolio which offers greater diversification than they might be able to achieve if acquired individually. There is, of course, no guarantee that the Trust's objective will be achieved.

In selecting Securities for the Trust, the Sponsor considered factors including, among others, the following: (a) on the Date of Deposit Securities in the Portfolio rated in the category of CCC or Caa or better, but in no case higher than BBB or Baa, by Standard & Poor's Corporation or Moody's Investors Service, respectively (see ``Bond Ratings,'' herein), or, if unrated, in the opinion of the Sponsor possessing comparable credit characteristics, (b) maturities (in the case of intermediate ``high yield'' corporate bonds, the length of time until maturity is 4 to 12 years and in the case of long-term ``high yield'' corporate bonds, the length of time until maturity is 12 years or longer) or mandatory payment dates consistent with the life of the Trust, (c) yields of the Securities relative to other securities of comparable quality and maturity, and (d) diversification of the Securities as to the business of the Issuers. While the ratings assigned by Standard & Poor's Corporation or Moody's Investors Service were taken into consideration in selecting Securities for the Trust, the Sponsor also performs its own independent investment analysis as to the Securities, including, among other things, consideration of the financial history and condition, the prospects and the management of the Issuers. In performing this analysis, the Sponsor relies on information from various sources, including, to the extent available, reports by the rating services, research, analysis and appraisals of brokers and dealers and the views of other responsible parties regarding economic developments and the creditworthiness of particular Issuers.

SUBSEQUENT TO THE DATE OF DEPOSIT, A SECURITY MAY CEASE TO BE RATED OR ITS RATING MAY BE REDUCED BELOW THE RATING AS OF THE DATE OF DEPOSIT.

The Trust may contain Securities which were acquired through the Sponsor's participation as sole underwriter or manager or as a member of the underwriting syndicate for such Securities or which were privately placed with the Sponsor or its affiliates. (See Part A--``Portfolio Summary'') An underwriter typically purchases securities, such as the Securities in the Trust, from the Issuer on a negotiated or competitive bid basis in order to market such securities to investors at a profit.

The yields on Securities of the type deposited in the Trust are dependent on a variety of factors, including general money market conditions, interest rates, general conditions of the corporate bond market, size of a particular offering, the maturity

of the obligation and rating of the issue. The ratings represent the opinions of the rating organizations as to the quality of the securities which they undertake to rate. Also, credit ratings evaluate the safety of principal and interest payments, not market value risk of high yield/high risk bonds and credit rating agencies may fail to timely change credit ratings to reflect new developments. It should be emphasized that ratings are general and are not absolute standards of quality. Consequently, securities with the same maturity, coupon and rating may have different yields, while securities of the same maturity and coupon with different ratings may have the same yield.

The Units

On a recent date each Unit represented a fractional undivided interest in the principal and net income of such Trust as is set forth in the ``Summary of Essential Information.'' If any Units are redeemed after such date by the Trustee, the face amount of Securities in the Trust will be reduced by an amount allocable to redeemed Units and the fractional undivided interest in each such Trust represented by each unredeemed Unit will be increased. Units will remain outstanding until redeemed upon tender to the Trustee by any Unit Holder, which may include the Sponsor, or until the termination of the Indenture. (See ``Amendment and Termination of the Indenture--Termination.'')

Estimated Annual Income Per Unit

On a recent date the Estimated Net Annual Income per Unit of the Trust was the amount set forth above under Part A-- ``Summary of Essential Information.'' This figure is computed by dividing the estimated net annual income per Unit (i.e., less estimated annual fees and expenses of the Sponsor, the Trustee, counsel and the Evaluator) by the number of Units outstanding. Thereafter, the estimated net annual income per Unit will change whenever Securities mature, are redeemed or are sold, default, or as the expenses of the Trust change. The fees of the Trustee, the Sponsor, counsel and the Evaluator are subject to change without the consent of Unit Holders. (See ``Expenses and Charges,'' herein).

Interest on the Securities, less estimated expenses of each Trust, is expected to accrue at the daily rate shown under Part A--``Summary of Essential Information.'' This rate will change as Securities mature, are redeemed or are sold, default, or as the expenses of the trust change.

TAX STATUS

In the opinion of Messrs. Cahill Gordon & Reindel, special counsel for the Sponsor, under existing law:

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

Each Unit Holder will be considered the owner of a pro rata portion of each of the Trust assets under Sections 671-678 of the Internal Revenue Code of 1986, as amended (the ``Code''). Each Unit Holder will be considered to have received his pro rata share of interest derived from each Trust asset when such interest is received by the Trust. Each Unit Holder will be required to include in his gross income as determined for Federal income tax purposes, original issue discount with respect to his interest in a Security held by the Trust at the same time and in the same manner as though the Unit Holder were the direct owner of such interest. Each Unit Holder's pro rata share of each expense paid by the Trust is deductible by the Unit Holder to the same extent as though the expense had been paid directly by him.

Each Unit Holder will have a taxable event when a Security is disposed of (whether by sale, exchange, redemption, or payment at maturity) or when the Unit Holder redeems or sells his units. The total tax cost of each Unit to a Unit Holder is allocated among the Securities held in the Trust (in accordance with the proportion of the Trust assets comprised by each Security) in order to determine his per Unit tax cost for his interest in each Security. If a Unit Holder's tax cost of his pro rata interest in a Security exceeds the amount payable by the issuer of the Security in respect of such pro rata interest upon the maturity of the Security, such excess is a ``bond premium'' which may be amortized by the Unit Holder at the Unit Holder's election as provided in Section 171 of the Code.

The tax cost basis of a Unit Holder with respect to his interest in a Security is increased by the amount of original issue discount thereon properly included in the Unit Holder's gross income as determined for Federal income tax purposes and reduced by the amount of any amortized bond premium.

A Unit Holder will recognize taxable gain or loss when all or part of his pro rata interest in a Security is disposed of in a taxable transaction for an amount greater (or less) than his tax cost therefor. Any such gain recognized on a sale or exchange and not constituting a realization of accrued ``market discount'' in the case of a Security issued after July 18, 1984 and any such loss will be capital gain or loss, except in the case of a dealer or financial institution. Gain realized on the disposition of the interest of a Unit Holder in a market discount Security is treated as ordinary income to the extent

the gain does not exceed the accrued market discount. A Unit Holder has an interest in a market discount Security in a case in which the Unit Holder's tax cost for his pro rata interest in the Security is less than the stated redemption price thereof at maturity (or the issue price plus original issue discount accrued up to the acquisition date, in the case of an original issue discount Security). Any capital gain or loss arising from the disposition of a Unit Holder's pro rata interest in a Security will be long-term capital gain or loss if the Unit Holder has held his Units for more than one year.

If the Unit Holder disposes of a Unit he is deemed thereby to have disposed of his entire pro rata interest in all Trust assets represented by the Unit.

Under the personal income tax laws of the State and City of New York, the income of the Trust will be treated as the income of the Unit Holders.

An individual Unit Holder who itemizes deductions may deduct his pro rata share of fees and other expenses of the Trust only to the extent that such expenses, together with other investment expenses and miscellaneous deductions of the Unit Holder, exceed 2% of the Unit Holder's adjusted gross income.

An individual Unit Holder who is neither a citizen nor a resident of the United States and a corporate Unit Holder other than a United States domestic corporation (a ``foreign Unit Holder'') will not generally be subject to United States federal income taxes, including withholding taxes, on his, her or its pro rata share of interest and original issue discount on a Security or any gain from the sale or other disposition of his, her or its pro rata portion of a Security held in the Trust which interest or original issue discount is not effectively connected with the conduct by the foreign Unit Holder of a trade or business within the United States and which gain is either (I) not from sources within the United States or (II) not so effectively connected, provided that:

(i) with respect to U.S.-source interest and original issue discount (a) the Security was issued after July 18, 1984, (b) the foreign Unit Holder does not own 10 percent or more of the total combined voting power of all classes of voting stock of the issuing corporation, and (c) the foreign Unit Holder is not a controlled foreign corporation related (within the meaning of Section 864(d)(4) of the Code) to the issuer of the obligation or to The Prudential Insurance Company of America;

(ii) with respect to any U.S.-source capital gain, the foreign Unit Holder (if an individual) is not present in the United States for 183 days or more during his or her taxable year in which the gain was realized and so certifies; and

(iii) the foreign Unit Holder provides the required certifications regarding (a) his , her or its status, (b) in the case of U.S.-source income, the fact that the interest, original issue discount or gain is not effectively connected with the conduct by the foreign Unit Holder of a trade or business within the United States, and (c) if determined to be required, the 10 percent stock ownership and controlled foreign corporation matters mentioned in clauses (i)(b) and (c) above.

Foreign Unit Holders should consult their own tax counsel with respect to United States tax consequences of ownership of Units.

Each Unit Holder (other than a foreign Unit Holder who has properly provided the certifications described in the preceding paragraph) 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 taxpayer identification number and an appropriate certification are not provided when requested, 20% back-up withholding (31% after December 31, 1992) will apply.

Interest paid by a Unit Holder other than a corporation on indebtedness incurred or continued to purchase or carry Units will be deductible as investment interest to the extent permitted by Section 163(d) of the Code. Unit Holders should, however, be aware that interest on indebtedness incurred or continue to purchase or carry Units may not be currently deductible to the extent that such indebtedness is attributable to the Unit Holder's interest in market discount bonds held by the Trust. Any such deferred interest will not be deductible until the earlier of the date the market discount bonds are disposed of or the Unit Holder disposes of his Units. The interest deduction deferral rule and the above rule requiring treatment of market discount as ordinary income upon disposition of a market discount bond will not apply if the Unit Holder elects to include market discount in income on a current basis. Unit Holders should be aware that the amortization of bond premium may, under some circumstances, cause a Unit Holder to realize taxable gains when his Units are sold or redeemed

for an amount equal to or less than his original cost. Under the Code, amortizable bond premium is treated as an offset to interest income from the underlying Security rather than as a separate interest deduction.

The Trust may contain one or more Securities which were originally issued at a discount (``original issue discount''). In general, original issue discount can be defined as the difference between the price at which a Security was issued and its stated redemption price at maturity. In the case of a Security issued after July 1, 1982, original issue discount is deemed to accrue on a constant interest method which corresponds, in general, to the economic accrual of interest (adjusted to eliminate proportionately on an elapsed-time basis any excess of the amount paid for the Securities over the sum of the issue price and the accrued original issue discount on the acquisition date). The Unit Holder's tax basis in such Securities is increased by the amount of original issue discount that is deemed to accrue and is included in gross income by the Unit Holder while the Unit Holder holds his Units and the Trust holds the Securities. The difference between the amount realized on a disposition of the Securities (ex currently accrued interest) and the adjusted tax basis of the Securities will give rise to taxable gain or deductible loss upon a disposition of the Securities by the Trust (or a sale or redemption of Units by a Unit Holder).

Under the Code, capital gain (i.e., the excess of net long-term capital gain over net short-term capital loss) of individuals, estates and trusts is subject to a maximum nominal tax rate of 28%. Such capital gain may, however, result in a disallowance of itemized deductions and/or affect a personal exemption phase-out.

At the end of each calendar year, the Trustee will furnish to each Unit Holder an annual statement containing information relating to the interest received by the Trust on the Securities, the gross proceeds received by the Trust from the disposition of any Security (resulting from redemption or payment at maturity of any Security or the sale by the Trust of any Security or other Trust Unit), and the fees and expenses paid by the Trust. The Trustee will also furnish annual information returns to each Unit Holder and to the Internal Revenue Service.

The foregoing discussion relates only to United States Federal and to the extent stated New York State and City income taxes. Unit Holders may also be subject to state, local and foreign taxation.

Investors should consult their tax counsel for advice with respect to their own particular tax situations.

PUBLIC OFFERING OF UNITS

Public Offering Price

The Public Offering Price of the Units will be determined by adding to the aggregate bid side evaluation of the Securities in the Trust, any money in the Principal Account other than money required to redeem tendered Units, dividing such sum by the number of Units outstanding, and then adding a sales charge of 5.50% of the Public Offering Price (5.820% of the net amount invested). A proportionate share of accrued and undistributed interest on the Securities to the settlement date for Units purchased is also added to the Public Offering Price .

The Public Offering Price on a date subsequent to the date listed on the ``Summary of Essential Information'' in Part A, may vary from the Public Offering Price as set forth on the ``Summary of Essential Information'' in accordance with fluctuations in the evaluation of the underlying Securities in the Trust.

The aggregate bid prices of the Securities in the Trust, as is appropriate, shall be determined for the Trust by the Evaluator in the following manner: (a) on the basis of current bid prices for the Securities as obtained from investment dealers or brokers (including the Sponsor), (b) if bid prices are not available for the Securities, on the basis of current bid prices for comparable securities, (c) by determining the value of the Securities on the bid side of the market by appraisal, or (d) by any combination of the above. Among the additional factors considered in determining the value of any Restricted Securities that have been privately placed and which are frequently considered by high yield bond traders in determining high yield bond market values are (i) an estimate of the existence and extent of any available market therefor, (ii) the estimated period of time during which such Securities will not be freely marketable, (iii) the estimated expenses of qualifying such Securities for public sale, if required, (iv) estimated underwriting commissions, if any, and (v) any credit or other factors affecting the issuer or the guarantor of such Securities. Such evaluations and computations will be made by the Evaluator for purposes of secondary market transactions by the Sponsor and redemptions by the Trustee, each business day as of the Evaluation Time, effective for all sales or redemptions made subsequent to the last preceding determination.

The Public Offering Price of Units in the secondary market, the price at which the Sponsor repurchases Units in the secondary market, and the Redemption Price at which Units may be redeemed will be determined on the basis of the bid side evaluation thereof.

On a recent date, the Public Offering Price per Unit (based on the bid side evaluation of the Securities in the Trust) exceeded the Redemption Price per Unit and the Sponsor's Repurchase Price per Unit (each of which is based upon the bid side evaluation of the Securities in the Trust) by the amounts set forth in Part A--``Summary of Essential Information.''

Public Distribution

Units may be offered by the Sponsor to the public by this Prospectus at the then current Public Offering Price plus accrued interest.

The Sponsor intends to qualify Units for sale in states selected by the Sponsor, to be sold by the Sponsor and through dealers who are members of the National Association of Securities Dealers, Inc. Sales to dealers will initially be made at prices which include a concession per Unit which is currently 70% of the sales charge per Unit, but subject to change from time to time at the discretion of the Sponsor. The Sponsor, in its sole discretion, may offer to selected dealers concessions per Unit that vary from the dealer concession stated above. The Sponsor reserves the right to reject, in whole or in part, any order for the purchase of Units.

Secondary Market

While not obligated to do so, it is the Sponsor's present intention to maintain a secondary market for Units of this series of the Prudential Unit Trusts and to continously offer to repurchase Units from Unit Holders at the applicable Sponsor's Repurchase Price. In addition, if the secondary market is being maintained by the Sponsor it is the present intention of the Sponsor to purchase Units tendered for redemption at such Units' redemption value if it becomes necessary in order to meet redemption requests to sell Securities that have been privately placed and it is not feasible to dispose of such Securities within seven days. (See Part A--``Summary of Essential Information''). The Sponsor's Repurchase Price is computed by adding to the aggregate of the bid side evaluation of the Securities in the Trust, any money in the Principal Account other than money required to redeem Units, plus accrued interest, deducting therefrom expenses of the Trustee, Evaluator, Sponsor and counsel, and taxes, if any, and then dividing the resulting sum by the number of Units outstanding, as of the date of such computation. Any Units repurchased by the Sponsor at the Sponsor's Repurchase Price may be reoffered to the public by the Sponsor at the then current Public Offering Price, plus accrued interest. Any profit or loss resulting from the resale of such Units will belong to the Sponsor.

If the supply of Units exceeds demand (or for any other business reason), the Sponsor may, at any time, occasionally, from time to time, or permanently, discontinue the repurchase of Units of this series at the Sponsor's Repurchase Price. In such event, although under no obligation to do so, the Sponsor may, as a service to Unit Holders, offer to repurchase Units at the ``Redemption Price,'' a price based on the current bid prices for the Securities, plus accrued interest. Alternatively, Unit Holders may redeem their Units through the Trustee. In no event will the price offered by the Sponsor for the repurchase of Units be less than the current Redemption Price for those Units (See ``Rights of Unit Holders--Redemption,'' herein.)

Profit of Sponsor

The Sponsor receives a sales charge as set forth in the table below. On the sale of Units to dealers, the Sponsor will retain the difference between the dealer concession and the sales charge.(See ``Public Distribution,'' herein.)

The Sponsor may have also realized a book profit (or a loss) on the deposit of the Securities in the Trust representing the difference between the cost of the Securities to the Sponsor and the cost of the Securities to the Trust. The Sponsor may have realized profits or sustained losses in respect of Securities which were acquired from the Sponsor or from underwriting syndicates of which it was a member. (See `` Part A--``Portfolio Summary.'') An underwriter or underwriting syndicate purchases bonds from the issuer on a negotiated or competitive bid basis as principal with the motive of marketing such bonds to investors at a profit. In addition, the Sponsor may realize profits (or sustain losses) due to daily fluctuations in the prices of the Securities in the Trust and thus in the Public Offering Price of Units received by the Sponsor. Cash, if any, received by the Sponsor from the Unit Holders prior to the settlement date for purchase of Units may be used in the Sponsor's business to the extent permitted by applicable regulations and may be of benefit to the Sponsor.

The Sponsor may also realize profits (or sustain losses) while maintaining a secondary market in the Units, in the amount of any difference between the prices at which the Sponsor buys Units (based on the bid side evaluation of the Securities in the Trust) and the prices at which the Sponsor resells such Units or the prices at which the Sponsor redeems such Units (based on the bid side evaluation of the Securities in the Trust), as the case may be.

Volume Discount

Although under no obligation to do so, the Sponsor intends to permit volume purchasers of Units to purchase Units at a reduced sales charge. The Sponsor may at any time upon prior notice to Unit Holders change the amount by which the sales charge is reduced, or discontinue the discount altogether.

The sales charge per Unit will be reduced pursuant to the following graduated scale for sales to any person of at least 100 Units:

<TABLE>
<CAPTION>

	Percent of Public Offering	Percent of Net Amount

Number of Units	Price	Invested
<S>	<C>	<C>
Less than 100 Units...	5.50%	5.820%
100-249 Units...	5.00%	5.263%
250-499 Units...	4.25%	4.439%
500-749 Units...	3.75%	3.896%
750-999 Units...	3.00%	3.092%
1,000 Units or more...	2.25%	2.302%

</TABLE>

The reduced sales charges as shown on the chart above will apply to all purchases of Units on any one day by the same person in the amounts stated herein, and for this purpose, purchases of Units of this Trust will be aggregated with concurrent purchases of Units of any other trust that may be offered by the Sponsor.

Units held in the name of the purchaser's spouse or in the name of a purchaser's child under the age of 21 are deemed for the purposes hereof to be registered in the name of the purchaser. The reduced sales charges are also applicable to a trustee or other fiduciary purchasing Units for a single trust estate or single fiduciary account.

Employee Discount

The Sponsor intends to permit employees of Prudential Securities Incorporated and its subsidiaries and affiliates to purchase Units of the Trust at a price equal to the bid side evaluation of the Securities in the Trust divided by the number of Units outstanding plus a reduced sales charge of $5.00 per Unit, subject to a limit of 5% of the Units at the discretion of the Sponsor.

EXCHANGE OPTION

Unit Holders may elect to exchange any or all of their Units of this series of the Prudential Unit Trusts for units of one or more of any other series in the Prudential Securities Incorporated family of unit investment trusts or certain additional trusts that may from time to time be made available for such exchange by the Sponsor (collectively referred to as the ``Exchange Trusts''). Such units may be acquired at prices based on reduced sales charges per unit. The purpose of such reduced sales charges is to permit the Sponsor to pass on to the Unit Holder who wishes to exchange Units the cost savings resulting from such exchange of Units. The cost savings result from the reduced time and expense related to advice, financial planning and operational expense required for the Exchange Option. Exchange Trusts may have different investment objectives; a Unit Holder should read the prospectus for the applicable Exchange Trust carefully to determine the investment objective prior to the exercise of this option.

This option will be available provided the Sponsor maintains a secondary market in both the Units of this series and Units of the applicable Exchange Trust and provided that units of the applicable Exchange Trust are available for sale and are lawfully qualified for sale in the jurisdiction in which the Unit Holder resides. While it is the Sponsor's intention to maintain a secondary market for the units of all such trusts, there is no obligation on its part to do so. Therefore, there is no assurance that a market for units will in fact exist on any given date on which a Unit Holder wishes to sell or exchange his Units; thus there is no assurance that the Exchange Option will be available to any Unit Holder. The Sponsor reserves the right to modify, suspend or terminate this option at any time without further notice to Unit Holders. In the event the Exchange Option is not available to a Unit Holder at the time he wishes to exercise it, the Unit Holder will be immediately notified and no action will be taken with respect to his Units without further instruction from the Unit Holder.

Exchanges will be effected in whole units only. If the proceeds from the Units being surrendered are less than the cost of a whole number of units being acquired, the exchanging Unit Holder will be permitted to add cash in an amount to round up

to the next highest number of whole Units. When units held for less than five months are exchanged for units with a higher regular sales charge, the sales charge will be the greater of (a) the reduced sales charge or (b) the difference between the sales charge paid in acquiring the units being exchanged and the regular sales charge for the quantity of units being acquired, determined as of the date of the exchange.

To exercise the Exchange Option, a Unit Holder should notify the Sponsor of his desire to use the proceeds from the sale of his Units to purchase units of one or more of the Exchange Trusts. If units of the applicable outstanding series of the Exchange Trust are at that time available for sale, the Unit Holder may select the series or group of series for which he desires his Units to be exchanged. The Unit Holder will be provided with a current prospectus or prospectuses relating to each series in which he indicates interest.

Units of the Exchange Trust trading in the secondary market maintained by the Sponsor, if so maintained will be sold to the Unit Holder at a price equal to the Public Offering Price per unit of the securities in that portfolio plus accrued interest and the applicable sales charge of $15 per Unit. Exchange transactions will be effected only in whole units; thus, any proceeds not used to acquire whole units will be paid to the exchanging Unit Holder unless the Unit Holder adds the amount of cash necessary to purchase one additional whole Unit. Owners of units of any registered unit investment trust other than Prudential Unit Trusts which were initially offered at a minimum applicable sales charge of 3.0% of the public offering price exclusive of any applicable sales charge discounts may elect to apply the cash proceeds of sale or redemption of those units directly to acquire units of any Exchange Trust trading in the secondary market at the reduced sales charge of $20 per Unit, subject to the terms and conditions applicable to the Exchange Option. To exercise this option, the owner should notify his retail broker. He will be given a prospectus of each series in which he indicates interest of which units are available. The Sponsor reserves the right to modify, suspend or terminate the option at any time without further notice, including the right to increase the reduced sales charge applicable to this option (but not in excess of $5 more per unit than the corresponding fee then charged for a unit of an Exchange Trust which is being exchanged).

For example, assume that a Unit Holder, who has two Units of the Trust with a current price of $1,050 per Unit based on the bid prices of the underlying Securities, desires to sell his Units and seeks to exchange the proceeds thereof for units of an Exchange Trust with a current price of $850 per unit based on the bid prices of the underlying securities. In this example, the proceeds from the sale of the Unit Holder's Units will aggregate $2,100. Since only whole units of an Exchange Trust may be purchased under the Exchange Option, the Unit Holder would be able to acquire three units in the Exchange Trust for a total cost of $2,595 ($2,550 for the units and $45 for the sales charge) by adding an extra $495 in cash. If the Unit Holder were to acquire the same number of units of the Exchange Trust in the regular secondary market maintained by the Sponsor for those units, the price would be $2,550 for the units plus the applicable sales charge of approximately $148.41 [based on a sales charge of 5.50% (5.820% of the net amount invested)] imposed thereon for a total cost of approximately $2,698.41.

Tax Consequences

An exchange of Units pursuant to the Exchange Option for units of an Exchange Trust will generally constitute a ``taxable event'' under the Code, i.e., a Unit Holder will recognize a gain or loss at the time of the exchange. However, an exchange of Units of this series of the Prudential Unit Trusts for units of any other series of Exchange Trusts which are grantor trusts for U.S. federal income tax purposes will not constitute a taxable event to the extent that the underlying Securities in each trust do not differ materially either in kind or in extent. Unit Holders are urged to consult their own tax advisors as to the tax consequences to them of exchanging Units in particular cases.

REINVESTMENT PROGRAM

Distributions of interest and principal, if any, are made to Unit Holders monthly. The Unit Holder will have the option of either receiving his monthly income check from the Trustee or participating in the following reinvestment program offered by the Sponsor: the Prudential MoneyMart Assets, a no-load, open-end investment company whose investment objective is to attain for investors maximum current income consistent with stability of capital and the maintenance of liquidity. Participation in the reinvestment program is conditioned on such program's lawful qualification for sale in the jurisdiction in which the Unit Holder resides. There can be no assurance, however, that such qualification will be obtained. Upon enrollment in a reinvestment program, the Trustee will direct monthly interest distributions and principal distributions, if any, to the fund. The Prudential MoneyMart Assets invests in short-term money market instruments. The appropriate prospectus for the reinvestment program should be requested before the reinvestment program is entered into. A Unit Holder's election to participate in a reinvestment program will apply to all Units of this series of the Trust owned by such Unit Holder. The Unit Holder should read the prospectus for the reinvestment program carefully before deciding to participate.

Foreign investors should be aware that interest distributions (and possibly principal distributions) to them from Prudential MoneyMart Assets, will be subject to U.S. Federal income taxes, including withholding taxes. Foreign investors should consult their own tax advisors prior to enrolling in the reinvestment program.

EXPENSES AND CHARGES

Fees

The Portfolio supervision fee (the ``Supervision Fee''), which is earned for Portfolio supervisory services, is based upon the aggregate face amount of Securities in the Trust at the beginning of each calendar year.

The Supervision Fee, which is not to exceed $.05 per $1,000 face amount of Securities in the Trust, may exceed the actual costs of providing Portfolio supervisory services for this Trust, but at no time will the total amount the Sponsor receives for Portfolio supervisory services rendered to all series of the Prudential Unit Trusts in any calendar year exceed the aggregate cost to it of supplying such services in such year. For a description of the Portfolio supervisory services to be provided by the Sponsor and/or an affiliate thereof, see ``Sponsor--Responsibility.'' The Supervision Fee will be paid to the Sponsor by the Trust.

For its services as Trustee under the Indenture, the Trustee receives an annual fee in an amount set forth under Part A-- ``Summary of Essential Information.''

For each evaluation of the Securities in each Trust, the Evaluator will receive a fee in the amount set forth under Part A--``Summary of Essential Information.''

The Supervision Fee accrues quarterly but is paid annually, and the Trustee's fees and the Evaluator's fees are payable monthly on or before each Distribution Date from the Interest Account, to the extent funds are available and thereafter from the Principal Account. Any of such fees may be increased without approval of the Unit Holders in proportion to increases under the classification ``All Services Less Rent'' in the Consumer Price Index published by the United States Department of Labor. The Trustee also receives benefits to the extent that it holds funds on deposit in various non-interest bearing accounts created under the Indenture.

Other Charges

The following additional charges are or may be incurred by the Trust as more fully described in the Indenture: (a) fees of the Trustee for extraordinary services, (b) expenses of the Trustee (including legal and auditing expenses) and of counsel designated by the Sponsor, (c) various governmental charges, (d) expenses and costs of any action taken by the Trustee to protect the Trust and the rights and interest of the Unit Holders, (e) indemnification of the Trustee for any losses, liabilities or expenses incurred by it in the administration of the Trust without gross negligence, bad faith, willful misfeasance or willful misconduct on its part or reckless disregard of its obligations and duties, (f) indemnification of the Sponsor for any losses, liabilities and expense incurred in acting as Sponsor or Depositor under the Indenture without gross negligence, bad faith, willful misfeasance or willful misconduct or reckless disregard of its obligations and duties, (g) expenditures incurred in contacting Unit Holders upon termination of the Trust, and (h) to the extent then lawful, expenses (including legal, auditing and printing expenses) of maintaining registration or qualification of the Units and/or the Trust under Federal or state securities laws subsequent to initial registration so long as the Sponsor is maintaining a market for the Units.

The fees and expenses set forth herein are payable out of the Trust and when so paid by or owing to the Trustee are secured by a lien on the Trust. If the balances in the Interest and Principal Accounts are insufficient to provide for amounts payable by the Trust, the Trustee has the power to sell Securities to pay such amounts. To the extent Securities are sold, the size of the Trust will be reduced and the proportions of the types of Securities will change. Such sales might be required at a time when Securities would not otherwise be sold and might result in lower prices than might otherwise be realized. Moreover, due to the minimum principal amount in which Securities may be required to be sold, the proceeds of such sales may exceed the amount necessary for the payment of such fees and expenses.

RIGHTS OF UNIT HOLDERS

Certificates

Ownership of Units is evidenced by registered certificates executed by the Trustee and the Sponsor. Certificates are transferable by presentation and surrender to the Trustee properly endorsed or accompanied by a written instrument or instruments of transfer.

Certificates may be issued in denominations of one Unit or any multiple thereof. A Unit Holder may be required to pay $2.00 per certificate reissued or transferred, and will be required to pay any governmental charge that may be imposed in connection with each such transfer or interchange. For new certificates issued to replace destroyed, stolen or lost certificates, the Unit Holder must furnish indemnity satisfactory to the Trustee and must pay such expenses as the Trustee may incur. Mutilated certificates should be surrendered to the Trustee for replacement.

Distribution of Interest and Principal

Interest and principal received by the Trust will be distributed on each monthly Distribution Date on a pro rata basis to Unit Holders of record as of the preceding Record Date. All distributions will be net of applicable expenses, funds required for the redemption of Units and, if applicable, reimbursements to the Trustee for interest payments advanced to Unit Holders on previous Monthly Distribution Dates. (See Part A--``Summary of Essential Information,'' and ``Expenses and Charges'' and ``Rights of Unit Holders--Redemption,'' herein.)

The Trustee will credit to the Interest Account all interest received by the Trust, including that part of the proceeds of any disposition of Securities which represents accrued interest. Other receipts will be credited to the Principal Account. The pro rata share of the Interest Account and the pro rata share of cash in the Principal Account represented by each Unit will be computed by the Trustee each month as of the Record Date (See Part A--``Summary of Essential Information.'') Proceeds received from the disposition of any of the Securities subsequent to a Record Date and prior to the next succeeding Distribution Date will be held in the Principal Account and will not be distributed until the following Distribution Date. The distribution to Unit Holders as of each Record Date will be made on the following Distribution Date or shortly thereafter and shall consist of an amount substantially equal to one-twelfth of such Unit Holders' pro rata share of the estimated annual income to be credited to the Interest Account after deducting estimated expenses (the ``Monthly Interest Distribution'') plus such Unit Holders' pro rata share of the cash balance in the Principal Account computed as of the close of business on the preceding Record Date. Persons who purchase Units between a Record Date and a Distribution Date will receive their first distribution on the second Distribution Date following their purchase of Units. No distribution need be made from the Principal Account if the balance therein is less than an amount sufficient to distribute $5.00 per Unit. The Monthly Interest Distribution per Unit initially will be in the amount shown under Part A--``Summary of Essential Information'' and will change as the income and expenses of the Trust change and as Securities are exchanged, redeemed, paid down or sold.

Normally, interest on the Securities in the Portfolio is paid on a semiannual basis. Because interest is not received by the Trust at a constant rate throughout the year, any Monthly Interest Distribution may be more or less than the amount credited to the Interest Account as of the Record Date. In order to eliminate fluctuations in monthly interest distributions resulting from such variances, the Trustee is required by the Indenture to advance such amounts as may be necessary to provide monthly interest distributions of approximately equal amounts. The Trustee will be reimbursed, without interest, for any such advances from funds available from the Interest Account on the next ensuing Record Date or Record Dates, as the case may be. If all or a portion of the Securities for which advances have been made subsequently fail to pay interest when due, the Trustee may recoup advances made by it in anticipation of receipt of interest payments on such Securities by reducing the amount otherwise distributable per Unit with respect to one or more Monthly Interest Distributions. If Units are redeemed subsequent to such advances by the Trustee, but prior to receipt by the Trustee of actual notice of such failure to pay interest, the amount of which was so advanced by the Trustee, each remaining Unit holder will be subject to a greater pro rata reduction in his Monthly Interest Distribution than would have occurred absent such redemptions. Funds which are available for future distributions, payments of expenses and redemptions are in accounts which are non-interest bearing to Unit Holders and are available for use by United States Trust Company of New York, pursuant to normal banking procedures. In addition, because of the varying interest payment dates of the Securities comprising the Trust Portfolio, accrued interest at any point in time will be greater than the amount of interest actually received by such Trust and distributed to Unit Holders. This amount is called ``accrued interest carryover.'' Therefore, there will always remain an item of accrued interest that is added to the value of the Units. If a Unit Holder sells all or a portion of his Units a portion of his sale proceeds will be allocable to his proportionate share of the accrued interest carryover. Similarly, if a Unit Holder redeems all or a portion of his Units, the Redemption Price per Unit which he is entitled to receive from the Trustee will include his accrued interest carryover. (See ``Rights of Unit Holders--Redemption--Computation of Redemption Price per Unit.'')

As of the first day of each month the Trustee will deduct from the Interest Account and, to the extent funds are not sufficient therein, from the Principal Account, amounts necessary to pay the expenses of the Trust. (See ``Expenses and Charges.'') The Trustee also may withdraw from said accounts such amounts, if any, as it deems necessary to establish a reserve for any governmental charges payable out of the Trust. Amounts so withdrawn shall not be considered a part of such Trust's assets for purposes of determining the amount of distributions until such time as the Trustee shall return all or any part of such amounts to the appropriate account. In addition, the Trustee may withdraw from the Interest Account and the Principal Account such amounts as may be necessary to cover redemption of Units by the Trustee. (See ``Rights of Unit Holders--Redemption.'') The Trustee is also entitled to withdraw from the Interest Account, and, to the extent funds are not sufficient therein, from the Principal Account, on one or more record dates as may be appropriate, amounts sufficient to

recoup advances which the Trustee has made in anticipation of the receipt by the Trust of interest in respect of Securities which subsequently fail to pay interest when due.

Reports and Records

The Trustee shall furnish Unit Holders in connection with each distribution a statement of the amount of interest, if any, and the amount of other receipts, if any, which are being distributed, expressed in each case as a dollar amount per Unit. In the event that the Issuer of any of the Securities fails to make payment when due of any interest or principal and such failure results in a change in the amount which would otherwise be distributed as a monthly distribution, the Trustee will, with the first such distribution following such failure, set forth in an accompanying statement, the Issuer and the Securities, the amount of the reduction in the distribution per Unit resulting from such failure, the percentage of the aggregate face amount of Securities which such Security represents and, to the extent then determined, information regarding any disposition or legal action with respect to such Security. Within a reasonable time after the end of each calendar year, the Trustee will furnish to each person who at any time during the calendar year was a Unit Holder of record, a statement (1) as to the Interest Account: interest received (including amounts representing interest received upon any disposition of Securities), deductions for payment of applicable taxes and for fees and expenses of the Trusts, redemptions of Units and the balance remaining after such distributions and deductions, expressed both as a total dollar amount and as a dollar amount representing the pro rata share of each Unit outstanding on the last business day of such calendar year; (2) as to the Principal Account: the dates of disposition of any Securities and the net proceeds received therefrom (excluding any portion representing interest), deductions for payments of applicable taxes and for fees and expenses of the Trust and redemptions of Units, and the balance remaining after such distributions and deductions, expressed both as a total dollar amount and as a dollar amount representing the pro rata share of each Unit outstanding on the last business day of such calendar year; (3) a list of the Securities held and the number of Units outstanding on the last business day of such calendar year; (4) the Redemption Price per Unit based upon the last computation thereof made during such calendar year; and (5) amounts actually distributed during such calendar year from the Interest Account and from the Principal Account, separately stated, expressed both as total dollar amounts and as dollar amounts representing the pro rata share of each Unit outstanding on the last business day of such calendar year.

The accounts of the Trust will be audited not less frequently than annually by independent certified public accountants designated by the Sponsor, and the reports of such accountants will be furnished by the Trustee to Unit Holders upon request.

The Trustee shall keep available for inspection by Unit Holders at all reasonable times during usual business hours, books of record and account of its transactions as Trustee including records of the names and addresses of Unit Holders, certificates issued or held, a current list of Securities in the portfolio and a copy of the Indenture.

Redemption

Tender of Units

Units may be tendered to the Trustee for redemption at its corporate trust office at 770 Broadway, New York, New York 10003, upon payment of any relevant tax. At the present time there are no specific taxes related to the redemption of the Units. No redemption fee will be charged by the Sponsor or the Trustee. Units redeemed by the Trustee will be cancelled.

Certificates for Units to be redeemed must be properly endorsed or accompanied by a written instrument of transfer, although redemptions without the necessity of certificate presentation will be effected for record Unit Holders for whom Certificates have not been issued. Unit Holders must sign exactly as their name appears on the face of the Certificate with the signature guaranteed by an officer of a national bank or trust company or by a member firm of either the New York, Midwest or Pacific Stock Exchanges. 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.

Within seven calendar days 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 tendered equal to the Redemption Price per Unit computed as of the Evaluation Time set forth in Part A--``Summary of Essential Information'' on the date of tender. (See ``Redemption--Computation of Redemption Price per Unit.'') The ``date of tender'' is deemed to be the date on which Units are received by the Trustee, except that as regards Units received after the evaluation time, the date of tender is the first day after such date 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. For information relating to the purchase by the Sponsor of Units tendered to the Trustee for redemption at prices which may, in certain circumstances, be in excess of the Redemption Price, see ``Redemption--Purchase by the Sponsor of Units Tendered for Redemption.''

Accrued interest paid on redemption shall be withdrawn from the Interest Account, or, if the balance therein is insufficient, from the Principal Account. All other amounts paid on redemption shall be withdrawn from the Principal Account. The Trustee is empowered to sell Securities in order to make funds available for redemption. Such sales, if required, could result in a sale of Securities by the Trustee at a loss. To the extent Securities are sold, the size and diversity of the Trust will be reduced.

The Trustee reserves the right to suspend the right of redemption and to postpone the date of payment of the Redemption Price per Unit for any period during which the New York Stock Exchange is closed, other than weekend and holiday closings, or trading on that Exchange is restricted or during which (as determined by the Securities and Exchange Commission by rule or regulation) an emergency exists as a result of which disposal or evaluation of the underlying Securities is not reasonably practicable, or for such other periods as the Securities and Exchange Commission has by order permitted. The Trustee is not liable to any person or in any way for any loss or damage that may result from any such suspension or postponement.

Computation of Redemption Price per Unit

The Redemption Price per Unit is determined by the Trustee on the basis of the bid prices of the Securities in the Trust as of the Evaluation Time on the date any such determination is made. The Redemption Price per Unit is each Unit's pro rata share, determined by the Trustee, of: (1) the aggregate value of the Securities in the Trust on the bid side of the market (determined by the Evaluator as set forth below), (2) cash on hand in the Trust (other than funds covering contracts to purchase Securities), and accrued and unpaid interest on the Securities as of the date of computation, less (a) amounts representing taxes or governmental charges payable out of the Trust, (b) the accrued expenses of the Trust, and (c) cash held for distribution to Unit Holders of record as of a date prior to the evaluation. Accrued interest payable in respect to the Units from the date of tender to, but not including, the fifth business day thereafter also comprises a part of the Redemption Price per Unit. The Evaluator may determine the value of the Securities in the Trust (1) on the basis of current bid prices for the Securities, (2) if bid prices are not available for any Securities, on the basis of current bid prices for comparable Securites, (3) by appraisal, or (4) by any combination of the above. Among the additional factors which will be considered in determining the value of any Restricted Securities are (i) an estimate of the existence and extent of any available market therefor, (ii) the estimated period of time during which such Securities will not be freely marketable, (iii) the estimated expenses of qualifying such Securities for public sale, if required, (iv) estimated underwriting commissions, if any, and (v) any credit or other factors affecting the issuer or the guarantor of such Securities. The price at which Units may be redeemed could be less than the price paid by the Unit Holder.

Purchase by the Sponsor of Units Tendered for Redemption

The Indenture requires that the Trustee notify the Sponsor of any tender of Units for redemption. So long as the Sponsor is maintaining a bid in the secondary market, the Sponsor, prior to the close of business on the second succeeding business day, will purchase any Units tendered to the Trustee for redemption at the price so bid by making payment therefor to the Unit Holder in an amount not less than the Redemption Price not later than the day on which the Units would otherwise have been redeemed by the Trustee. (See ``Public Offering of Units--Secondary Market.'') Units held by the Sponsor may be tendered to the Trustee for redemption as any other Units. The price of any Units resold by the Sponsor will be the Public Offering Price determined in the manner provided in this Prospectus. (See ``Public Offering of Units--Public Offering Price.'') Any profit resulting from the resale of such Units will belong to the Sponsor which likewise will bear any loss resulting from a lower offering or redemption price subsequent to its acquisition of such Units. (See ``Public Offering of Units--Profit of Sponsor.'')

SPONSOR

Prudential Securities Incorporated is a Delaware corporation and is engaged in the underwriting, securities and commodities brokerage business and is a member of the New York Stock Exchange, Inc., other major securities exchanges and commodity exchanges and the National Association of Securities Dealers, Inc. Prudential Securities Incorporated, a wholly-owned subsidiary of Prudential Securities Group Inc. and an indirect wholly-owned subsidiary of The Prudential Insurance Company of America, is engaged in the investment advisory business. Prudential Securities Incorporated has acted as principal underwriter and managing underwriter of other investment companies. In addition to participating as a member of various selling groups or as an agent of other investment companies, Prudential Securities Incorporated executes orders on behalf of investment companies for the purchase and sale of securities of such companies and sells securities to such companies in its capacity as a broker or dealer in securities.

Prudential Securities Incorporated is distributor for Prudential Government Securities Trust (Intermediate Term Series) and for Class B shares of Global Utility Fund, Nicholas-Applegate Fund, Inc. (Growth Equity Fund), Prudential California Municipal Fund (California Series), Prudential Equity Fund, Prudential Equity Income Fund, Prudential FlexiFund, Prudential Global Fund, Prudential Global Genesis Fund, Prudential Global Natural Resources Fund, Prudential GNMA Fund, Prudential Government Plus Fund, Prudential Growth Opportunity Fund, Prudential High Yield Fund, Prudential

IncomeVertibleR Plus Fund, Prudential Multi-Sector Fund, Prudential Municipal Bond Fund, Prudential Municipal Series Fund, Prudential National Municipals Fund, Prudential Research Fund, Prudential Short-Term Global Income Fund, Prudential Strategic Income Fund, Prudential Total Return Fund, Prudential U.S. Government Fund and Prudential Utility Fund.

Limitations on Liability

The Sponsor is liable for the performance of its obligations arising from its responsibilities under the Indenture, but will be under no liability to Unit Holders for taking any action or refraining from any action in good faith or for errors in judgment or responsible in any way for depreciation or loss incurred by reason of the sale of any Securities, except in case of willful misfeasance, bad faith, gross negligence or reckless disregard for its obligations and duties. (See ``Sponsor-- Responsibility.'')

Responsibility

The Trust is not a managed registered investment company and Securities will not be sold by the Trustee as a result of ordinary market fluctuations.

The Sponsor and/or an affiliate thereof intend to continuously monitor developments affecting the Securities in the Trust in order to determine whether the Trustee should be directed to dispose of any such Securities.

The Indenture permits the Sponsor to direct the Trustee to dispose of any Security in the Trust upon the happening of certain events, including without limitation, the following:

1. Default in the payment of principal or interest on any of the Securities when due and payable,

2. Institution of legal proceedings seeking to restrain or enjoin the payment of any of the Securities or attacking their validity,

3. A breach of covenant or warranty which could adversely affect the payment of debt service on the Securities,

4. Default in the payment of principal or interest on any other outstanding obligations of the same Issuer of any of the Securities,

5. A decline in market price to such an extent, or such other market or credit factor, as in the opinion of the Sponsor would make retention of any of the Securities detrimental to the Trust and to the interests of the Unit Holders, or

6. Refunding or refinancing of any Security, as set forth in the Indenture.

The proceeds resulting from the disposition of any Security in the Trust will be distributed as set forth under ``Rights of Unit Holders--Distribution of Interest and Principal.''

It is the responsibility of the Sponsor to instruct the Trustee to reject any offer made by an Issuer of any of the Securities to issue new obligations in exchange and substitution for any Securities pursuant to a refunding or refinancing plan, except that the Sponsor may instruct the Trustee to accept such an offer or to take any other action with respect thereto as the Sponsor may deem proper if the Issuer is in default with respect to such Securities or in the judgment of the Sponsor the Issuer will probably default in respect to such Securities in the foreseeable future.

Any obligations so received in exchange or substitution will be held by the Trustee subject to the terms and conditions of the Indenture to the same extent as Securities originally deposited thereunder. Within five days after the deposit of obligations in exchange or substitution for underlying Securities, the Trustee is required to give notice thereof to each Unit Holder, identifying the Securities eliminated and the Securities substituted therefor. Except as stated in this and the preceding paragraph, the acquisition by the Trust of any securities other than the Securities initially deposited is prohibited.

Resignation

If at any time the Sponsor shall resign under the Indenture or shall fail or be incapable of performing its duties thereunder or shall become bankrupt or its affairs are taken over by public authorities, the Indenture directs the Trustee to either (1) appoint a successor Sponsor or Sponsors at rates of compensation deemed reasonable by the Trustee not exceeding amounts prescribed by the Securities and Exchange Commission, (2) act as Sponsor itself without terminating the Trust, or (3) terminate the Trust. The Trustee will promptly notify Unit Holders of any such action.

TRUSTEE

The Trustee is United States Trust Company of New York, with its principal place of business at 114 West 47th Street, New York, New York 10036 and a corporate trust office at 770 Broadway, New York, New York 10003. United States Trust Company of New York has, since its establishment in 1853, engaged primarily in the management of trust and agency accounts for individuals and corporations. The Trustee is a member of the New York Clearing House Association and is subject to supervision and examination by the Superintendent of Banks of the State of New York, the Federal Deposit

Insurance Corporation and the Board of Governors of the Federal Reserve System. In connection with the storage and handling of certain Securities deposited in the Trust, the Trustee may use the services of The Depository Trust Company. These services may include safekeeping of the Securities and coupon-clipping, computer book-entry transfer and institutional delivery services. The Depository Trust Company is a limited purpose trust company organized under the Banking Law of the State of New York, a member of the Federal Reserve System and a clearing agency registered under the Securities Exchange Act of 1934.

Limitations on Liability

The Trustee shall not be liable or responsible in any way for depreciation or loss incurred by reason of the disposition of any moneys, Securities or Certificates or in respect of any evaluation or for any action taken in good faith reliance on prima facie properly executed documents except in cases of willful misfeasance, bad faith, gross negligence or reckless disregard for its obligations and duties. In addition, the Indenture provides that the Trustee shall not be personally liable for any taxes or other governmental charges imposed upon or in respect of each Trust which the Trustee may be required to pay under current or future laws of the United States or any other taxing authority having jurisdiction.

Responsibility

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'' and ``Sponsor--Resignation.''

Resignation

By executing an instrument in writing and filing the same with the Sponsor, the Trustee and any successor may resign. In such an event the Sponsor is obligated to appoint a successor trustee as soon as possible. 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. The Sponsor may also remove the Trustee for any other reason that the Sponsor determines to be in the best interest of the Unit Holders. Such resignation or removal shall become effective upon the acceptance of appointment by the successor trustee. If upon resignation of a trustee no successor has been appointed and has accepted the appointment within thirty 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.

EVALUATOR

The Evaluator is Kenny S&P Evaluation Services, a division of Kenny Information Systems, Inc., with main offices located at 65 Broadway, New York, New York 10006.

Limitations on Liability

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, the Sponsor, or Unit Holders for errors in judgment. But this provision shall not protect the

Evaluator in cases of willful misfeasance, bad faith, gross negligence or reckless disregard of its obligations and duties.

Responsibility

The Indenture requires the Evaluator to evaluate the Securities on the basis of their bid prices on the last business day of June and December in each year, on the day on which any Unit is tendered for redemption and on any other day such evaluation is desired by the Trustee or is requested by the Sponsor. For information relating to the responsibility of the Evaluator to evaluate the Securities on the basis of their bid prices, see ``Public Offering of Units--Public Offering Price.''

Resignation

The Evaluator may resign or may be removed by the Sponsor, and in such event, the Sponsor is to use its best efforts to appoint a satisfactory successor. Such resignation or removal shall become effective upon the acceptance of appointment by a successor evaluator. If upon resignation of the Evaluator no successor has accepted appointment within thirty days after notice of resignation, the Evaluator may apply to a court of competent jurisdiction for the appointment of a successor.

AMENDMENT AND TERMINATION OF THE INDENTURE

Amendment

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 interests of the Unit Holders; provided, that the Indenture may also be amended by the Sponsor and the Trustee (or the performance of any of the provisions of the Indenture may be waived) with the consent of Unit Holders evidencing 51% of the Units at the time outstanding for the purposes of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of modifying in any manner the rights of Unit Holders. In no event shall the Indenture be amended to increase the number of Units issuable thereunder, to permit the deposit or acquisition of securities or other property either in addition to or in substitution for any of the Securities initially deposited in the Trust, except for the substitution of certain refunding securities for such Securities as initially provided in the Indenture, or to provide the Trustee with the power to engage in business or investment activities not specifically authorized in the Indenture as originally adopted or so as to adversely affect the characterization of the Trust as a grantor trust for federal income tax purposes. In the event of any amendment, the Trustee is obligated to notify promptly all Unit Holders of the substance of such amendment.

Termination

The Trust may be terminated at any time by the consent of the holders of 51% of the Units or by the Trustee upon the direction of the Sponsor when the value of the Trust as shown on the last business day of June and December in any year is less than 40% of the principal amount of the Securities initially deposited therein. However, in no event may the Trust continue beyond the Mandatory Termination Date set forth under Part A--``Summary of Essential Information.'' In the event of termination, written notice thereof will be sent by the Trustee to all Unit Holders. Within a reasonable period after termination, the Trustee will sell any Securities remaining in the Trust, and, after paying all expenses and charges incurred by the Trust, will distribute to each Unit Holder, upon surrender for cancellation of his Certificate for Units, his pro rata share of the balances remaining in the Interest and Principal Accounts. The sale of 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. For this reason, among others, the amount realized by a Unit Holder upon termination may be less than the principal amount of Securities represented by the Units held by such Unit Holder.

LEGAL OPINIONS

Certain legal matters in connection with the Units offered hereby have been passed upon by Messrs. Cahill Gordon & Reindel, a partnership including a professional corporation, 80 Pine Street, New York, New York 10005, as special counsel for the Sponsor.

AUDITORS

The Statement of Financial Condition and Schedule of Portfolio Securities included in this Prospectus have been examined by Deloitte & Touche, certified public accountants, as stated in their report appearing herein, and are included in reliance upon such report given upon the authority of that firm as experts in accounting and auditing.

BOND RATINGS*

Standard & Poor's Corporation

A Standard & Poor's corporate or municipal bond rating is a current assessment of the creditworthiness of an obligor with respect to a specific debt obligation. This assessment of creditworthiness may take into consideration obligors such as guarantors, insurers, or lessees.

The debt rating is not a recommendation to purchase, sell or hold a security, inasmuch as it does not comment as to market price or suitability for a particular investor.

The ratings are based on current information furnished by the issuer or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any rating and may, on occasion, rely on unaudited financial information. The ratings may be changed, suspended or withdrawn as a result of changes in, or unavailability of, such information or based on other circumstances.

The ratings are based, in varying degrees, on the following considerations:

I. Likelihood of default--capacity and willingness of the obligor as to the timely payments of interest and repayment of principal in accordance with the terms of the obligation;

II. Nature of and provisions of the obligation; and

III. Protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganization or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights.

AAA--Debt rated AAA has the highest rating assigned by Standard & Poor's. Capacity to pay interest and repay principal is extremely strong.

AA--Debt rated AA has a very strong capacity to pay interest and repay principal and differs from the highest rated issues only in small degree.

A--Debt rated A has a strong capacity to pay interest and repay principal, although it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than debt in higher-rated categories.

BBB--Bonds rated BBB are regarded as having an adequate capacity to pay interest and repay principal. Whereas it normally exhibits adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal for debt in this category than in the higher-rated categories.

BB, B, CCC, CC, C--Debt rated BB, B, CCC, CC and C is regarded as having predominantly speculative characteristics with respect to capacity to pay interest and repay principal. BB indicates the least degree of speculation and C the highest. While such debt will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions.

C1--The rating C1 is reserved for income bonds on which no interest is being paid.

D--Debt rated D is in payment default. The D rating category is used when interest payments or principal payments are not made on the date due even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period. The D rating also will be used upon the filing of a bankruptcy petition if debt service payments are jeopardized.

Plus (+) or Minus (-): The ratings from ``AA'' to ``CCC'' may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

Provisional Ratings: The letter ``p'' following a rating indicates the rating is provisional. A provisional rating assumes the successful completion of the project being financed by the debt being rated and indicates that payment of debt service requirements is largely or entirely dependent upon the successful and timely completion of the project. This rating, however, while addressing credit quality subsequent to completion of the project, makes no comment on the likelihood of, or the risk of default upon failure of such completion. The investor should exercise his own judgment with respect to such likelihood and risk.

Under some circumstances, the continuance of a rating is contingent upon

Standard & Poor's receipt of an executed copy of the escrow agreement or closing documentation confirming investments and cash flows.

Bond Investment Quality Standards: Under present commercial bank regulations issued by the Comptroller of the Currency, bonds rated in the top four categories (AAA, AA, A, BBB, commonly known as ``investment grade'' ratings) are

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*As described by the rating agencies.

generally regarded as eligible for bank investment. In addition, the laws of various states governing legal investments impose certain rating or other standards for obligations eligible for investment by savings banks, trust companies, insurance companies and fiduciaries generally.

Moody's Investors Service

A brief description of the applicable Moody's Investors Service's rating symbols and their meanings is as follows:

Aaa--Bonds which are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as ``gilt edge''. Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa--Bonds which are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high grade bonds. Aa bonds are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risks appear somewhat larger than in Aaa securities.

A--Bonds which are rated A possess many favorable investment attributes and are to be considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate, but elements may be present which suggest a susceptibility to impairment sometime in the future.

Baa--Bonds which are rated Baa are considered as medium grade obligations; i.e., they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

Ba--Bonds which are rated Ba are judged to have speculative elements; their future cannot be considered as well-assured. Often the protection of interest and principal payments may be very moderate and thereby not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this class.

B--Bonds which are rated B generally lack characteristics of a desirable investment. Assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small.

Caa--Bonds which are rated Caa are of poor standing. Such issues may be default or there may be present elements of danger with respect to principal or interest.

Ca--Bonds which are rated Ca represent obligations which are speculative in a high degree. Such issues are often in default or have other marked shortcomings.

C--Bonds which are Rated C are the lowest rated class of bonds and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.

Rating symbols may include numerical modifiers 1, 2 or 3. The numerical modifier 1 indicates that the security ranks at the higher end, 2 in the mid-range, and 3 in the lower end of the generic category. These modifiers of rating symbols Aa, A, Baa, Ba and B are to give investors a more precise indication of relative debt quality in each of the historically defined categories.

NR--Not rated (credit characteristics comparable to CCC or better as determined by the Sponsor on the Date of Deposit) indicates, among other things, that no rating has been requested, that there is insufficient information on which to base a rating or that Standard & Poor's Corporation and Moody's Investors Service do not rate a particular type of obligation as a matter of policy. Subsequent to the Date of Deposit the credit characteristics of the issuers of the Securities may have changed. Currently, certain of the Securities in the Portfolio of the Trust may be unrated and have credit characteristics comparable to securities rated below CCC or Caa by Standard & Poor's Corporation and Moody's Investor Service, respectively. See Part A--``Schedule of Portfolio Securities'' to ascertain the ratings on the Securities if any, on the date of the Schedule of Portfolio Securities.