SECURITIES AND EXCHANGE COMMISSION

FORM 487

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

Filing Date: **1994-07-08**
SEC Accession No. 0000892916-94-000042

(HTML Version on secdatabase.com)

FILER

CORPORATE INCOME FD INSURED SERIES 24 DEFINED ASSET FDS

CIK:**895585**| State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **487** | Act: **33** | File No.: **033-51967** | Film No.: **94538197**

Business Address
450 LEXINGTON AVE
C/O DAVIS POLK &
WARDWELL
NEW YORK NY 10017
2125304540

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JULY 8, 1994

REGISTRATION NO. 33-51967

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

AMENDMENT NO. 1
TO
FORM S-6

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

A. EXACT NAME OF TRUST:

CORPORATE INCOME FUND

INSURED SERIES-24

DEFINED ASSET FUNDS
(A UNIT INVESTMENT TRUST)

B. NAMES OF DEPOSITORS:

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

SMITH BARNEY INC.

PRUDENTIAL SECURITIES INCORPORATED
DEAN WITTER REYNOLDS INC.
PAINEWEBBER INCORPORATED

C. COMPLETE ADDRESSES OF DEPOSITORS' PRINCIPAL EXECUTIVE OFFICES:

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED UNIT INVESTMENT TRUSTS DIVISION P.O. BOX 9051 PRINCETON, N.J. 08543-9051		SMITH BARNEY INC. TWO WORLD TRADE CENTER 101ST FLOOR NEW YORK, N.Y. 10048
PRUDENTIAL SECURITIES INCORPORATED ONE SEAPORT PLAZA 199 WATER STREET NEW YORK, N.Y. 10292	DEAN WITTER REYNOLDS INC. TWO WORLD TRADE CENTER 59TH FLOOR NEW YORK, N.Y. 10048	PAINEWEBBER INCORPORATED 1285 AVENUE OF THE AMERICAS NEW YORK, N.Y. 10019

D. NAMES AND COMPLETE ADDRESSES OF AGENTS FOR SERVICE:

TERESA KONCICK, ESQ. P.O. BOX 9051 PRINCETON, N.J. 08543-9051	DOUGLAS LOWE, ESQ. 130 LIBERTY STREET-29TH FLOOR NEW YORK, N.Y. 10006	LEE B. SPENCER, JR. ONE SEAPORT PLAZA 199 WATER STREET NEW YORK, N.Y. 10292
		COPIES TO:
THOMAS D. HARMAN, ESQ. 388 GREENWICH STREET NEW YORK, N.Y. 10013	ROBERT E. HOLLEY 1200 HARBOR BLVD. WEEHAWKEN, N.J. 07087	PIERRE DE SAINT PHALLE, ESQ. 450 LEXINGTON AVENUE NEW YORK, N.Y. 10017

E. TITLE AND AMOUNT OF SECURITIES BEING REGISTERED:

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

F. PROPOSED MAXIMUM OFFERING PRICE TO THE PUBLIC OF THE SECURITIES BEING REGISTERED:

Indefinite

G. AMOUNT OF FILING FEE:

$500 (as required by Rule 24f-2)

H. APPROXIMATE DATE OF PROPOSED SALE TO PUBLIC:

As soon as practicable after the effective date of the registration statement.
/ x /Check box if it is proposed that this filing will become effective at 9:30
a.m. on July 8, 1994 pursuant to Rule 487.

- --
- --

Defined
Asset FundsSM

<TABLE>
<S> <C>

	This Defined Fund is a portfolio of preselected
	securities formed for the purpose of providing safety of
Corporate	principal and a high level of current income through
Income Fund	investment in an insured, fixed portfolio
	consisting primarily of long-term debt obligations of
	domestic public utility companies issued after July 18,
	1984. This income is taxable for U.S. Holders but in the
	opinion of counsel is exempt from U.S. Federal income
	taxes, including withholding taxes, for many foreign
	Holders. Municipal Bond Investors Assurance Corporation
	guarantees scheduled payments of principal and interest
	on all Debt Obligations for as long as the Debt
	Obligations are retained in the Fund but does not
	guarantee the market value of the Debt Obligations or the
	value of the Units. The value of Units of the Fund will
	fluctuate with the value of the Portfolio of underlying
	Securities which will fluctuate with changes in interest
	rates,
	changes in the credit rating of the issuers and other
	factors. Units of the Fund are rated AAA by Standard &
	Poor's because all Debt
- --------------------	
INSURED SERIES--24	
A UNIT INVESTMENT	Obligations in the Fund are insured for as long as they
TRUST	are held in the Fund.
	The Estimated Current Return and Estimated Long Term
	Return
	figures shown give different information about the return
	to investors. Estimated Current Return on a Unit shows a
/ /INSURED	net annual
	current cash return based on the initial Public Offering
/ /MONTHLY INCOME	Price and
	the maximum applicable sales charge and is computed by
	multiplying the estimated net annual interest rate per
	Unit by $1,000 and dividing the result by the Public
	Offering Price per Unit (including the sales charge but
/ /AAA-RATED	not including accrued interest).
	Estimated Long Term Return shows a net annual long-term
	return
	to investors holding to maturity based on the yield on
	the individual bonds in the Portfolio, weighted to
	reflect the time to maturity (or in certain cases to an
	earlier call date) and market value of each bond in the
7.78%	Portfolio, adjusted to reflect the Public Offering Price
ESTIMATED CURRENT	(including the sales charge) and estimated expenses.
RETURN	Unlike Esti-
	mated Current Return, Estimated Long Term Return takes
	into account maturities of the underlying Securities and
7.84%	discounts and premiums. Distributions of income on Units
ESTIMATED LONG TERM	are generally subject to certain delays; if the Estimated
RETURN	Long Term Return figures shown
	took these delays into account, it would be lower. Both
	Estimated Current Return and Estimated Long Term Return
	are subject to fluctuations with changes in Portfolio
	composition (including the redemption, sale or other
AS OF JULY 7, 1994	disposition of Securities in the Portfolio),
U.S. TAX EXEMPT FOR	
FOREIGN	changes in the market value of the underlying Securities
INVESTORS WHEN	and changes in fees and expenses. Estimated cash flows

CERTAIN CONDITIONS ARE MET	for the Fund are available upon request from the Sponsors at no charge. Minimum purchase: 1 Unit.

</TABLE>

<TABLE>

<S>	<C>
Merrill Lynch, Pierce, Fenner & Smith Inc. Smith Barney Inc. PaineWebber Incorporated Prudential Securities Incorporated Dean Witter Reynolds Inc.	THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. Inquiries should be directed to the Trustee at 1-800-338-6019. Prospectus dated July 8, 1994. Read and retain this Prospectus for future reference.

</TABLE>

Defined Asset Fundssm is America's oldest and largest family of unit investment trusts, with over $90 billion sponsored since 1970. Each Defined Fund is a portfolio of preselected securities. The portfolio is divided into 'units' representing equal shares of the underlying assets. Each unit receives an equal share of income and principal distributions.

With Defined Asset Funds you know in advance what you are investing in and that changes in the portfolio are limited. Most defined bond funds pay interest monthly and repay principal as bonds are called, redeemed, sold or as they mature. Defined equity funds offer preselected stock portfolios with defined termination dates.

Your financial advisor can help you select a Defined Fund to meet your personal investment objectives. Our size and market presence enable us to offer a wide variety of investments. Defined Funds are available in the following types of securities: municipal bonds, corporate bonds, government bonds, utility stocks, growth stocks, even international securities denominated in foreign currencies.

Termination dates are as short as one year or as long as 30 years. Special funds are available for investors seeking extra advantages: insured funds, double and triple tax-free funds, and funds with 'laddered maturities' to help protect against rising interest rates. Defined Funds are offered by prospectus only.

- ---

Contents

<TABLE>

</TABLE>

INVESTMENT SUMMARY AS OF JULY 7, 1994 (THE BUSINESS DAY PRIOR TO THE INITIAL DATE OF DEPOSIT)(A)

ESTIMATED CURRENT RETURN(B) (based on Public Offering Price)	7.78%
ESTIMATED LONG TERM RETURN(B) (based on Public Offering Price)	7.84%
PUBLIC OFFERING PRICE PER UNIT (including 4.50% sales charge)	$ 970.11(C)
FACE AMOUNT OF SECURITIES--	$ 6,000,000
INITIAL NUMBER OF UNITS(D)--	6,000
SPONSORS' REPURCHASE PRICE AND REDEMPTION PRICE PER UNIT(E) (based on bid side evaluation)	$ 921.46(C)
FRACTIONAL UNDIVIDED INTEREST IN FUND REPRESENTED BY EACH UNIT--	1/6,000TH
CALCULATION OF PUBLIC OFFERING PRICE	
Aggregate offer side evaluation of Securities in Fund.........................	$ 5,558,750.00
Divided by 6,000 Units.......	$ 926.46
Plus sales charge of 4.50% of Public Offering Price (4.712% of net amount invested in Securities)(F)...............	43.65
Public Offering Price per Unit............................	$ 970.11
Plus accrued interest(G)...	1.46
Total.....................	$ 971.57

CALCULATION OF ESTIMATED NET ANNUAL INTEREST RATE PER UNIT (based on face amount of $1,000 per Unit)	
Annual interest rate per Unit......	7.912%
Less estimated annual expenses per Unit ($1.60) expressed as a percentage(H)	.160%
Less annual insurance premium per Unit ($2.04 per Unit or $12,245.00 in the aggregate) expressed as a percentage............	.204%
Estimated net annual interest rate per Unit.......................	7.548%
DAILY RATE AT WHICH ESTIMATED NET INTEREST ACCRUES PER UNIT............	.0209%

PREMIUM AND DISCOUNT ISSUES IN PORTFOLIO		
Face amount of Securities with offer side evaluation:		
	at a discount from par--	100%

MONTHLY INCOME DISTRIBUTIONS	
First distribution to be paid on the 25th day of October, 1994 to Holders of record on the 10th	

day of October, 1994...........	$	6.58
Calculation of second and following distributions, to be paid on the 25th day of each month:		
Estimated net annual interest rate per Unit times $1,000...	$	75.48
Divided by 12...............	$	6.29
REDEMPTION PRICE PER UNIT LESS THAN:		
Public Offering Price by........	$	48.65
Sponsors' Initial Repurchase Price by.............................	$	5.00
RECORD DAY--The 10th day of each month		
DISTRIBUTION DAY--The 25th day of each month		
MINIMUM CAPITAL DISTRIBUTION--No distribution need be made from Capital Account if balance is less than $5.00 per Unit.		
SPONSORS' PROFIT ON DEPOSIT..........	$	27,420.00
TRUSTEE'S ANNUAL FEE AND EXPENSES(I) $1.60 per Unit (see Expenses and Charges)		
PORTFOLIO SUPERVISION FEE(J) Maximum of $0.35 per $1,000 face amount of underlying Debt Obligations (see Expenses and Charges)		
EVALUATOR'S FEE FOR EACH EVALUATION Minimum of $14.00 (see Expenses and Charges)		
EVALUATION TIME 3:30 P.M. New York Time		
MANDATORY TERMINATION DATE Trust must be terminated no later than one year after the maturity date of the last maturing Debt Obligation listed under Portfolio (see Portfolio)		
MINIMUM VALUE OF FUND Trust may be terminated if value of Fund is less than 40% of the value of the Securities in the Portfolio on their date of deposit.		

</TABLE>

- ------------

(a) The Indenture was signed and the initial deposit was made on the date of this Prospectus.

(b) Estimated Current Return represents annual interest income after estimated annual expenses divided by the maximum public offering price including a 4.50% maximum sales charge. Estimated Long Term return is the net annual percentage return based on the yield on each underlying Debt Obligation weighted to reflect market value and time to maturity or earlier call date. Estimated Long Term return is adjusted for estimated expenses and the maximum offering price but not for delays in the Fund's distribution of income. Estimated Current Return shows current annual cash return to investors while Estimated Long Term Return shows the return on Units held to maturity, reflecting maturities, discounts and premiums on underlying Debt Obligations. Each figure will vary with purchase price including sales charge, changes in Fund income and the redemption, sale or other disposition of Debt Obligations in the Portfolio.

(c) Plus accrued interest.

(d) The Sponsors may create additional Units during the offering period of the Fund.

(e) During the initial offering period, the Fund's Sponsors intend to offer to purchase Units at prices based on the offer side value of the underlying Securities. Thereafter, the Sponsors intend to maintain such a market based on the bid side value of the underlying Securities which will be equal to the Redemption Price. (See Market for Units.)

(f) The sales charge during the initial offering period and in the secondary market will be reduced on a graduated scale in the case of quantity purchases (see Public Sale of Units--Public Offering Price). The resulting reduction in the Public Offering Price will increase the effective current and long term returns on a Unit.

(g) Figure shown represents interest accrued on underlying Securities from the Initial Date of Deposit to expected date of settlement (normally five business days after purchase) for Units purchased on the Initial Date of Deposit (see Description of the Fund--Income; Estimated Current Return; Estimated Long Term Return).

(h) Assumes the Fund will reach a size estimated by the Sponsors; expenses will vary with the size of the Fund.

(i) Of this amount the Trustee receives annually $0.70 per $1,000 face amount of Securities for its services as Trustee, subject to reduction as the size of the Fund increases. The Trustee's Annual Fee and Expenses also includes the Portfolio Supervision Fee and Evaluator's Fee set forth herein.

(j) In addition to this amount the Sponsors may be reimbursed for bookkeeping or other administrative expenses not exceeding their actual costs, currently at a maximum annual rate of $0.10 per Unit.

INVESTMENT SUMMARY AS OF JULY 7, 1994 (CONTINUED)

OBJECTIVE OF THE FUND--To provide safety of principal and a high level of current income which, while taxable to U.S. Holders, is in the opinion of counsel exempt from U.S. Federal income taxes, including withholding taxes, for many foreign Holders through investment in an insured fixed portfolio consisting primarily of fixed income long-term debt obligations of public utilities issued after July 18, 1984. There is no assurance that this objective will be met because it is subject to the continuing ability of issuers and the Insurer of the Debt Obligations held by the Fund to meet their obligations as to the payment of principal and interest. Furthermore, the market value of the underlying Debt Obligations, and therefore the value of the Units, will fluctuate with changes in interest rates, changes in the credit quality of the Debt Obligations and other factors. However, because the Debt Obligations are insured for as long as they are retained in the Fund, Units of the Fund are rated AAA by Standard & Poor's.

PORTFOLIO AT A GLANCE--

DIVERSIFICATION--The Portfolio contains obligations of 10 issuers representing 10 public utility companies. Because of possible maturity, sale or other disposition of Securities, the size, composition and return of the Portfolio may change at any time.

INVESTMENT QUALITY--Units of the Fund are rated AAA by Standard & Poor's.

LONG-TERM MATURITIES--The issues have maturity dates ranging from 2022 to 2025.

CALL PROTECTION--Issuers are usually able to redeem bonds under optional refunding and sinking fund provisions. Optional refunding redemptions, which may redeem all or part of an issue, are in most cases initially at a premium, and then in subsequent years at declining prices, but typically not below par value. Approximately 8% of the aggregate face amount of the Debt Obligations are currently subject to optional refunding redemptions at prices initially not less than 106.14% of par; approximately 92% of the Debt Obligations are subject to optional refunding redemptions but not before 1996, at prices initially not less than 102.69% of par (see Portfolio). Bonds are also generally subject to mandatory sinking fund redemptions at par over the life of the issue and may also provide for redemption at par prior or in addition to any optional or mandatory redemption dates or maturity, for example, through operation of a maintenance and replacement fund, if proceeds are not able to be used as contemplated, the project is condemned or sold or the project is destroyed and insurance proceeds are used to redeem the bonds.

DEBT OBLIGATIONS--The 10 issues were issued by 10 public utility companies. (See Risk Factors for a brief summary of certain investment risks pertaining to the obligations held by the Fund.)

Insurance has been obtained by the Fund from the Municipal Bond Investors Assurance Corporation ('MBIA' or the 'Insurer') guaranteeing the scheduled payment of principal and interest on the Debt Obligations. This insurance ('Portfolio Insurance') relates only to the Debt Obligations and not to the Units offered hereby and applies only while those Debt Obligations are retained in the Fund. However, pursuant to an irrevocable commitment obtained from MBIA, in the event of the sale of a Debt Obligation, the Trustee has the right to obtain permanent insurance ('Permanent Insurance') for the Debt Obligation upon payment of a single predetermined premium from the proceeds of the sale of the Debt Obligation. Therefore, any Debt obligation is eligible to be sold from the Fund as an insured obligation. No representation is made as to the ability of the Insurer to meet its commitments. If the Trustee had exercised on the Date of Deposit the right to obtain Permanent Insurance with respect to all of the Debt Obligations, the aggregate premium payable therefor would have been about $145,303.00, or $24.22 per Unit. (See Fund Structure--Insurance.)

The Sponsors may deposit additional Securities in the Fund (where additional Units are to be offered to the public) subsequent to the Initial Date of Deposit (see Fund Structure).

RISK FACTORS--Investment in the Fund should be made with an understanding that the value of the underlying Portfolio may decline with increases in interest rates. In recent years, there have been wide fluctuations in interest rates and thus in the value of fixed-rate, long term debt obligations generally. The Sponsors cannot predict whether these fluctuations will continue in the future. In addition, since the Portfolio Insurance only applies to Debt Obligations while they are retained in the Fund, the value of the Debt Obligations in the Portfolio (and hence the value of the Units) may decline if the credit quality of any of the Debt Obligations is reduced (see Fund Structure--Insurance). In addition, 100% of the aggregate face amount of the Portfolio consists of Debt Obligations of public utility companies (including telecommunications companies)*.

- ---------------

* A Fund is considered to be 'concentrated' in a particular category when the Debt Obligations in that category constitute 25% or more of the aggregate face amount of the Portfolio.

Defined
Asset Funds

Defined
Corporate
Income
Funds

Investor's Guide

Corporate
Income Fund

- --------------------

INSURED SERIES

Our defined portfolios of corporate bonds offer investors a simple and convenient way to earn monthly income. And by purchasing corporate Defined Funds, investors not only avoid the problem of selecting corporate bonds by themselves, but also gain the advantage of diversification by investing in bonds of several different issuers.

Monthly Income

Even though the securities in the portfolio pay interest semi-annually or annually, the Fund will make monthly distributions of net interest income.

Reinvestment Option

You can elect to automatically reinvest your distributions into a separate portfolio of corporate bonds. Reinvesting helps to compound your income and keeps your capital continuously working for you.

AAA Rated and Insured

Each bond in the Fund is unconditionally and irrevocably insured as to payment of interest and principal for as long as the bond is retained in the Fund. As a result the units of the Fund have received Standard & Poor's highest rating of AAA, which indicates a Fund holding securities with an extremely strong capacity to pay interest and repay principal. Insurance guarantees payment of scheduled principal and interest but not market value, which fluctuates with changes in interest rates, changes in the credit quality of the underlying bonds and other factors.

Professional Selection and Supervision

Each bond in the Fund has been selected by experienced buyers and market analysts. Spreading your investment among different securities and issuers reduces your risk, but does not eliminate it. The Fund is not actively managed. However, the bonds in the portfolio and/or their Insurer are regularly reviewed and a security can be sold if retaining it would be detrimental to investors' interests.

A Liquid Investment

Although not legally required to do so, we have maintained a secondary market for Defined Asset Funds for over 20 years. You can cash in your units at any time. Your price is based on the market value of the Fund's securities at that time as determined by an independent evaluator. Or, you can exchange your investment for another Defined Fund at a reduced sales charge. There is never a fee for cashing in your investment.

Principal Distributions

Principal from sales, redemptions and maturities of bonds in the Fund is distributed to investors periodically.

Risk Factors

Unit price fluctuates and is affected by interest rates as well as the financial condition of the issuers and the insurer of the bonds.

This page may not be distributed unless included in a current prospectus. Investors should refer to the prospectus for further information.

The Portfolio consists primarily of publicly held Securities which, in many cases, do not have the benefit of covenants which would prevent the issuer from engaging in capital restructurings or borrowing transactions in connection with corporate acquisitions, leveraged buy outs or restructurings which could have the effect of reducing the ability of the issuer to meet its debt obligations and might result in the ratings of the Securities and the value of the underlying Portfolio being reduced. (See Risk Factors for a brief summary of certain investment risks pertaining to the obligations held by the Fund.)

The Securities are generally not listed on a national securities exchange. Whether or not the Securities are listed, the principal trading market for the Securities will generally be in the over-the-counter market. As a result, the existence of a liquid trading market for the Securities may depend on whether dealers will make a market in the Securities. There can be no assurance that a market will be made for any of the Securities, that any market for the Securities will be maintained or of the liquidity of the Securities in any markets made. In addition, the Fund may be restricted under the Investment Company Act of 1940 from selling Securities to any Sponsor. The price at which the Securities may be sold to meet redemptions and the value of the Fund will be adversely affected if trading markets for the Securities are limited or absent.

MONTHLY DISTRIBUTIONS--Monthly distributions of interest and any principal or premium received by the Fund will be made in cash on or shortly after the 25th day of each month to Holders of record on the tenth day of such month commencing with the first distribution on the date indicated on p A-3 (see Administration of the Fund--Accounts and Distributions). Alternatively, Holders may elect to have their monthly distributions reinvested in The Corporate Fund Accumulation Program, Inc. It should be noted, however, that interest distributions to foreign Holders from the program will be subject to U.S. Federal income taxes, including withholding taxes. Further information about the program, including a current prospectus, may be obtained by returning the enclosed form.

PUBLIC OFFERING PRICE--During the initial offering period and any offering of additional units, the Public Offering Price of the Units is based on the aggregate offer side evaluation of the underlying Securities (the price at which they could be directly purchased by the public assuming they were available), divided by the number of Units outstanding, plus a sales charge of 4.712%* of such offering side evaluation per Unit (the net amount invested); this results in a sales charge of 4.50%* of the Public Offering Price. The secondary market Public Offering Price is based on the bid side evaluation of the underlying Securities, plus a sales charge of 5.820%* of the bid side evaluation per Unit; this results in a sales charge of 5.50%* of the secondary market Public Offering Price. Units are offered at the Public Offering Price computed as of the Evaluation Time for all sales made subsequent to the previous evaluation plus cash per Unit in the Capital Account not allocated to the purchase of specific Securities and net interest accrued. The Public Offering Price on the Initial Date of Deposit, and on subsequent dates, will vary from the Public Offering Price set forth on p A-3. (See Public Sale of Units--Public Offering Price; Redemption.)

ESTIMATED CURRENT RETURN; ESTIMATED LONG TERM RETURN--Estimated Current Return on a Unit shows the return based on the Public Offering Price and the maximum applicable sales charge of 4.50%* and is computed by multiplying the estimated net annual interest rate per Unit (which shows the return per Unit based on $1,000 face amount) by $1,000 and dividing the result by the Public Offering Price per Unit (not including accrued interest). Estimated Long Term Return on a Unit of the Fund shows a net annual long-term return to investors holding to maturity based on the yield on the individual Debt Obligations in the Portfolio weighted to reflect the time to maturity (or in certain cases to an earlier call date) and market value of each Debt Obligation in the Portfolio, adjusted to reflect the Public Offering Price (including the maximum applicable sales charge of 4.50%*) and estimated expenses. The net annual interest rate per Unit and the net annual long-term return to investors will vary with changes in the fees and expenses of the Trustee and Sponsors and the fees of the Evaluator which are paid by the Fund, and with the maturity, exchange, redemption, sale, prepayment or maturity of the underlying Securities; the Public Offering Price will vary with any reduction in sales charges paid in the case of quantity purchases, as well as with fluctuations in the offer side evaluation of the underlying Securities. Therefore, it can be expected that the Estimated Current Return and Estimated Long Term Return will fluctuate in the future. (See Description of the Fund--Income; Estimated Current Return; Estimated Long Term Return.)

- ---------------

* The sales charge during the initial offering period and in the secondary

market will be reduced on a graduated scale in the case of purchases of 250 or more Units (see Public Sale of Units--Public Offering Price).

CORPORATE INCOME FUND
INSURED SERIES
DEFINED ASSET FUNDS

I want to learn more about automatic reinvestment in the Investment Accumulation Program. Please send me information about participation in the Corporate Fund Accumulation Program, Inc. and a current Prospectus.

My name (please print) ____

My address (please print):
Street and Apt. No. ____
City, State, Zip Code ____

This page is a self-mailer. Please complete the information above, cut along the dotted line, fold along the lines on the reverse side, tape, and mail with the Trustee's address displayed on the outside.

<TABLE>
<S> <C>

NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

BUSINESS REPLY MAIL
FIRST CLASS PERMIT NO. 7036 BOSTON, MA
POSTAGE WILL BE PAID BY ADDRESSEE
INVESTORS BANK & TRUST COMPANY
P.O. BOX 1537
BOSTON, MA 02205-1537
</TABLE>

- --
(Fold along this line.)

- --
(Fold along this line.)

INVESTMENT SUMMARY AS OF JULY 7, 1994 (CONTINUED)

FEE TABLE

THIS FEE TABLE IS INTENDED TO ASSIST INVESTORS IN UNDERSTANDING THE COSTS AND EXPENSES THAT AN INVESTOR IN THE FUND WILL BEAR DIRECTLY OR INDIRECTLY. SEE PUBLIC SALE OF UNITS AND EXPENSES AND CHARGES. ALTHOUGH THE FUND IS A UNIT INVESTMENT TRUST RATHER THAN A MUTUAL FUND, THIS INFORMATION IS PRESENTED TO PERMIT A COMPARISON OF FEES.

UNITHOLDER TRANSACTION EXPENSES	
Maximum Sales Charge Imposed on Purchases during the Initial Offering Period (as a percentage of Public Offering Price)	4.50%
Maximum Sales Charge Imposed on Purchases during the Secondary Offering Period (as a percentage of Public Offering Price)	5.50%
ESTIMATED ANNUAL FUND OPERATING EXPENSES (AS A PERCENTAGE OF AVERAGE NET ASSETS1)	
Trustee's Fee	.076%
Portfolio Supervision, Bookkeeping and Administrative Fees	.049%
Other Operating Expenses	.048%
Total	.173%

- ---------------

1 Based on the mean of the bid and the offer side evaluations; this figure may

differ from that set forth as estimated annual expenses per unit expressed as a percentage on page A-3.

EXAMPLE	CUMULATIVE EXPENSES PAID FOR PERIOD OF: 1 YEAR	3 YEARS	5 YEARS	10 YEARS
An investor would pay the following expenses on a $1,000 investment, assuming the Fund's estimated operating expense ratio of .173% and a 5% annual return on the investment throughout the periods......................................	$45	$47	$49	$51

The Example assumes reinvestment of all distributions into additional Units of the Fund (a reinvestment option different from that offered by this Fund--see Administration of the Fund--Investment Accumulation Program) and utilizes a 5% annual rate of return as mandated by Securities and Exchange Commission regulations applicable to mutual funds. In addition to the charges described above, a Holder selling or redeeming his Units in the secondary market (before the Fund terminates) will receive a price based on the then-current bid side evaluation of the underlying securities. The difference between this bid side evaluation and the offer side evaluation (the basis for the Public Offering Price), as of the day before the Initial Date of Deposit, is $5.00 per Unit. Of course, this difference may change over time. The Example should not be considered a representation of past or future expenses or annual rate of return; the actual expenses and annual rate of return may be more or less than those assumed for purposes of the Example.

TAXATION--In the opinion of special counsel to the Sponsors, each Holder will be considered to have received the interest on his pro rata portion of each Debt Obligation when interest on the Debt Obligation is received by the Fund. This interest is taxable for U.S. Holders but exempt from U.S. Federal income taxes, including withholding taxes, for many foreign Holders. None of the Debt Obligations has been issued at an original issue discount. (See Taxes.)

MARKET FOR UNITS--The Sponsors, though not obligated to do so, intend to maintain a secondary market for Units based on the aggregate bid side evaluation of the underlying Securities (see Market for Units). If such market is not maintained, a Holder will be able to dispose of his Units through redemption at prices also based on the aggregate bid side evaluation of the underlying Securities (see Redemption). There is no fee for selling Units. Market conditions may cause the prices available in the market maintained by the Sponsors or available upon exercise of redemption rights to be more or less than the total amount paid for Units plus accrued interest.

PRIVATE PLACEMENTS; UNDERWRITING--None of the Sponsors has participated as sole underwriter, managing underwriter or member of an underwriting syndicate from which the Securities in the Portfolio were acquired.

REPLACEMENT SECURITIES--The Indenture permits the deposit of Replacement Securities under certain circumstances described under Administration of the Fund--Portfolio Supervision. The Securities on the current list from which these Securities are to be selected are:

Florida Power and Light Company, First Mortgage Bonds, 7.625% due 6/1/24

Duquesne Light Company, First Collateral Trust, 8.375% due 5/15/24

UNDERWRITING ACCOUNT

The names and addresses of the Underwriters and their several interests in the Underwriting Account are:

Merrill Lynch, Pierce, Fenner & Smith Incorporated	P.O. Box 9051, Princeton, N.J. 08543-9051	74.17%
Smith Barney Inc.	Two World Trade Center--101st Floor, New York, N.Y. 10048	4.17
PaineWebber Incorporated	1285 Avenue of the Americas, New York, N.Y. 10019	4.17
Prudential Securities Incorporated	One Seaport Plaza--199 Water Street, New York, N.Y. 10292	6.66
Dean Witter Reynolds Inc.	Two World Trade Center, 59th Floor, New York, N.Y. 10048	8.33

Gruntal & Co. Incorporated	14 Wall Street, New York, N.Y. 10001	1.67
Mabon Securities Corporation	165 Broadway, New York, N.Y. 10006	.83
		100.00%

</TABLE>

REPORT OF INDEPENDENT ACCOUNTANTS

The Sponsor, Co-Trustees and Holders of Corporate Income Fund,
Insured Series--24, Defined Asset Funds:

We have audited the accompanying statement of condition, including the portfolio, of Corporate Income Fund, Insured Series--24, Defined Asset Funds as of July 8, 1994. This financial statement is the responsibility of the Co-Trustees. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. The deposit on July 8, 1994 of an irrevocable letter or letters of credit for the purchase of securities, as described in the statement of condition, was confirmed to us by Investors Bank & Trust Company, a Co-Trustee. An audit also includes assessing the accounting principles used and significant estimates made by the Co-Trustees, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Corporate Income Fund, Insured Series--24, Defined Asset Funds at July 8, 1994 in conformity with generally accepted accounting principles.

DELOITTE & TOUCHE
New York, N.Y.

July 8, 1994

CORPORATE INCOME FUND

INSURED SERIES--24

DEFINED ASSET FUNDS

STATEMENT OF CONDITION AS OF INITIAL DATE OF DEPOSIT, JULY 8, 1994

<TABLE>

<S>	<C>	<C>
TRUST PROPERTY		
Investment in Securities(1):		
Contracts to purchase Securities......................		$ 5,558,750.00
Accrued interest to Initial Date of Deposit on underlying Securities...		88,075.01
Total...		$ 5,646,825.01
LIABILITY AND INTEREST OF HOLDERS		
Liability--Accrued interest to Initial Date of Deposit on underlying Securities(2)..................................		$ 88,075.01
Interest of Holders--		
6,000 Units of fractional undivided interest outstanding:		
Cost to investors(3)................................	$ 5,820,650.00	
Gross underwriting commissions(4).....................	(261,900.00)	

Net amount applicable to investors	5,558,750.00
Total	$ 5,646,825.01

</TABLE>

- ------------

(1) Aggregate cost to the Fund of the Securities listed under Portfolio is based on the offering side evaluation determined by the Evaluator at the Evaluation Time on the business day prior to the Initial Date of Deposit as set forth under Public Sale of Units--Public Offering Price. See also the column headed Cost of Securities to Fund under Portfolio. An irrevocable letter or letters of credit in the amount of $5,627,317.50 has been deposited with the Trustee. The amount of such letter or letters of credit includes $5,531,330.00 (equal to the purchase price to the Sponsors) for the purchase of $6,000,000 face amount of Securities in connection with contracts to purchase Securities, plus $95,987.50 covering accrued interest to the earlier of the date of settlement for the purchase of Units or the date of delivery of the Securities. The letter or letters of credit has been issued by The Sakura Bank, Limited, New York Branch.

(2) Representing, as set forth under Description of the Fund--Income; Estimated Current Return; Estimated Long Term Return, a special distribution by the Trustee of an amount equal to accrued interest on the Securities as of the Initial Date of Deposit.

(3) Aggregate public offering price (exclusive of interest) computed on the basis of the offering side evaluation of the underlying Securities as of the Evaluation Time on the Business Day prior to the Initial Date of Deposit.

(4) Assumes sales charge of 4.50% on all Units computed on the basis set forth under Public Sale of Units--Public Offering Price.

PORTFOLIO OF CORPORATE INCOME FUND, ON THE INITIAL DATE OF DEPOSIT,

INSURED SERIES--24 July 8, 1994

DEFINED ASSET FUNDS

<TABLE>

	PORTFOLIO NO. AND SECURITIES CONTRACTED FOR	RATINGS OF ISSUES(1) STANDARD & POOR'S	MOODY'S	FACE AMOUNT	COUPON	MATURITIES	OPTIONAL REFUNDING REDEMPTIONS (2)	SINKING FUND REDEMPTIONS (2)
1.	Duke Power Company, First and Refunding Mortgage Bonds	AA	Aa2	$ 500,000	7.875%	5/1/24	5/1/99@ 103.59	--
2.	Georgia Power Company, First Mortgage Bonds	A	A2	500,000	7.950	2/1/23	currently@ 106.14	--
3.	Houston Lighting and Power, First Mortgage Bonds	A	A2	1,000,000	7.500	7/1/23	7/1/03@ 103.51	--
4.	Jersey Central Power and Light Company, First Mortgage Bonds	BBB+	A3	500,000	7.500	5/1/23	4/27/03@ 103.33	--
5.	New York Telephone Company, Debentures	A	A2	500,000	7.250	2/15/24	2/15/04@ 103.06	--
6.	Pacific Gas and Electric Company, First Mortgage Bonds	A	A1	500,000	8.250	11/1/22	12/1/02@ 103.14	--
7.	PECO Energy, First and Refunding Mortgage Bonds	BBB+	Baa1	500,000	8.250	9/1/22	9/1/97@ 105.20	--
8.	Public Service Electric and Gas Company, First and Refunding Mortgage Bonds, Series OO	A	A2	500,000	7.500	3/1/23	3/1/98@ 105.38	--
9.	Southern California Edison Company, First Mortgage Bonds	A+	Aa3	1,000,000	8.875	6/1/24	6/1/96@ 103.68	--
10.	Texas Utilities Company, First Mortgage Bonds	BBB	Baa2	500,000	7.625	7/1/25	7/1/03@ 102.69	--
				$ 6,000,000				

<CAPTION>

COST OF SECURITIES	YIELD TO MATURITY ON INITIAL DATE OF

	TO FUND (3)	DEPOSIT (3)	
<S>	<C>	<C>	
1.	$ 471,250.00	8.400	%
2.	469,375.00	8.520	
3.	892,500.00	8.500	
4.	445,000.00	8.520	
5.	434,375.00	8.460	
6.	484,375.00	8.540	
7.	469,375.00	8.840	
8.	443,750.00	8.550	
9.	997,500.00	8.890	
10.	451,250.00	8.520	
	$ 5,558,750.00		

</TABLE>

(See Notes on following page)

- ------------

NOTES

(1) These ratings do not reflect the fact that the scheduled principal and interest payments for all the Debt Obligations, while retained in the Fund, will be insured by MBIA. The MBIA Insurance is effective only while the Debt Obligations are retained in the Fund. Any rating followed by '*' is subject to submission and review of final documentation. Any rating followed by 'p' is provisional and assumes the successful completion of the project being financed.

(2) Bonds are first subject to optional redemptions (which may be exercised in whole or in part) on the dates and at the prices indicated under the Optional Refunding Redemptions column in the table. In subsequent years bonds are redeemable at declining prices, but typically not below par value. Some issues may be subject to sinking fund redemption or extraordinary redemption without premium prior to the dates shown.

Certain Debt Obligations may provide for redemption at par prior or in addition to any optional or mandatory redemption dates or maturity, for example, through the operation of a maintenance and replacement fund, if proceeds are not able to be used as contemplated, the project is condemned, sold or the project is destroyed and insurance proceeds are used to redeem the Debt Obligations or in other special circumstances.

Sinking fund redemptions are all at par and generally redeem only part of an issue. Some of the Securities have mandatory sinking funds which contain optional provisions permitting the issuer to increase the principal amount of bonds called on a mandatory redemption date. The sinking fund redemptions with optional provisions may, and optional refunding redemptions generally will, occur at times when the redeemed Securities have an offering side evaluation which represents a premium over par. To the extent that the Securities were acquired at a price higher than the redemption price, this will represent a loss of capital when compared with the original Public Offering Price of the Units. Monthly distributions will generally be reduced by the amount of the income which would otherwise have been paid with respect to redeemed Securities and there will be distributed to Holders any principal amount and premium received on such redemption after satisfying any redemption requests received by the Fund. The estimated current return and estimated long term return in this event may be affected by redemptions. The tax effect on Holders of redemptions and related distributions is described under Taxes.

(3) Evaluation of Securities by the Evaluator made on the basis of current offering side evaluation. The offering side evaluation is greater than the current bid side evaluation of the Securities, which is the basis on which

Redemption Price per Unit is determined (see Redemption herein). The aggregate value based on the bid side evaluation at the Evaluation Time on the business day prior to the Initial Date of Deposit was $5,528,750.00 which is $30,000.00 (0.5% of the aggregate face amount) lower than the aggregate Cost of Securities to Fund based on the offering side evaluation.

Yield to Maturity on the Initial Date of Deposit of Securities was computed on the basis of the offering side evaluation at the Evaluation Time on the business day prior to the Initial Date of Deposit. Percentages in this column represent Yield to Maturity on Initial Date of Deposit unless followed by '+' which indicates yield to an earlier redemption date. (See Description of the Fund--Income; Estimated Current Return; Estimated Long Term Return for a description of the computation of yield price.)

All Debt Obligations are represented entirely by contracts to purchase such Debt Obligations, which were entered into by the Sponsors on July 7, 1994. All contracts are expected to be settled by the initial settlement date for the purchase of Units. All Debt Obligations have been insured by MBIA for the period that they are retained by the Fund (see Fund Structure--Insurance).

CORPORATE INCOME FUND
DEFINED ASSET FUNDS
PROSPECTUS PART B
INSURED SERIES
INTERMEDIATE TERM SERIES
MONTHLY PAYMENT SERIES

DESCRIPTION OF FUND INVESTMENTS

PORTFOLIO SELECTION

Experienced professional buyers and research analysts for Defined Asset Funds, with information on the markets for suitable securities and on thousands of issues, selected securities for the Fund's portfolio (the 'Portfolio'), considering its investment objective and other factors including: (i) the quality of the Debt Obligations, as evidenced by a rating in the category A or better by at least one recognized rating organization (see Appendix A) or comparable credit enhancement or (in the opinion of Defined Asset Funds research) credit characteristics; (ii) yield and price relative to comparable securities; (iii) diversification of the Portfolio, subject to availability of suitable debt obligations; (iv) maturities (including call protection); and (v) whether the Debt Obligations were issued after July 18, 1984, if interest thereon is U.S. source income. There is no leverage or borrowing to increase the risk to the Fund, nor does the Portfolio contain other kinds of securities to enhance yield.

Composition of the Portfolio is summarized under Investment Summary and the names and certain characteristics of the debt obligations in the Portfolio (the 'Debt Obligations' or the 'Securities') are listed in the financial statements.

Yields on debt obligations depend on factors including general conditions of the corporate bond market and the general bond markets, size of a particular offering, and the maturity and rating of the particular issue. Ratings represent opinions of the rating organizations as to the quality of securities rated, but these are general (not absolute) standards of quality. Yields can vary among obligations with similar maturities, coupons and ratings.

Neither the Sponsors nor the Trustee are liable for any default, failure or defect in a Security. If a contract to purchase any Debt Obligation fails (a 'Failed Debt Obligation'), the Sponsors are authorized to deposit Replacement Securities which (i) are bonds, debentures, notes or other straight debt obligations without equity or other conversion features issued by corporations; (ii) have a fixed maturity or disposition date substantially similar to the Failed Debt Obligation; (iii) are rated A or better by at least one recognized rating organization or have comparable credit characteristics; and (iv) are not when, as and if issued. Replacement Securities must be deposited within 110 days after deposit of the failed contract, at a cost not exceeding funds reserved for purchasing the Failed Debt Obligation and at a yield to maturity and current return, as of the date the failed contract was deposited, substantially equivalent (considering then current market conditions and relative creditworthiness) to those of the Failed Debt Obligation.

Because each Defined Fund is a portfolio of preselected securities, purchasers know in advance what they are investing in. The Portfolio is listed in the prospectus so that generally the securities, maturities, call dates and ratings are known when they buy. Of course, the Portfolio changes somewhat over time as additional Securities are deposited, as Securities are called or redeemed, or as they are sold to meet redemptions and in the limited circumstances described below.

PORTFOLIO SUPERVISION

The Fund is a unit investment trust which follows a buy and hold investment strategy. Traditional methods of investment management for mutual funds typically involve frequent changes in fund holdings based on economic, financial and market analyses. Because the Fund is not actively managed, it may retain an issuer's securities despite adverse financial developments. However, Defined Asset Funds' experienced financial analysts regularly review the Portfolio, and the Sponsors may instruct the Trustee to sell securities in the following circumstances: (i) default in payment of amounts due on the security; (ii) institution of certain legal proceedings; (iii) other legal questions or impediments affecting the security or payments thereon; (iv) default under certain documents adversely affecting debt service or in payments on other securities of the same issuer or guarantor; (v) if a security becomes inconsistent with the Fund's investment objectives; (vi) a right to sell or redeem the security pursuant to a guarantee or other credit support; or (vii) decline in security price or other market or

credit factors (including advance refunding) that, in the opinion of Defined Asset Funds research, makes retention of the security detrimental to the interests of Holders. If there is a payment default on any Security and the Agent for the Sponsors fails to instruct the Trustee within 30 days after notice of the default, the Trustee will sell the Security.

The Trustee must reject any offer by an issuer of a Debt Obligation to exchange another security pursuant to a refunding or refinancing plan unless (a) the Debt Obligation is in default or (b) in the written opinion of Defined Asset Funds research analysts, a default is probable in the reasonably foreseeable future, and the Sponsors instruct the Trustee to accept the offer or take any other action with respect to the offer as the Sponsors consider appropriate.

RISK FACTORS

An investment in units of beneficial interest in the Fund ('Units') should be made with an understanding of the risks which an investment in fixed-rate debt obligations may entail, including the risk that the value of the Portfolio and hence of the Units will decline with increases in interest rates. In recent years there have been wide fluctuations in interest rates and thus in the value of fixed-rate debt obligations generally. The Sponsors cannot predict future economic policies or their consequences or, therefore, the course or extent of any similar fluctuations in the future. The Portfolio consists primarily of publicly held Debt Obligations which, in many cases, do not have the benefit of covenants which would prevent the corporations from engaging in capital restructurings or borrowing transactions in connection with corporate acquisitions, leveraged buyouts or restructurings, which could have the effect of reducing the ability of the corporation to meet its obligations and may in the future result in the ratings of the Debt Obligations and the value of the underlying Portfolio being reduced.

The Securities are generally not listed on a national securities exchange. Whether or not the Securities are listed, the principal trading market for the Securities will generally be in the over-the-counter market. As a result, the existence of a liquid trading market for the Securities may depend on whether dealers will make a market in the Securities. There can be no assurance that a market will be made for any of the Securities, that any market for the Securities will be maintained or of the liquidity of the Securities in any markets made. In addition, the Fund may be restricted under the Investment Company Act of 1940 from selling Securities to any Sponsor. The price at which the Securities may be sold to meet redemptions and the value of the Fund will be adversely affected if trading markets for the Securities are limited or absent.

Certain of the Securities in the Fund may have been deposited at a market discount. Securities trade at less than par value because the interest rates on the Securities are lower than interest on comparable debt securities being issued at currently prevailing interest rates. The current returns of securities trading at a market discount are lower than the current returns of comparably rated debt securities of a similar type issued at currently prevailing interest rates because discount securities tend to increase in market value as they approach maturity and the full principal amount becomes payable. If currently prevailing interest rates for newly issued and otherwise comparable securities increase, the market discount of previously issued securities will become deeper and if 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 the issue.

Certain of the Securities in the Fund may have been deposited at a market premium. Securities trade at a premium because the interest rates on the Securities are higher than interest on comparable debt securities being issued at currently prevailing interest rates. The current returns of securities trading at a market premium are higher than the current returns of comparably rated debt securities of a similar type issued at currently prevailing interest rates because premium securities tend to decrease in market value as they approach maturity when the face amount becomes payable. Because part of the purchase price is thus returned not at maturity but through current income payments, an early redemption of a premium security at par will result in a reduction in yield to the Fund. If currently prevailing interest rates for newly issued and otherwise comparable securities increase, the market premium of previously issued securities will decline and if currently prevailing interest rates for newly issued comparable securities decline, the market premium of previously issued securities will increase, other things being equal. Market premium attributable to interest rate changes does not indicate market confidence in the issue.

Holders of Units will be 'at risk' with respect to Securities purchased on a when, as and if issued basis or for delayed delivery (i.e., either a gain or loss may result from fluctuations in the offer side evaluation of the Securities) from the date they commit for Units.

As set forth under Investment Summary and Portfolio, the Fund may contain or be concentrated in one or more of the types of Debt Obligations discussed below. An investment in the Fund should be made with an understanding of the risks that these securities may entail, certain of which are described below.

UTILITIES

The ability of utilities to meet their obligations with respect to obligations issued on their behalf is dependent on various factors, including the rates they may charge their customers, the demand for their services and the cost of providing those services. Utilities, in particular investor-owned utilities, are subject to extensive regulation relating to the rates which they may charge customers. Utilities can experience regulatory, political and consumer resistance to rate increases. Utilities engaged in long-term capital projects are especially sensitive to regulatory lags in granting rate increases. Any difficulty in obtaining timely and adequate rate increases could adversely affect a utility's results of operations.

The demand for a utility's services is influenced by, among other factors, competition, weather conditions and economic conditions. Electric utilities, for example, have experienced increased competition as a result of the availability of other energy sources, the effects of conservation on the use of electricity, self-generation by industrial customers and the generation of electricity by co-generators and other independent power producers. Also, increased competition will result if federal regulators determine that utilities must open their transmission lines to competitors. Utilities which distribute natural gas also are subject to competition from alternative fuels, including fuel oil, propane and coal.

The utility industry is an increasing cost business making the cost of generating electricity more expensive and heightening its sensitivity to regulation. A utility's costs are affected by its cost of capital, the availability and cost of fuel and other factors. There can be no assurance that a utility will be able to pass on these increased costs to customers through increased rates. Utilities incur substantial capital expenditures for plant and equipment. In the future they will also incur increasing capital and operating expenses to comply with environmental legislation such as the Clean Air Act of 1990, and other energy, licensing and other laws and regulations relating to, among other things, air emissions, the quality of drinking water, waste water discharge, solid and hazardous substance handling and disposal, and siting and licensing of facilities. Environmental legislation and regulations are changing rapidly and are the subject of current public policy debate and legislative proposals. It is increasingly likely that many utilities will be subject to more stringent environmental standards in the future that could result in significant capital expenditures. Future legislation and regulation could include, among other things, regulation of so-called electromagnetic fields associated with electric transmission and distribution lines as well as emissions of carbon dioxide and other so-called greenhouse gases associated with the burning of fossil fuels. Compliance with these requirements may limit a utility's operations or require substantial investments in new equipment and, as a result, may adversely affect a utility's results of operations.

The electric utility industry in general is subject to various external factors including (a) the effects of inflation upon the costs of operation and construction, (b) substantially increased capital outlays and longer construction periods for larger and more complex new generating units, (c) uncertainties in predicting future load requirements, (d) increased financing requirements coupled with limited availability of capital, (e) exposure to cancellation and penalty charges on new generating units under construction, (f) problems of cost and availability of fuel, (g) compliance with rapidly changing and complex environmental, safety and licensing requirements, (h) litigation and proposed legislation designed to delay or prevent construction of generating and other facilities, (i) the uncertain effects of conservation on the use of electric energy, (j) uncertainties associated with the development of a national energy policy, (k) regulatory, political and consumer resistance to rate increases and (l) increased competition as a result of the availability of other energy sources. These factors may delay the construction and increase the cost of new facilities, limit the use of, or necessitate costly modifications to, existing facilities, impair the access of electric utilities to credit markets, or substantially increase the cost of credit for electric generating facilities. The Sponsors cannot predict at this time the ultimate effect of such factors on the ability of any issuers to meet their obligations with respect to Debt Obligations.

The National Energy Policy Act ('NEPA'), which became law in October, 1992, makes it mandatory for a utility to permit non-utility generators of electricity access to its transmission system for wholesale customers, thereby increasing competition for electric utilities. NEPA also mandated demand-side management policies to be considered by utilities. NEPA prohibits the Federal Energy Regulatory Commission from mandating electric utilities to engage in retail wheeling, which is competition among suppliers of electric generation to provide electricity to retail customers (particularly industrial retail customers) of a utility. However, under NEPA, a state can mandate retail wheeling under certain conditions. California, Michigan, New Mexico and Ohio have

instituted investigations into the possible introduction of retail wheeling within their respective states, which could foster competition among the utilities. Retail wheeling might result in the issue of stranded investment (investment in assets not being recovered in base rates), thus hampering a utility's ability to meet its obligations.

There is concern by the public, the scientific community, and the U.S. Congress regarding environmental damage resulting from the use of fossil fuels. Congressional support for the increased regulation of air, water, and soil contaminants is building and there are a number of pending or recently enacted legislative proposals which may affect the electric utility industry. In particular, on November 15, 1990, legislation was signed into law that substantially revises the Clean Air Act (the '1990 Amendments'). The 1990 Amendments seek to improve the ambient air quality throughout the United States by the year 2000. A main feature of the 1990 Amendments is the reduction of sulphur dioxide and nitrogen oxide emissions caused by electric utility power plants, particularly those fueled by coal. Under the 1990 Amendments the U.S. Environmental Protection Agency ('EPA') must develop limits for nitrogen oxide emissions by 1993. The sulphur dioxide reduction will be achieved in two phases. Phase I addresses specific generating units named in the 1990 Amendments. In Phase II the total U.S. emissions will be capped at 8.9 million tons by the year 2000. The 1990 Amendments contain provisions for allocating allowances to power plants based on historical or calculated levels. An allowance is defined as the authorization to emit one ton of sulphur dioxide.

The 1990 Amendments also provide for possible further regulation of toxic air emissions from electric generating units pending the results of several federal government studies to be presented to Congress by the end of 1995 with respect to anticipated hazards to public health, available corrective technologies, and mercury toxicity.

Electric utilities which own or operate nuclear power plants are exposed to risks inherent in the nuclear industry. These risks include exposure to new requirements resulting from extensive federal and state regulatory oversight, public controversy, decommissioning costs, and spent fuel and radioactive waste disposal issues. While nuclear power construction risks are no longer of paramount concern, the emerging issue is radioactive waste disposal. In addition, nuclear plants typically require substantial capital additions and modifications throughout their operating lives to meet safety, environmental, operational and regulatory requirements and to replace and upgrade various plant systems. The high degree of regulatory monitoring and controls imposed on nuclear plants could cause a plant to be out of service or on limited service for long periods. When a nuclear facility owned by an investor-owned utility or a state or local municipality is out of service or operating on a limited service basis, the utility operator or its owners may be liable for the recovery of replacement power costs. Risks of substantial liability also arise from the operation of nuclear facilities and from the use, handling, and possible radioactive emissions associated with nuclear fuel. Insurance may not cover all types or amounts of loss which may be experienced in connection with the ownership and operation of a nuclear plant and severe financial consequences could result from a significant accident or occurrence. The Nuclear Regulatory Commission has promulgated regulations mandating the establishment of funded reserves to assure financial capability for the eventual decommissioning of licensed nuclear facilities. These funds are to be accrued from revenues in amounts currently estimated to be sufficient to pay for decommissioning costs. Since there have been very few nuclear plants decommissioned to date, these estimates may be unrealistic.

TELECOMMUNICATIONS. The Portfolio may contain obligations of companies engaged in providing local, long-distance and cellular services, in the manufacture of telecommunications products and in a wide range of other activities including directory publishing, information systems and the operation of voice, data and video telecommunications networks. Technological innovations in fiber optics, cellular products and services, voice messaging, call waiting and automatic dialing offer additional potential for significant expansion. Advances like formation of a national cellular grid should also contribute to the anticipated growth of this industry. The Fund may contain obligations of the Regional Bell Holding Companies ('RBOCs') which were spun off from AT&T in 1984 pursuant to approval of the U.S. District Court for the District of Columbia (the 'Court'), implementing a consent decree relating to antitrust proceedings brought by the U.S. Department of Justice. The RBOCs include: Ameritech Corporation, Bell Atlantic Corporation, BellSouth Corporation, NYNEX Corporation, Pacific Telesis Group, Southwestern Bell Corporation and U.S. West, Inc. These companies provide near monopoly local and intrastate telephone service as well as cellular and other generally unregulated services. The Fund may contain obligations of certain independent telephone companies which are subject to regulation by the Federal Communications Commissions (the 'FCC') and state utility commissions but not subject to the consent decree binding the RBOCs and AT&T or of certain long-distance telecommunications carriers, certain telecommunications equipment manufacturers or of U.S. companies which provide telecommunitions services or equipment mainly outside the United States. International communications facilities in the United States are also

subject to the jurisdiction of the FCC, and the provision of service to foreign countries is subject to the approval of the FCC and the appropriate foreign governmental agencies.

In accordance with the consent decree, the RBOCs provide local telephone service, including exchange access for long-distance companies, and may provide directory advertising and new customer equipment. Many of the RBOCs, pursuant to waivers, may also engage in a broad range of businesses including foreign consulting, servicing computers and marketing or leasing office equipment. AT&T provides interexchange long distance telephone service in competition with numerous other providers and certain other products, services and customer equipment.

The Court's order approving the consent decree provided for periodic reviews of the restrictions imposed by it. In April 1990, a Federal appeals court directed the Court to review its ruling that restricts RBOC involvement in the information services business and to determine whether removal of the information services restriction would be in the public interest. On July 25, 1991, the Court lifted the information services ban. Other portions of the consent decree are being litigated. As RBOCs are released from the restrictions of the 1984 divestiture decree, they and other telephone companies are being freed to create new products, services and businesses. Bills have been introduced in the U.S. House of Representatives and the Senate that would require the RBOCs to pass a competitive market test that would block them from offering information services in the near future.

The independent telephone companies, like the RBOCs, provide local telecommunications services, but operate in a more limited area. These companies are not subject to the consent decree and therefore can provide the full range of telecommunications services including local exchange services, the installation of business systems, telephone consulting, the manufacture of telecommunications equipment, operation of voice and data networks and directory publishing. Cellular service is providing an increasing component of the revenues of the RBOCs and independent telephone companies. Both the RBOCs and independents are subject to regulation by the FCC and state regulatory authorities. The FCC also has the power to regulate the types of telecommunications equipment which may be used and therefore may affect the business of companies in the manufacturing of telecommunications equipment. Long-distance companies which provide long-distance telecommunications services are subject to regulation by the FCC. The long-distance industry is consolidating into larger carriers.

Certain telecommunications services have in the past been fairly resistant to recession with the exception of long-distance carriers. The Sponsors believe that companies in the telephone business may remain resistant to recession in the next few years and may experience some growth in access lines and message units. Cellular telephone service should continue to expand, although at lesser rates of growth than in the recent past. Also, ongoing technological change may lead to an increase in the development of new services such as voice messaging, call screening and automatic dialing and the demand for business services such as the use of fax machines and the movement of data information should continue to grow.

Business conditions in the telecommunications industry may affect the ability of the issuers of the Securities in the Fund to meet their obligations. The FCC and certain state utility regulators have introduced certain incentive plans such as price-cap regulation which apply to certain portions of the business of certain local exchange carriers. Price-cap regulation offers local exchange carriers an opportunity to share in higher earnings provided they become more efficient. These new approaches to regulation by the FCC and various state or other regulatory agencies result in increased competition and could lead to greater risks as well as greater rewards for operating telephone companies. Technology has tended to offset the effects of inflation and is expected to continue doing so. Under traditional regulation, continuing cost increases, to the extent not offset by improved productivity and revenues from increased volume of business, would result in a decreasing rate of return and a continuing need for rate increases. Although allowance is generally made in ratemaking proceedings for cost increases, delays may be experienced in obtaining the necessary rate increases through these proceedings and there can be no assurance that these regulatory commissions in the future will grant rate increases adequate to cover operating and other expenses and debt service requirements. The long-distance industry has been increasingly opened to competition over the last number of years. As a result, the major long distance companies compete actively for market share. Indeed, to meet increasing competition, telecommunications companies will have to commit substantial capital, technological and marketing resources.

Cellular and cable companies provide wireless services including paging, dispatch and cellular services throughout the U.S. Most of the RBOCs, as well as long distance companies, are seeking to increase their share of the cellular market in view of perceived future growth prospects. It is unclear what effect, if any, increased

competition between wireless and traditional services will have on the telecommunications industry. Other potential competition for local service has also developed. The deregulated cellular telephone industry has a limited operating history and there is significant uncertainty regarding its future, particularly with regard to increased competition, the continued growth in the number of customers, the usage and pricing of cellular services, and the cost of providing cellular services, including the cost of attracting new customers, developing new technology and the ability to obtain licenses to provide cellular services. Recent industry developments may provide increased competition and reduced revenues from cellular service for RBOCs and independent telephone companies. The uncertain outcomes of future labor agreements and employee and retiree benefit costs may also have a negative impact on profitability. Telephone usage, and therefore revenues, could also be adversely affected by any sustained economic recession. Each of these problems would adversely affect the profitability of the telecommunications issuers of the Securities in the Fund and their ability to meet their obligations.

HOSPITAL AND HEALTH CARE FACILITIES

The ability of hospitals and other health care facilities to meet their obligations with respect to debt obligations issued on their behalf is dependent on various factors, including the level of payments received from private third-party payors and government programs and the cost of providing health care services.

A significant portion of the revenues of hospitals and other health care facilities is derived from private third-party payors and government programs, including the Medicare and Medicaid programs. Both private third-party payors and government programs have undertaken cost containment measures designed to limit payments made to health care facilities. Furthermore, government programs are subject to statutory and regulatory changes, retroactive rate adjustments, administrative rulings and government funding restrictions, all of which may materially decrease the rate of program payments for health care facilities. Certain special revenue obligations (i.e., Medicare or Medicaid revenues) may be payable subject to appropriations by state legislatures. There can be no assurance that payments under governmental programs will remain at levels comparable to present levels or will, in the future, be sufficient to cover the costs allocable to patients participating in such programs. In addition, there can be no assurance that a particular hospital or other health care facility will continue to meet the requirements for participation in such programs.

The costs of providing health care services are subject to increase as a result of, among other factors, changes in medical technology and increased labor costs. In addition, health care facility construction and operation is subject to federal, state and local regulation relating to the adequacy of medical care, equipment, personnel, operating policies and procedures, rate-setting, and compliance with building codes and environmental laws. Facilities are subject to periodic inspection by governmental and other authorities to assure continued compliance with the various standards necessary for licensing and accreditation. These regulatory requirements are subject to change and, to comply, it may be necessary for a hospital or other health care facility to incur substantial capital expenditures or increased operating expenses to effect changes in its facilities, equipment, personnel and services.

Hospitals and other health care facilities are subject to claims and legal actions by patients and others in the ordinary course of business. Although these claims are generally covered by insurance, there can be no assurance that a claim will not exceed the insurance coverage of a health care facility or that insurance coverage will be available to a facility. In addition, a substantial increase in the cost of insurance could adversely affect the results of operations of a hospital or other health care facility. The Clinton Administration may impose regulations which could limit price increases for hospitals or the level of reimbursements for third-party payors or other measures to reduce health care costs and make health care available to more individuals, which would reduce profits for hospitals. Some states, such as New Jersey, have significantly changed their reimbursement systems. If a hospital cannot adjust to the new system by reducing expenses or raising rates, financial difficulties may arise. Also, Blue Cross has denied reimbursement for some hospitals for services other than emergency room services. The lost volume would reduce revenues unless replacement patients were found.

Certain hospital bonds may provide for redemption at par at any time upon the sale by the issuer of the hospital facilities to a non-affiliated entity, if the hospital becomes subject to ad valorem taxation, or in various other circumstances. For example, certain hospitals may have the right to call bonds at par if the hospital may be legally required because of the bonds to perform procedures against specified religious principles or to disclose information that is considered confidential or privileged. Certain FHA-insured bonds may provide that all or a portion of those bonds, otherwise callable at a premium, can be called at par in certain circumstances. If a hospital defaults upon a bond obligation, the realization of Medicare and Medicaid receivables may be uncertain and, if the bond obligation is secured by the hospital facilities, legal restrictions on the ability to foreclose upon

the facilities and the limited alternative uses to which a hospital can be put may severely reduce its collateral value.

The Internal Revenue Service is currently engaged in a program of intensive audits of certain large tax-exempt hospital and health care facility organizations. Although these audits have not yet been completed, it has been reported that the tax-exempt status of some of these organizations may be revoked. At this time, it is uncertain whether any of the hospital and health care facility obligations held by the Fund will be affected by such audit proceedings.

BANKS AND OTHER FINANCIAL INSTITUTIONS

The profitability of financial institutions is largely dependent upon the availability and cost of funds for the purpose of financing lending operations under prevailing money market conditions. Also, general economic conditions play an important part in the operations of this industry and exposure to credit losses arising from possible financial difficulties of borrowers might affect an institution's ability to meet its obligations. In the late 1980's and early 1990's the credit ratings of U.S. banks and bank holding companies were subject to extensive downgrades due primarily to deterioration in asset quality and the attendant impact on earnings and capital adequacy. Major U.S. banks, in particular, suffered from a decline in asset quality in the areas of construction and commercial real estate loans. These problem loans have been largely addressed. During the early 1990's the credit ratings of many foreign banks have also been subject to significant downgrades due to a deterioration in asset quality which has negatively impacted earnings and capital adequacy. The decline in asset quality of major foreign banks has been brought about largely by recessionary conditions in their local economies. The Federal Deposit Insurance Corporation ('FDIC') indicated that in 1990, 168 federally insured banks with an aggregate total of $45.7 billion in assets failed and that in 1991, 124 federally insured banks with an aggregate total of $64.3 billion in assets failed. During 1992, the FDIC resolved 120 failed banks with combined assets of $44.2 billion. In 1993, a total of 41 banks with combined assets of $3.5 billion were closed. The 1993 total was the lowest level in twelve years. Bank holding companies and other financial institutions may not be as highly regulated as banks, and may be more able to expand into other non-financial and non-traditional businesses.

Recent legislation, including the Financial Institutions Reform, Recovery and Enforcement Act of 1989, the Federal Deposit Insurance Corporation Improvement Act of 1991 ('FDICIA') and the Resolution Trust Corporation Refinancing, Restructuring, and Improvement Act of 1991 have significantly altered the legal rules and regulations governing banks and thrifts and mandated early and aggressive regulatory intervention for unhealthy institutions. Periodic efforts by recent Administrations to introduce legislation broadening the ability of banks and thrifts to compete with new products generally have not been successful, but if enacted could lead to more failures as a result of increased competition and added risks. Failure to enact such legislation, on the other hand, may lead to declining earnings and an inability to compete with unregulated financial institutions. Efforts to expand the ability of federal thrifts to branch on an interstate basis have been initially successful through promulgation of regulations. Legislation to liberalize interstate branching for banks has stalled in Congress. Consolidation is likely to continue in both cases. The Securities and Exchange Commission ('SEC') is attempting to require the expanded use of market value accounting by banks and thrifts, and has imposed rules requiring market accounting for investment securities held for sale. Adoption of these and similar rules may result in increased volatility in the reported health of the industry and mandated regulatory intervention to correct such problems.

INSURED SERIES

For the Insured Series, portfolio insurance ('Portfolio Insurance') has been obtained from the Municipal Bond Investors Assurance Corporation ('MBIA' or the 'Insurer')(see The Insurer below) that guarantees the scheduled payment of the principal of and interest on the Debt Obligations ('Portfolio-Insured Debt Obligations') while they are owned by the Fund. Since the Portfolio Insurance applies to Debt Obligations only while they are owned by the Fund, the value of Portfolio-Insured Debt Obligations (and hence the value of the Units) may decline if the credit quality of any Portfolio-Insured Debt Obligation is reduced. Premiums for Portfolio Insurance are payable monthly in advance by the Trustee on behalf of the Fund. The insurance obtained by the Fund is only effective as to Debt Obligations owned by and held in the Fund and, consequently, does not cover Debt Obligations for which the contract for purchase fails. A 'when issued' bond will be covered under the Municipal Bond Investors Assurance Corporation policy (the 'Policy') upon the settlement date of the 'when issued' bond. The Policy shall continue in force only with respect to Debt Obligations held in and owned by the Fund, and the Insurer shall not have any liability under the Policy with respect to any Debt Obligations which do not constitute part of the Fund.

By the terms of its Policy, the Insurer will unconditionally guarantee to the Fund the payment, when due, required of the issuer of the Debt Obligations of an amount equal to the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on the Bonds as the payments shall become due but not paid except that in the event of any acceleration of the due date of principal by reason of mandatory or optional redemption (other than mandatory sinking fund redemption), default or otherwise, the payments guaranteed will be made in the amounts and at the times as would have been due had there not been an acceleration by reason of mandatory or optional redemption (other than a mandatory sinking fund redemption), default or otherwise. The Insurer will be responsible for those payments less any amounts received by the Fund from any trustee for the bond issuers or from any other source. In the event the due date of the principal of any Debt Obligation is accelerated, the payments required by the acceleration are received by the Fund, and the Debt Obligation is cancelled, the Portfolio Insurance will terminate with respect to that Debt Obligation. The Policy does not guarantee payment on an accelerated basis, the payment of any redemption premium or the value of the Units. The Policy also does not insure against nonpayment of principal of or interest on the Debt Obligations resulting from the insolvency, negligence or any other act or omission of the trustee or other paying agent for the Debt Obligations.

The Policy is non-cancellable and will continue in force so long as the Fund is in existence and the Securities described in the policy continue to be held in and owned by the Fund (see Portfolio). The Policy shall terminate as to any Debt Obligation which has been redeemed from the Fund or sold by the Trustee on the date of the redemption or on the settlement date of the sale, and the Insurer shall not have any liability under the policy as to that Debt Obligation thereafter. If the date of the redemption or the settlement date of the sale occurs between a record date and a date of payment of any Debt Obligation, the Policy will terminate as to that Debt Obligation on the business day next succeeding the date of payment. The termination of the Policy as to any Debt Obligation shall not affect the Insurer's obligations regarding any other Debt Obligation in the Fund or any other fund which has obtained a MBIA insurance policy. The Policy will terminate as to all Debt Obligations on the date on which the last of the Debt Obligations matures, is redeemed or is sold by the Fund. As Portfolio-Insured Debt Obligations are redeemed by their respective issuers or are sold by the Trustee, the amount of the premium payable for the Portfolio Insurance will be correspondingly reduced. Nonpayment of premiums on the policy obtained by the Fund will not result in the cancellation of insurance but will permit the Insurer to take action against the Trustee to recover premium payments due it. The Trustee in turn will be entitled to recover the payments from the Fund.

Upon the sale of a Portfolio-Insured Debt Obligation from the Fund, the Trustee has the right, pursuant to an irrevocable commitment obtained from the Insurer, to obtain insurance to maturity ('Permanent Insurance') on the Debt Obligation upon the payment of a single predetermined insurance premium from the proceeds of the sale. Accordingly, any Debt Obligation in the Fund is eligible to be sold on an insured basis. It is expected that the Trustee will exercise the right to obtain Permanent Insurance upon instructions from the Sponsors only if the Fund would receive net proceeds from the sale of the Debt Obligation (sale proceeds less the insurance premium attributable to the Permanent Insurance and the related custodial and rating agency fees) in excess of the sale proceeds that would be received if the Debt Obligation were sold on an uninsured basis. The aggregate premium that would be payable for Permanent Insurance if Permanent Insurance were obtained for all of the Portfolio-Insured Debt Obligations on the Date of Deposit is set forth under Investment Summary. The premiums for Permanent Insurance for each Portfolio-Insured Debt Obligation will decline over the life of the Debt Obligation. The predetermined Permanent Insurance premium with respect to each Debt Obligation is based upon the insurability of each Debt Obligation as of the Date of Deposit and will not be increased for any change in the creditworthiness of such Debt Obligation unless such Debt Obligation is in default as to payment of principal and/or interest. In such event, the Permanent Insurance premium shall be subject to an increase predetermined at the Date of Deposit and payable from the proceeds of the sale of such Debt Obligation.

Although all Debt Obligations are individually insured, neither the Fund, the Units nor the Portfolio is insured directly or indirectly by the insurer.

The Public Offering Price does not reflect any element of value for Portfolio Insurance. The Evaluator will attribute a value to the Portfolio Insurance (including the right to obtain Permanent Insurance) for the purpose of computing the price or redemption value of Units only if the Portfolio-Insured Debt Obligations are in default in payment of principal or interest or, in the opinion of the Agent for the Sponsors, in significant risk of default. In making this determination the Agent for the Sponsors has established as a general standard that a Portfolio-Insured Debt Obligation which is rated less than BB by Standard & Poor's or Ba by Moody's will be

deemed in significant risk of default although the Agent for the Sponsors retains the discretion to conclude that a Portfolio-Insured Debt Obligation is in significant risk of default even though at the time it has a higher rating, or not to reach that conclusion even if it has a lower rating. (See Description of Ratings.) The value of the insurance will be equal to the difference between (i) the market value of the Portfolio-Insured Debt Obligation assuming the exercise of the right to obtain Permanent Insurance (less the insurance premium attributable to the purchase of Permanent Insurance and the related custodial and rating agency fees) and (ii) the market value of the Portfolio-Insured Debt Obligation not covered by Permanent Insurance.

In the event that interest on or principal of a Debt Obligation is due for payment but is unpaid by reason of nonpayment by the issuer thereof, the Insurer will make payments to its fiscal agent, State Street Bank and Trust Company, N.A., New York, New York (the 'Fiscal Agent'), equal to the unpaid amounts of principal and interest not later than one business day after the Insurer has been notified by the Trustee that the nonpayment has occurred (but not earlier than the date such payment is due). The Fiscal Agent will disburse to the

Trustee the amount of principal and interest which is then due for payment but is unpaid upon receipt by the Fiscal Agent of (i) evidence of the Trust's right to receive payment of the principal and interest and (ii) evidence, including any appropriate instruments of assignment, that all of the rights to payment of the principal or interest then due for payment shall thereupon vest in the Insurer. Upon payment by the Insurer of any principal or interest payments with respect to any Debt Obligation, the Insurer shall succeed to the rights of the owner of such Debt Obligation with respect to that payment.

The policies of insurance are not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

Ratings of Units. Standard & Poor's has rated the Units of the Fund AAA because of the Portfolio Insurance on the Debt Obligations. The assignment of the AAA rating is due to Standard & Poor's assessment of the creditworthiness of the Insurer and of its ability to pay claims on its policies of insurance. In the event that Standard & Poor's reassesses the creditworthiness of the Insurer which would result in the Fund's rating being reduced, the Sponsors are authorized to direct the Trustee to obtain additional insurance in order to maintain the AAA rating on the Units.

The Insurer. The Insurer is the principal operating subsidiary of MBIA Inc., a New York Stock Exchange listed company. MBIA Inc. is not obligated to pay the debts of or claims against the Insurer. The Insurer is a limited liability corporation rather than a several liability association. The Insurer is domiciled in the State of New York and licensed to do business in all 50 states, the District of Columbia and Commonwealth of Puerto Rico.

As of March 31, 1994 the Insurer had admitted assets of $3.2 billion (unaudited), total liabilities of $2.2 billion (unaudited), and policyholders' surplus of $998 million (unaudited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities.

The above financial information has been obtained from publicly available information. No representation is made as to the accuracy or adequacy of the information or as to the absence of material adverse changes since the information was made available to the public.

Moody's rates all bond issues insured by the Insurer 'Aaa' and short term loans 'MIG 1,' both designated to be of the highest quality. Standard and Poor's rates all new issues insured by the Insurer 'AAA' Prime Grade. The Moody's rating of the Insurer should be evaluated independently of the Standard & Poor's rating of the Insurer. No application has been made to any other rating agency in order to obtain additional ratings on the Debt Obligations. The ratings reflect the respective agency's current assessment of the creditworthiness of the Insurer and its ability to pay claims on its policies of insurance. Any further explanation as to the significance of the above ratings may be obtained only from the applicable rating agency.

The above ratings are not recommendations to buy, sell or hold the Debt Obligations, and those ratings may be subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of either or both ratings may have an adverse effect on the market price of the Debt Obligations. No representation is made herein as to the accuracy or adequacy of the above information relating to the Insurer or as to the absence of material adverse changes in such information subsequent to the date thereof. The Sponsors are not aware that the information herein is inaccurate or incomplete as of the date hereof.

Regulation of Insurance Companies. Insurance companies are subject to regulation and supervision in the jurisdictions in which they do business under statutes which delegate regulatory, supervisory and administrative powers to state insurance commissioners. This regulation, supervision and administration relate, among other

things, to: the standards of solvency which must be met and maintained; the licensing of insurers and their agents; the nature of and limitations on investments; deposits of securities for the benefit of policyholders; approval of policy forms and premium rates; periodic examinations of the affairs of insurance companies; annual and other reports required to be filed on the financial condition of insurers or for other purposes; and requirements regarding reserves for unearned premiums, losses and other matters. Regulatory agencies require that premium rates not be excessive, inadequate or unfairly discriminatory. Insurance regulation in many states also includes 'assigned risk' plans, reinsurance facilities, and joint underwriting associations, under which all insurers writing particular lines of insurance within the jurisdiction must accept, for one or more of those lines, risks that are otherwise uninsurable. A significant portion of the assets of insurance companies is required by law to be held in reserve against potential claims on policies and is not available to general creditors.

Although the Federal government does not regulate the business of insurance, Federal initiatives can significantly impact the insurance business. Current and proposed Federal measures which may significantly affect the insurance business include pension regulation (ERISA), controls on medical care costs, minimum standards for no-fault automobile insurance, national health insurance, personal privacy protection, tax law changes affecting life insurance companies or the relative desirability of various personal investment vehicles and repeal of the current antitrust exemption for the insurance business. (If this exemption is eliminated, it will substantially affect the way premium rates are set by all property-liability insurers.) In addition, the Federal government operates in some cases as a co-insurer with the private sector insurance companies.

Insurance companies are also affected by a variety of state and Federal regulatory measures and judicial decisions that define and extend the risks and benefits for which insurance is sought and provided. These include judicial redefinitions of risk exposure in areas such as products liability and state and Federal extension and protection of employee benefits, including pension, workers' compensation, and disability benefits. These developments may result in short-term adverse effects on the profitability of various lines of insurance. Longer-term adverse effects can often be minimized through prompt repricing of coverages and revision of policy terms. In some instances these developments may create new opportunities for business growth. All insurance companies write policies and set premiums based on actuarial assumptions about mortality, injury, the occurrence of accidents and other insured events. These assumptions, while well supported by past experience, necessarily do not take account of future events. The occurrence in the future of unforeseen circumstances could affect the financial condition of one or more insurance companies. The insurance business is highly competitive and with the deregulation of financial service businesses, it should become more competitive. In addition, insurance companies may expand into non-traditional lines of business which may involve different types of risks.

LITIGATION AND LEGISLATION

To the best knowledge of the Sponsors, there is no litigation pending as of the Initial Date of Deposit in respect of any Debt Obligations which might reasonably be expected to have a material adverse effect upon the Fund. At any time after the Initial Date of Deposit, litigation may be initiated on a variety of grounds with respect to Debt Obligations in the Fund or other factors may arise from time to time which potentially may impair the ability of issuers to make payments due on Debt Obligations. In addition, there can be no assurance that foreign withholding taxes will not be imposed on interest on Debt Obligations issued by non-U.S. issuers in the future.

PAYMENT OF THE DEBT OBLIGATIONS AND LIFE OF THE FUND

Because certain of the Debt Obligations from time to time may be redeemed or prepaid or will mature in accordance with their terms or may be sold under certain circumstances described herein, no assurance can be given that the Fund will retain for any length of time its present size and composition (see Redemption). Many of the Debt Obligations may be subject to redemption prior to their stated maturity dates pursuant to optional refunding or sinking fund redemption provisions or otherwise (see Portfolio in Part A). In general, optional refunding redemption provisions are more likely to be exercised when the offer side evaluation is at a premium over par than when it is at a discount from par. Generally, the offer side evaluation of Debt Obligations will be at a premium over par when market interest rates fall below the coupon rate on the Debt Obligations. The percentage of the face amount of Debt Obligations which were acquired on the Date of Deposit at an offer side evaluation in excess of par is set forth under Investment Summary. Certain Debt Obligations in the Portfolio may be subject to sinking fund provisions early in the life of the Fund. These provisions are designed to redeem a significant portion of an issue gradually over the life of the issue; obligations to be redeemed are generally chosen by lot. Additionally, the size and composition of the Fund will be affected by the level of redemptions of

Units that may occur from time to time and the consequent sale of Debt Obligations (see Redemption). Principally, this will depend upon the number of Holders seeking to sell or redeem their Units and whether or not the Sponsors continue to reoffer Units acquired by them in the secondary market. Factors that the Sponsors will consider in the future in determining to cease offering Units acquired in the secondary market include, among other things, the diversity of the Portfolio remaining at that time, the size of the Fund relative to its original size, the ratio of Fund expenses to income, the Fund's current and long-term returns, the degree to which Units may be selling at a premium over par relative to other funds sponsored by the Sponsors and the cost of maintaining a current prospectus for the Fund. These factors may also lead the Sponsors to seek to terminate the Fund earlier than would otherwise be the case (see Trust Indenture).

LIQUIDITY

On the Initial Date of Deposit up to 40 percent of the value of the Portfolio may consist of Debt Obligations which were acquired in private placements or otherwise and which at the time cannot, in the opinion of counsel designated by the Sponsors and satisfactory to the Trustee, be sold publicly by the Trustee without registration under the Securities Act of 1933, as amended, or similar provisions of law subsequently enacted ('Restricted Securities') (see Redemption).

HOW TO BUY

Units are available from any of the Underwriters and other broker-dealers at the Public Offering Price (including the applicable sales charge) plus a proportionate share of any cash held by the Fund in the Capital Account (unless allocated to the purchase of specific securities) and net accrued and undistributed interest. Because both the value of Securities and accrued interest change, the Public Offering Price varies each Business Day.

PUBLIC OFFERING PRICE

In the initial offering period, the Public Offering Price is based on the next offer side evaluation of the Securities, and includes a sales charge based on the number of Units of a single Fund purchased on the same or any preceding day by a single purchaser. See Initial Offering Sales Charge Schedule in Appendix B. The purchaser or his dealer must notify the Sponsors at the time of purchase of any previous purchase to be aggregated and supply sufficient information to permit confirmation of eligibility; acceptance of the purchase order is subject to such confirmation. Purchases of Fund Units may not be aggregated with purchases of any other unit trust. This procedure may be amended or terminated at any time without notice.

In the secondary market (after the initial offering period), the Public Offering Price is based on the next bid side evaluation of the Securities, and includes a sales charged based on the number of Units of the Fund and any other Series of Corporate Income Fund purchased in the secondary market on the same day by a single purchaser (see Secondary Market Sales Charge Schedule in Appendix B). To qualify for a reduced sales charge, the dealer must confirm that the sale is to a single purchaser or is purchased for its own account and not for distribution. For these purposes, Units held in the name of the purchaser's spouse or child under 21 years of age are deemed to be purchased by a single purchaser. A trustee or other fiduciary purchasing securities for a single trust estate or single fiduciary account is also considered a single purchaser.

Employees of certain Sponsors and Sponsor affiliates and non-employee directors of Merrill Lynch & Co. Inc. may purchase Units at any time at prices including a sales charge of not less than $5 per Unit.

SECURITIES EVALUATIONS

The Public Offering Price is based on the evaluation of Securities in the Fund, at the offer or bid side as described above, at the Evaluation Time next following receipt of the order. Evaluations are determined by the Evaluator as described under Redemption on each Business Day (this excludes Saturdays, Sundays and the following holidays as observed by the New York Stock Exchange: New Year's Day, Washington's Birthday, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas).

ACCRUED INTEREST

Net accrued interest is added to the Public Offering Price, the Sponsors' Repurchase Price and the Redemption Price per Unit. This represents the interest accrued on the Securities, net of Fund expenses, from the Initial Date of Deposit to, but not including, the settlement date for Units (less any prior distributions of interest income to Holders). Securities deposited also carry accrued but unpaid interest up to the Initial Date of Deposit. To avoid having Holders pay this additional accrued interest (which earns no return) when they purchase Units, the Trustee advances and distributes this amount to the Sponsors; it recovers this advance from interest received on the Debt Obligations. Because of varying interest payment dates on the Securities, accrued interest at any time will exceed the interest actually received by the Fund.

CERTIFICATES

Certificates for Units are issued upon request, and are transferable upon payment of any taxes or governmental charges and compliance with the requirements for redeeming Certificates (see Redemption). Certain Sponsors collect additional charges for registering and shipping Certificates to purchasers. Lost or mutilated Certificates can be replaced upon delivery of satisfactory indemnity and payment of costs.

COMPARISON OF PUBLIC OFFERING PRICE, SPONSORS' INITIAL REPURCHASE PRICE, SECONDARY MARKET REPURCHASE PRICE AND REDEMPTION PRICE

On the business day prior to the Initial Date of Deposit the Public Offering Price per Unit (which includes the sales charge) and the Sponsors' Initial Repurchase Price per Unit (each based on the offer side evaluation of the Securities in the Fund--see above) exceeded the Sponsors' Repurchase Price and the Redemption Price per Unit (each based on the bid side evaluation thereof--see Redemption) by the amounts set forth under the Investment Summary.

The initial Public Offering Price per Unit of the Trust and the Initial Repurchase Price are based on the offer side evaluations of the Securities. The secondary market Public Offering Price and the Sponsors' Repurchase Price in the secondary market are based on bid side evaluations of the Securities. In the past, the bid prices of publicly offered issues have been lower than the offer prices by as much as 1 1/2% or more of face amount in the case of inactively traded issues and as little as 1/4 of 1% in the case of actively traded issues, but the difference between the offer and bid prices has averaged between 1/2 of 1% and 1% of face amount; the difference on the day before the date of this Prospectus is stated in a note to the Portfolio.

HOW TO SELL

SPONSORS' MARKET FOR UNITS

Holders can cash in Units at any time without a fee. The Sponsors (although not obligated to do so) normally repurchase any Units offered for sale, at the repurchase price next computed after receipt of the order. Because of the sales charge and fluctuations in the market value of the Securities (among other reasons) the repurchase price may be less than the investor's cost for the Units. Holders disposing of Units should consult their financial professional as to current market prices to determine if other broker-dealers or banks offer higher prices for those Units.

The Sponsors may discontinue this market without prior notice if the supply of Units exceeds demand or for other business reasons; in that event, the Sponsors may still purchase Units at the redemption price as a service to Holders. Although the Sponsors may reoffer Units repurchased, alternatively they may redeem those Units; see Redemption for a description of certain consequences of redemptions to remaining Holders.

REDEMPTION

Holders may redeem Units by tendering to the Trustee Certificates (if issued) or a request for redemption. Certificates must be properly endorsed or accompanied by a written transfer instrument. Each Holder must sign the Certificate, transfer instrument or request exactly as the name appears on the face of the Certificate; signatures must be guaranteed by an eligible guarantor institution or in another manner acceptable to the Trustee. In certain instances, additional documents may be required such as a certificate of death, trust instrument, certificate of corporate authority or appointment as executor, administrator or guardian. If the Sponsors are maintaining a market for Units, they will purchase any Units tendered at the price described in the preceding section. If the Sponsors do not purchase Units tendered, the Trustee is authorized in its discretion to sell Units in the over-the-counter market if it believes it will obtain for the redeeming Holder a higher net price.

Redemptions may be suspended or payment postponed in limited circumstances: (1) if the New York Stock Exchange is closed other than for customary weekend and holiday closings; (2) if the SEC determines that (a) trading on that Exchange is restricted or an emergency exists making disposal or evaluation of the Securities not reasonably practicable; or (3) for any other period which the SEC by order permits.

On the seventh calendar day after tender (the preceding Business Day if the seventh day is not a Business Day), the Holder will be mailed an amount per Unit equal to the Redemption Price Per Unit at the Evaluation

Time next following receipt of the tender. As noted above, this price may be more or less than the cost of those Units.

Redemption Price per Unit is computed each Business Day by adding (a) the aggregate bid side evaluation of the Securities, (b) cash in the Fund (excluding cash held to pay contracts to purchase Securities or in a reserve account), (c) accrued but unpaid interest on the Securities up to but not including the payment date and (d) the aggregate value of any other Fund assets; deducting (v) unpaid taxes or other governmental charges, (w) accrued but unpaid Fund expenses, (x) unreimbursed Trustee advances, (y) cash held to redeem Units or for distribution to Holders and (z) the aggregate value of any other Fund liabilities; and dividing the result by the Units outstanding as of the computation. Evaluations of Securities are determined by the Evaluator as follows: During the initial syndicate offering period for any Debt Obligation, its evaluation will be at the syndicate offer price unless the Evaluator determines that this price does not accurately reflect the market value. For Securities traded over-the-counter, the evaluation is generally based on the closing sales prices on that market (unless the Evaluator deems these prices inappropriate for valuation). If closing sales prices are not available, the evaluation is generally determined on the basis of current bid or offer prices for the Securities or (if not available) for comparable securities or by appraising the value or any combination of these methods.

For Insured Series, the value of the Portfolio Insurance (including the right to obtain Permanent Insurance) will be considered by the Evaluator in its evaluation of Portfolio-Insured Debt Obligations only when they are in default in payment of principal or interest or in significant risk of default. No value has been attributed to this insurance as of the date of this Prospectus. It is the position of the Sponsors that this is a fair method of valuing the Portfolio Insured Debt Obligations and the insurance and reflects a proper valuation method in accordance with the provisions of the Investment Company Act of 1940.

If cash is not available in the Fund's Income and Capital Accounts to pay redemptions, the Trustee is authorized to sell Securities. Securities to be sold will be selected by the Agent for the Sponsors in accordance with procedures specified in the Indenture, based on market and credit factors that they determine are in the best interests of the Fund. The Sponsors are authorized to specify minimum face amounts in which Securities are sold, to obtain a better price for the Fund. While these minimum amounts may vary from time to time in accordance with market conditions, the Sponsors believe that the minimum face amounts which would be specified would range from $25,000 for readily marketable Securities to $250,000 for certain Restricted Securities which can be distributed on a short notice only by private sale, usually to institutional investors. Provision is also made under the Indenture that sales of Securities may not be made so as to (i) result in the Fund owning less than $250,000 of any Restricted Security or (ii) result in more than 50% of the Fund consisting of Restricted Securities. In addition, the Sponsors will use their best efforts to see that these sales of Securities are carried out in such a way that no more than 40% in face amount of the Fund is invested in Restricted Securities, provided that sales of unrestricted Securities may be made if the Sponsors' best efforts with regard to the timely sales of Restricted Securities at prices they deem reasonable are unsuccessful and if as a result of these sales more than 50% of the Fund does not consist of Restricted Securities. Thus the redemption of Units may require the sale of larger amounts of Restricted Securities than of unrestricted Securities. When Securities are sold (or mature or are called), the size and diversity of the Fund is reduced. Sales to meet redemptions are often made at times when Securities would not otherwise be sold, and may result in lower prices than might be realized otherwise.

INCOME AND DISTRIBUTIONS

INCOME

Income is received by the Fund upon semi-annual payments of interest on the Debt Obligations held in the Portfolio. Some of the Debt Obligations may be purchased on a when, as and if issued basis or may have a delayed delivery (see Portfolio). Since interest on these Debt Obligations does not begin to accrue until the date of delivery to the Fund, in order to provide income to the Holders for this non-accrual period, the Trustee will advance funds to the Fund in an amount equal to the amount of interest that would have accrued on these Debt Obligations between the date of settlement for the Units and the dates of delivery of the Debt Obligations. These advances eliminate the necessity of reducing Monthly Income Distributions until when-issued or delayed-delivery Debt Obligations are delivered and sufficient interest payments are received to begin distributions to Holders.

RETURNS

Estimated Current Return represents annual cash to be received from interest-bearing Debt Obligations in the Portfolio (net of estimated annual expenses) divided by the Public Offering Price (including sales charge).

Estimated Long-Term Return is a measure of the estimated return earned over the estimated life of the Fund. This represents an average of the yields to maturity (or earliest call date for obligations trading at a premium over the call price) of the Debt Obligations in the Portfolio, calculated in accordance with accepted bond practice and adjusted to reflect expenses and sales charges. Bonds are customarily offered on a 'yield price' basis, which reflects computation of yield to maturity (or call date) and not only the interest payable but amortization or accretion to a specified date of any premium over or discount from par (maturity) value in the bond's purchase price. In calculating Estimated Long Term Return, the average yield for the Portfolio is derived by weighing each Debt Obligation's yield by its market value and the time remaining to the date to which the Debt Obligation is priced. The average Portfolio yield so computed is adjusted to reflect estimated expenses and the maximum sales charge. This calculation does not reflect certain delays in distributing income nor the timing of other receipts and distributions on Units; depending on maturities, it may therefore overstate or understate the impact of sales charges. Both of these factors may result in a lower figure.

Both Estimated Current Return and Estimated Long Term Return can fluctuate with changes in Portfolio composition, in market value of the Debt Obligations, in Fund expenses and sales charges; these returns therefore can vary materially from the figures at the time of purchase. Any difference between Estimated Current Return and Estimated Long Term Return will probably fluctuate at least as frequently. These figures may not be directly comparable to yield figures used to measure other investments, and since the estimated returns are based on various assumptions and variables, returns received by Holders may be higher or lower.

FUND ACCOUNTS

Interest received is credited to an Income Account and other receipts to a Capital Account. A Reserve Account may be created by withdrawing from the Income or Capital Accounts amounts considered appropriate by the Trustee to reserve for any material amount that may be payable out of the Fund. Monies held by the Trustee in the various accounts for the Fund do not bear interest.

DISTRIBUTIONS

The initial estimated net annual interest rate per Unit is stated in Investment Summary. This is based on $1,000 face amount per Unit, after deducting estimated annual Fund expenses. The rate will change as Securities mature, are called or sold or otherwise disposed of, as Replacement Securities are deposited and as Fund expenses change. Because the Portfolio is not actively managed, income distributions may not be affected by changes in interest rates. Subject to the financial conditions of the issuers of the Securities, the amount of income should be substantially maintained as long as the Portfolio remains unchanged; however, optional bond redemptions or other Portfolio changes may occur more frequently when interest rates decline, which would result in early return of principal.

Each Unit receives an equal share of monthly distributions of interest income and any principal distributed, substantially equal to the proportionate income during the month preceding the Record Day less estimated expenses. Interest on the Debt Obligations is received by the Fund on a semi-annual or annual basis. Therefore, it takes several months after the Initial Date of Deposit for the Trustee to receive sufficient interest payments on the Securities to begin distributions to Holders; see Investment Summary for estimates of the first and following Monthly Income Distributions. When a

Security is sold, redeemed or otherwise disposed of, accrued interest is received by the Fund. Further, because interest on the Securities is not received by the Fund at a constant rate throughout the year, any Monthly Income Distribution may be more or less than the interest actually received. To eliminate fluctuations in the Monthly Income Distribution, the Trustee will advance amounts necessary to provide approximately equal distributions; it will be reimbursed, without interest, from interest received on the Securities. However, the amount of Monthly Income Distributions will change over time as described above.

Along with the Monthly Income Distributions, the Trustee will distribute the Holder's pro rata share of the distributable cash balance of the Capital Account, computed as of the close of business on the preceding Record Day (if at least equal to the Minimum Capital Distribution stated in Investment Summary). Principal proceeds received from disposition of any Security after a Record Day and prior to the related Distribution Day will be held in the Capital Account subject to distribution on the second following Distribution Day. The first distribution for a purchaser of Units between a Record Day and the related Distribution Day will be made on the second following Distribution Day.

Any funds held to acquire Replacement Securities which have not been used to purchase Securities within 90 days after the initial deposit, unless promptly used to purchase Replacement Securities, will be distributed to Holders together with the attributable sales charge and interest attributable to those funds.

INVESTMENT ACCUMULATION PROGRAM

Distributions of interest and any principal or premium received by the Fund will be paid in cash unless the Holder elects to have these distributions reinvested without sales charge in The Corporate Fund Accumulation Program, Inc. (the 'Program'). The Program is an open-end management investment company whose investment objective is to obtain a high level of current income through investment in a diversified portfolio consisting primarily of long-term debt obligations of corporations with credit characteristics comparable to those of securities in this Series of Corporate Income Fund. It should be noted, however, that interest distributions to foreign Holders from this Program will be subject to U.S. Federal income taxes, including withholding taxes. Holders participating in the Program will be taxed on their reinvested distributions in the manner described in Taxes even though distributions are automatically reinvested. For more complete information about the Program, including charges and expenses, return the enclosed form for a prospectus. Read it carefully before you decide to participate. Notice of election to participate must be received by the Trustee in writing at least ten days before the Record Day for the first distribution to which the notice is to apply.

FUND EXPENSES

See Trustee's Annual Fee and Expenses under Investment Summary for estimated annual Fund expenses; if actual expenses exceed the estimate, the excess will be borne by the Fund. The annual fee solely for the Trustee's services is $0.70 per $1,000 face amount of Debt Obligations, payable in monthly installments. The Trustee also benefits when it holds cash for the Fund in non-interest bearing accounts. Possible additional charges include Trustee fees and expenses for extraordinary services, costs of indemnifying the Trustee and the Sponsors to the extent permitted by law and the Indenture, costs of action taken to protect the Fund and other legal fees and expenses, Fund termination expenses and any governmental charges. The Trustee has a lien on Fund assets to secure reimbursement of these amounts, and may sell Securities for this purpose. The Sponsors receive an annual fee for Portfolio supervisory services at the maximum stated under Investment Summary, based on the initial face amount in any calendar year. While this may exceed their costs of providing these services to the Fund, the total supervision fees from all Corporate Income Fund Series will not exceed their costs for these services to all of those Series during any calendar year. The Sponsors may also be reimbursed for their costs of providing bookkeeping and administrative services to the Fund. The Trustees's, Sponsors' and Evaluators fees may be adjusted for inflation without Holders' approval.

LOW COSTS

All expenses in establishing the Fund, including the cost of the initial preparation and printing of documents relating to the Fund, cost of the initial evaluation, the initial fees and expenses of the Trustee, legal expenses, advertising and selling expenses and any other out-of-pocket expenses, will be paid from the Underwriting Account at no charge to the Fund.

Sales charges on Defined Asset Funds range from under 1.0% to 5.5%. This may be less than you might pay to buy a comparable mutual fund. Defined Asset Funds have no 12b-1 or back-end load fees. These Funds can be a cost-effective way to purchase and hold investments. Annual operating expenses are generally lower than for managed funds. Because Defined Funds have no management fees, limited transaction costs and no ongoing marketing expenses, operating expenses are generally less than 0.25% a year. When compounded annually, small differences in expense ratios can make a big difference in expenses.

EXCHANGE OPTION

Holders may exchange Units at a reduced sales charge for units of one or more series of the types listed in Appendix C ('Exchange Funds'). This includes the current maximum sales charge and exchange fee for each type of Exchange Fund. (If units held less than five months are exchanged for a series with a higher regular sales charge, the Holder will pay the difference between the sales charges paid on the units exchanged and the regular sales charge for the units acquired, if greater than the exchange fee.)

The current return from taxable fixed income securities is normally higher than that available from tax exempt fixed income securities. Certain of the Exchange Funds do not provide for periodic payments of interest and are best suited for purchase by IRA's, Keogh plans, pension funds or other tax-deferred retirement plans. Consequently, some of the Exchange Funds may be inappropriate investments for some Holders. Appendix C lists certain characteristics of each type of Exchange Fund which a Holder should consider in determining whether it would be an appropriate investment and therefore an appropriate exchange for Units of the Fund.

Holders of Exchange Funds can similarly exchange units of those funds for Units of the Fund. However, units of series offered at a maximum applicable sales charge below 3.50% of the public offering price (including certain series of Exchange Funds listed in Appendix C) are not eligible for exchange except that Holders may exchange Units of the Fund for Freddie Mac or Select Ten Series during their initial offering periods. Holders of other registered unit investment trusts originally offered at a maximum applicable sales charge of at least 3.0% ('Conversion Trusts') may similarly acquire Units at the exchange fee.

To make an exchange, a Holder should contact his financial professional to find out what suitable Exchange Funds are available and to obtain a prospectus. The Holder may only acquire units of an Exchange Fund in which the Sponsors maintain a secondary market and which are lawfully available for sale in the state where the Holder resides. Except for the sales charge, an exchange is like any other purchase and sale of units in the secondary market. An exchange is a taxable event normally requiring recognition of any gain or loss on the units exchanged. However, the Internal Revenue Service may seek to disallow a loss if the portfolio of the units acquired is not materially different from the portfolio of the units exchanged; Holders should consult their own tax advisers. If the proceeds of units exchanged is insufficient to acquire a whole number of Exchange Fund units, the Holder may pay the difference in cash (not exceeding the price of a single unit acquired).

As the Sponsors are not obligated to maintain a secondary market in any series, there can be no assurance that units of a desired series will be available for exchange. The Exchange Option may be amended or terminated by the Sponsors at any time, without notice to Holders.

TAXES

The following discussion addresses only the tax consequences of Units held as capital assets and does not address the tax consequences of Units held by dealers, financial institutions or insurance companies.

In the opinion of Davis Polk & Wardwell, special counsel for the Sponsors, under existing law:

> The Fund is not an association taxable as a corporation for Federal income tax purposes, and income received by the Fund will be treated as the income of the Holders in the manner set forth below.
>
> Each Holder will be considered the owner of a pro rata portion of each Debt Obligation in the Fund under the grantor trust rules of Sections 671-679 of the Internal Revenue Code of 1986, as amended (the 'Code'). In order to determine the face amount of a Holder's pro rata portion of each Debt Obligation on the Initial Date of Deposit, see Face Amount under Portfolio. The total cost to a Holder of his Units, including sales charges, is allocated to his pro rata portion of each Debt Obligation, in proportion to the fair market values thereof on the date the Holder purchases his Units, in order to determine his tax basis for his pro rata portion of each Debt Obligation. In order for a Holder who purchases his Units on the Initial Date of Deposit to determine the fair market value of his pro rata portion of each Debt Obligation on such date, see Cost of

Securities to Fund under Portfolio.

Each Holder will be considered to have received the interest on his pro rata portion of each Debt Obligation when interest on the Debt Obligation is received by the Fund. An individual Holder who itemizes deductions may deduct his pro rata share of fees and other expenses of the Fund only to the extent that such amount together with the Holder's other miscellaneous deductions exceeds 2% of his adjusted gross income.

If a Holder's tax cost for his pro rata portion of a Debt Obligation exceeds the redemption price at maturity thereof (subject to certain adjustments), the Holder will be considered to have purchased his pro rata portion of the Debt Obligation at a 'bond premium'. The Holder may elect to amortize the bond premium prior to the maturity of the Debt Obligation. The amount amortized in any year should be applied to offset the Holder's interest from the Debt Obligation and will result in a reduction of basis for his pro rata portion of the Debt Obligation.

A Holder will recognize taxable gain or loss when all or part of his pro rata portion of a Debt Obligation is disposed of by the Fund for an amount greater or less than his adjusted tax basis. Any such taxable gain or loss will be capital gain or loss, except that any gain from the disposition of a Holder's pro rata portion of a Debt Obligation acquired by the Holder at a 'market discount' (i.e., where the Holder's original cost for his pro rata portion of the Debt Obligation is less than its stated redemption price at maturity) will be treated as ordinary income to the extent the gain does not exceed the accrued market discount. Capital gains are generally taxed at the same rate as ordinary income. However, the excess of net long-term capital gains over net short-term capital losses may be taxed at a lower rate than ordinary income

for certain non-corporate taxpayers. A capital gain or loss is long-term if the asset is held for more than one year and short-term if held for one year or less. The deduction of capital losses is subject to limitations. A Holder will also be considered to have disposed of all or part of his pro rata portion of each Debt Obligation when he sells or redeems all or some of his Units.

Under the income tax laws of the State and City of New York, the Fund is not an association taxable as a corporation and income received by the Fund will be treated as the income of the Holders in the same manner as for Federal income tax purposes.

Notwithstanding the foregoing, a Holder who is a non-resident alien individual or a foreign corporation (a 'Foreign Holder') will generally not be subject to U.S. Federal income taxes, including withholding taxes, on the interest income on, or any gain from the sale or other disposition of, his pro rata portion of any Debt Obligation provided that (i) the interest income or gain is not effectively connected with the conduct by the Foreign Holder of a trade or business within the United States, (ii) if the interest is United States source income (which is the case on most Debt Obligations issued by United States issuers), the Foreign Holder does not own, actually or constructively, 10% or more of the total combined voting power of all classes of voting stock of the issuer of the Debt Obligation and is not a controlled foreign corporation related (within the meaning of Section 864 (d)(4) of the Code) to the issuer of the Debt Obligation, (iii) with respect to any gain, the Foreign Holder (if an individual) is not present in the United States for 183 days or more during the taxable year and (iv) the Foreign Holder provides the required certification of his status and of certain other matters. Withholding agents will file with the Internal Revenue Service foreign person information returns with respect to such interest payments accompanied by such certifications. Foreign Holders should consult their own tax advisers with respect to United States Federal income tax consequences of ownership of Units.

Holders will be taxed in the manner described above regardless of whether distributions from the Fund are actually received by the Holder or are automatically reinvested pursuant to the investment accumulation program. (See Administration of the Fund--Investment Accumulation Program).

The foregoing discussion relates only to United States Federal and certain aspects of New York State and City income taxes. Holders may be subject to taxation in New York or in other jurisdictions (including a Foreign Holder's country of residence) and should consult their own tax advisers in this regard.

* * *

Neither the Sponsors nor Davis Polk & Wardwell has made or will make a review of the facts and circumstances relating to the issuance of any Debt

Obligation. To the best knowledge of the Sponsors, each Debt Obligation will be treated as debt for tax purposes by the respective issuers. The Internal Revenue Service, however, is not bound by an issuer's treatment and may take the position that a Debt Obligation has more equity than debt features and, accordingly, should be treated as equity. In the event of such a recharacterization, a withholding tax at the statutory rate of 30% (or a lesser treaty rate) would apply on distributions to Foreign Holders in respect of that Debt Obligation.

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

ADMINISTRATION OF THE FUND

RECORDS

The Trustee keeps a register of the names, addresses and holdings of all Holders. The Trustee also keeps records of the transactions of the Fund, including a current list of the Securities and a copy of the Indenture, which may be inspected by Holders at reasonable times during business hours.

REPORTS TO HOLDERS

With each distribution, the Trustee includes a statement of the interest and any other receipts being distributed. Within five days after deposit of Debt Obligations in exchange or substitution for Debt Obligations (or

contracts) previously deposited, the Trustee will send a notice to each Holder, identifying both the Debt Obligations removed and the Replacement Securities deposited. The Trustee sends each record Holder an annual report summarizing transactions in the Fund's accounts and amounts distributed during the year and Securities held, number of Units outstanding and Redemption Price at year end, among other matters. Holders may obtain copies of Securities evaluations from the Trustee to enable them to comply with Federal and state tax reporting requirements. Fund accounts are audited annually by independent accountants selected by the Sponsors; audited financial statements are available on request.

TRUST INDENTURE

The Fund is a 'unit investment trust' created under New York law by a Trust Indenture (the 'Indenture') among the Sponsors, the Trustee and the Evaluator. This Prospectus summarizes various provisions of the Indenture, but each statement herein is qualified in its entirety by reference to the Indenture.

The Indenture may be amended by the Sponsors and the Trustee, without consent by Holders: (a) to cure ambiguities or to correct or supplement any defective or inconsistent provision, (b) to make any amendment required by the SEC or other governmental agency, or (c) to make any other change not materially adverse to the interest of Holders (as determined in good faith by the Sponsors). The Indenture may also be amended upon consent of Holders of 51% of the Units. No amendment may reduce the interest of any Holder in the Fund without the Holder's consent or reduce the percentage of Units required to consent to any amendment without unanimous consent of Holders. Holders will be notified on the substance of any amendment.

The Fund will be terminated, and any remaining Securities sold, no later than the mandatory termination date specified in Investment Summary. It will terminate earlier upon the disposition of the last Security, upon direction of the Sponsors if total assets are below the minimum value specified in Investment Summary or upon consent of Holders of 51% of the Units. The Trustee will notify each Holder in writing within a reasonable time before termination, specifying when Certificates should be surrendered. After termination, the Trustee will sell any remaining Securities and distribute (by check mailed to the Holder) each Holder's pro rata interest in the Fund, net of any unpaid fees, taxes, governmental and other charges and subject to surrender of any outstanding Certificate by the Holder.

Merrill Lynch, Pierce, Fenner & Smith Incorporated has been appointed as Agent for the Sponsors by the other Sponsors.

The Trustee may resign upon notice to the Sponsors; it may be removed by direction of Holders of 51% of the Units at any time or by the Sponsors without consent of Holders if it becomes incapable of acting or bankrupt, its affairs are taken over by public authorities, or if for any reason the Sponsors determine in good faith that its replacement is in the best interest of the Holders. The Evaluator may resign or be removed by the Sponsors and the Trustee without consent of Holders. The resignation or removal of either becomes effective upon acceptance of appointment by a successor; in this case, the Sponsors (and the Trustee in the case of a successor Evaluator) will use their best efforts to appoint a successor promptly; however, if upon resignation no successor has accepted appointment within 30 days after notification, the resigning Trustee or Evaluator may apply to a court of competent jurisdiction to appoint a successor.

Any Sponsor may resign if one remaining Sponsor maintains a net worth of $2,000,000 and is agreeable to the resignation. A new Sponsor may be appointed by the remaining Sponsors and the Trustee to assume the duties of the resigning Sponsor. If there is only one Sponsor and it fails to perform its duties or becomes incapable of acting or bankrupt or its affairs are taken over by public authorities, the Trustee may (a) appoint a successor Sponsor at rates of compensation deemed by the Trustee to be reasonable and not exceeding amounts prescribed by the SEC, or (b) terminate the Indenture and liquidate the Fund or (c) continue to act as Trustee without terminating the Indenture.

The Sponsors, the Trustee and the Evaluator are not liable to any other party (including Holders) for any act or omission in the conduct of their responsibilities absent bad faith, willful misfeasance, negligence (gross negligence in the case of a Sponsor) or reckless disregard of duty. The Trustee will not be personally liable for taxes or other governmental charges with respect to the Securities or interest thereon. The Indenture contains other customary provisions limiting liability of the Trustee.

MISCELLANEOUS

TRUSTEE

The Trustee is named on the back cover of the Prospectus and is either Bankers Trust Company, a New York banking corporation with its corporate trust office at 4 Albany Street, 7th Floor, New York, New York 10015 (which is subject to supervision by the New York Superintendent of Banks, the FDIC and the Board of Governors of the Federal Reserve System ('Federal Reserve')); The Chase Manhattan Bank, N.A., a national banking association with its Unit Trust Department at 1 Chase Manhattan Plaza--3B, New York, New York 10081 (which is subject to supervision by the Comptroller of the Currency, the FDIC and the Federal Reserve); or (acting as Co-Trustees) Investors Bank & Trust Company, a Massachusetts trust company with its unit investment trust servicing group at One Lincoln Plaza, Boston, Massachusetts 02111 (which is subject to supervision by the Massachusetts Commissioner of Banks, the FDIC and the Federal Reserve) and The First National Bank of Chicago, a national banking association with its corporate trust office at One First National Plaza, Suite 0126, Chicago, Illinois 60670-0126 (which is subject to supervision by the Comptroller of the Currency, the FDIC and the Federal Reserve). Unless otherwise indicated, when Investors Bank & Trust and The First National Bank of Chicago act as Co-Trustees, the term 'Trustee' in this Prospectus refers to these banks as co-trustee.

LEGAL OPINION

The legality of the Units has been passed upon by Davis Polk & Wardwell, 450 Lexington Avenue, New York, New York 10017, as special counsel for the Sponsors. Bingham, Dana & Gould, 150 Federal Street, Boston, Massachusetts 02110, act as counsel for The First National Bank of Chicago and Investors Bank & Trust Company, as Co-Trustees. Hawkins, Delafield & Wood, 67 Wall Street, New York, New York 10005, act as counsel for Bankers Trust Company, as Trustee.

AUDITORS

The Statement of Condition in Part A was audited by Deloitte & Touche, independent accountants, as stated in their opinion. It is included in reliance upon that opinion given on the authority of that firm as experts in accounting and auditing.

SPONSORS

Each Sponsor 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. Merrill Lynch, Pierce, Fenner & Smith Incorporated, a subsidiary of Merrill Lynch & Co., Inc., is engaged in the investment advisory business. Smith Barney Inc., an investment banking and securities broker-dealer firm, is an indirect wholly-owned subsidiary of The Travelers Inc. Prudential Securities Incorporated, a wholly-owned subsidiary of Prudential Securities Group Inc. and an indirectly wholly-owned subsidiary of the Prudential Insurance Company of America, is engaged in the investment advisory business. Dean Witter Reynolds Inc., a principal operating subsidiary of Dean Witter, Discover & Co., is engaged in the investment advisory business. PaineWebber Incorporated is engaged in the investment advisory business and is a wholly-owned subsidiary of PaineWebber Group Inc. Each Sponsor, or one of its predecessor corporations, has acted as Sponsor of a number of series of unit investment trusts. Each Sponsor has acted as principal underwriter and managing underwriter of other investment companies. The Sponsors, in addition to participating as members of various selling groups or as agents of other investment companies, execute orders on behalf of investment companies for the purchase and sale of securities of these companies and sell securities to these companies in their capacities as brokers or dealers in securities.

PUBLIC DISTRIBUTION

On the Initial Date of Deposit, the Sponsors, acting as managers for the underwriters ('Underwriters') named under Underwriting Account, deposited the Debt Obligations listed under Portfolio (or purchase contracts for these Securities together with a letter of credit to complete the purchase), in exchange for Units representing the entire ownership of the Fund.

During the initial offering period Units will be distributed to the public at the Public Offering Price through the Underwriting Account and dealers. The initial offering period is 30 days or less if all Units are sold. If some Units initially offered have not been sold, the Sponsors may extend the initial offering period for up to four additional successive 30-day periods. Upon the completion of the initial offering, Units which remain unsold or were repurchased may be offered by this Prospectus at the secondary market Public Offering Price.

The Sponsors intend to qualify Units for sale in all states in which qualification is deemed necessary through the Underwriting Account and by dealers who are members of the National Association of Securities Dealers, Inc. The Sponsors do not intend to qualify Units for sale in any foreign countries and this Prospectus does not constitute an offer to sell Units in any country where Units cannot lawfully be sold. Sales to dealers and to introducing dealers, if any, will initially be made at prices which represent a concession of the applicable rate specified in Appendix B, but the Agent for the Sponsors reserves the right to change the rate of the concession to dealers and the concession to introducing dealers from time to time. Any dealer or introducing dealer may reallow a concession up to the concession to dealers.

UNDERWRITERS' AND SPONSORS' PROFITS

Upon sale of the Units, the Underwriters will receive sales charges at the rates listed in Appendix B. The Sponsors also realized the profit or loss on deposit of the Securities stated in Investment Summary. This is the difference between the cost of the Securities to the Fund (based on the offer side evaluation of the Securities on the Initial Date of Deposit) and the Sponsors' cost of the Securities. The amount of any additional fees received in connection with the direct placement of certain Debt Obligations deposited in the Portfolio is also stated in Investment Summary. In addition, a Sponsor or Underwriter may realize profits or sustain losses on Debt Obligations it deposits in the Fund which were acquired from underwriting syndicates of which it was a member. During the initial offering period the Underwriting Account also may realize profits or sustain losses as a result of fluctuations after the Initial Date of Deposit in the Public Offering Price of the Units (see Investment Summary). In maintaining a secondary market for Units (see Market for Units), the Sponsors will also realize profits or sustain losses in the amount of any difference between the prices at which they buy Units and the prices at which they resell these Units (which include the sales charge) or the prices at which they redeem the Units. Cash, if any, made available by buyers of Units to the Sponsors prior to a settlement date for the purchase of Units may be used in the Sponsors' businesses to the extent permitted by Rule 15c3-3 under the Securities Exchange Act of 1934 and may be of benefit to the Sponsors.

DEFINED ASSET FUNDS

Each Sponsor (or a predecessor) has acted as Sponsor of various series of Defined Asset Funds. A subsidiary of Merrill Lynch, Pierce, Fenner & Smith Incorporated succeeded in 1970 to the business of Goodbody & Co., which had been a co-Sponsor of Defined Asset Funds since 1964. That subsidiary resigned as Sponsor of each of the Goodbody series in 1971. Merrill Lynch, Pierce, Fenner & Smith Incorporated has been co-Sponsor and the Agent for the Sponsors of each series of Defined Asset Funds created since 1971. Shearson Lehman Brothers Inc. ('Shearson') and certain of its predecessors were underwriters beginning in 1962 and co-Sponsors from 1965 to 1967 and from 1980 to 1993 of various Defined Asset Funds. As a result of the acquisition of certain of Shearson's assets by Smith Barney, Harris Upham & Co. Incorporated and The Travelers Inc. (formerly Primerica Corporation), Smith Barney Inc. now serves as co-Sponsor of various Defined Asset Funds. Prudential Securities Incorporated and its predecessors have been underwriters of Defined Asset Funds since 1961 and co-Sponsors since 1964, in which year its predecessor became successor co-Sponsor to the original Sponsor. Dean Witter Reynolds Inc. and its predecessors have been underwriters of various Defined Asset Funds since 1964 and co-Sponsors since 1974. PaineWebber Incorporated and its predecessor have co-Sponsored certain Defined Asset Funds since 1983.

The Sponsors have maintained secondary markets in Defined Asset Funds for over 20 years. For decades informed investors have purchased unit investment trusts for dependability and professional selection of investments. Defined Asset Funds offers an array of simple and convenient investment choices, suited to fit a wide variety of personal financial goals--a buy and hold strategy for capital accumulation, such as for children's education or a nest egg for retirement, or attractive, regular current income consistent with relative protection of capital. There are Defined Funds to meet the needs of just about any investor. Unit investment trusts are particularly suited for the many investors who prefer to seek long-term profits by purchasing sound investments and holding them, rather than through active trading. Few individuals have the knowledge, resources or capital to buy and hold a diversified portfolio on their own; it would generally take a considerable sum of money to obtain the breadth and diversity offered by Defined Funds. Sometimes it takes a combination of Defined Funds to plan for your objectives.

One of the most important investment decisions an investor faces may be how to allocate his investments among asset classes. Diversification among different kinds of investments can balance the risks and rewards of each one. Most investment experts recommend stocks for long-term capital growth. Long-term corporate bonds

offer relatively high rates of interest income. By purchasing both defined equity and defined bond funds, investors can receive attractive current income, as well as growth potential, offering some protection against inflation.

The following chart shows the average annual compounded rate of return of selected asset classes over the 10-year and 20-year periods ending December 31, 1993, compared to the rate of inflation over the same periods. Of course, this chart represents past performance of these investment categories and there is no guarantee of future results, either of these categories or of Defined Funds. Defined Funds also have sales charges and expenses, which are not reflected in the chart.

<TABLE>

<S> <C> <C> <C> <C> <C> <C> <C> <C> <C> <C> <C> <C> <C> <C> <C> <C> <C> <C> <C> <C> <C>

Stocks (S&P 500)	
20 yr.	12.76%
10 yr.	14.94%
Small-company stocks	
20 yr.	18.82%
10 yr.	9.96%
Long-term corporate bonds	
20 yr.	10.16%
10 yr.	14.00%
U.S. Treasury bills (short-term)	
20 yr.	7.49%
10 yr.	6.35%
Consumer Price Index	
20 yr.	5.92%
10 yr.	3.73%

0 2 4 6 8 10 12 14 16 18 20 %

</TABLE>

Source: Ibbotson Associates (Chicago)
Used with permission. All rights reserved.

Instead of having to select individual securities on their own, purchasers of Defined Funds benefit from the expertise of Defined Asset Funds' experienced buyers and research analysts. In addition, they gain the advantage of diversification by investing in units of a Defined Fund holding securities of several different issuers. Such diversification reduces risk, but does not eliminate it. While the portfolio of managed funds, such as mutual funds, continually changes, defined bond funds offer a defined portfolio and a schedule of income distributions defined in the prospectus. Investors know, generally, when they buy, the issuers, maturities, call dates and ratings of the securities in the portfolio. Of course, the portfolio may change somewhat over time as additional securities are deposited, as securities mature or are called or redeemed or as they are sold to meet redemptions and in the limited other circumstances. Investors buy bonds for dependability--they know what they can expect to earn and that principal is distributed as the bonds mature. Investors also know at the time of purchase their estimated income and current and long-term returns, subject to credit and market risks and to changes in the portfolio or the fund's expenses.

Defined Asset Funds offers a variety of fund types. The tax exemption for municipal bonds, which makes them attractive to high-bracket taxpayers, is offered by Defined Municipal Investment Trust Funds. Defined Municipal Investment Trust Funds have provided investors with tax-free income for more than 30 years. Municipal Defined Funds offer a simple and convenient way for investors to earn monthly income free from regular Federal income tax. Defined Corporate Income Funds, with higher current returns than municipal or government funds, are suitable for Individual Retirement Accounts and other tax-advantaged accounts and provide

investors a simple and convenient way to earn monthly income. Defined Government Securities Income Funds provide a way to participate in markets for U.S. government securities while earning an attractive current return. Defined International Bond Funds, invested in bonds payable in foreign currencies, offer a potential to profit from changes in currency values and possibly from interest rates higher than paid on comparable U.S. bonds, but investors incur a higher risk for these potentially greater returns. Historically, stocks have offered growth of capital, and thus some protection against inflation, over the long term. Defined Equity Income Funds offer participation in the stock market, providing current income as well as the possibility of capital appreciation. The S&P Index Trusts offer a convenient and inexpensive way to participate in broad market movements. Concept Series seek to capitalize on selected anticipated economic, political or business trends. Utility Stock Series, consisting of stocks of issuers with established reputations for regular cash dividends, seek to benefit from dividend increases. Select Ten Portfolios seek total return by investing for one year in the ten highest yielding stocks on a designated stock index.

APPENDIX A

DESCRIPTION OF RATINGS (AS DESCRIBED BY THE RATING COMPANIES THEMSELVES)

STANDARD & POOR'S RATINGS GROUP, A DIVISION OF MCGRAW HILL, INC.

A Standard & Poor's rating on the units of an investment trust (hereinafter referred to collectively as 'units' and 'funds') is a current assessment of creditworthiness with respect to the investments held by the fund. This assessment takes into consideration the financial capacity of the issuers and of any guarantors, insurers, lessees, or mortgagors with respect to such investments. The assessment, however, does not take into account the extent to which fund expenses will reduce payment to the Holder of the interest and principal required to be paid on portfolio assets. In addition, the rating is not a recommendation to purchase, sell, or hold units, as the rating does not comment as to market price of the units or suitability for a particular investor.

AAA--Units rated AAA represent interests in funds composed exclusively of securities that, together with their credit support, are rated AAA by Standard & Poor's and/or certain short-term investments. This AAA rating is the highest rating assigned by Standard & Poor's to a security. 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--Debt rated BBB is 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 higher rated categories.

BB, B, CCC, CC--Debt rated BB, B, CCC and CC is 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 CC the highest degree of speculation. While such debt will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions.

The ratings may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

A provisional rating, indicated by 'p' following a rating, assumes the successful completion of the project being financed by the issuance of 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.

MOODY'S INVESTORS SERVICE INC.

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. They 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 the 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.

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

Conditional ratings, indicated by 'Con.', are sometimes given when the security for the bond depends upon the completion of some act or the fulfillment of some condition. Such bonds are given a conditional rating that denotes their probable credit stature upon completion of that act or fulfillment of that condition.

FITCH INVESTORS SERVICES, INC.

AAA--These bonds are considered to be investment grade and of the highest quality. The obligor has an extraordinary ability to pay interest and repay principal, which is unlikely to be affected by reasonably foreseeable events.

AA--These bonds are considered to be investment grade and of high quality. The obligor's ability to pay interest and repay principal, which very strong, is somewhat less than for AAA rated securities or more subject to possible change over the term of the issue.

A--These bonds are considered to be investment grade and of good quality. The obligor's ability to pay interest and repay principal is considered to be strong, but may be more vulnerable to adverse changes in economic conditions and circumstances than bonds with higher ratings.

BBB--These bonds are considered to be investment grade and of satisfactory quality. The obligor's ability to pay interest and repay principal is considered to be adequate. Adverse changes in economic conditions and circumstances, however are more likely to weaken this ability than bonds with higher ratings.

A '+' or a ' sign after a rating symbol indicates relative standing in its rating.

DUFF & PHELPS CREDIT RATING CO.

AAA--Highest credit quality. The risk factors are negligible, being only slightly more than for risk-free U.S. Treasury debt.

AA--High credit quality. Protection factors are strong. Risk is modest but may vary slightly from time to time because of economic stress.

A--Protection factors are average but adequate. However, risk factors are more variable and greater in periods of economic stress.

A '+' or a ' sign after a rating symbol indicates relative standing in its rating.

APPENDIX B

INITIAL OFFERING SALES CHARGE SCHEDULE

<TABLE>

<S>	<C>	<C>	<C>	<C>
	SALES CHARGE (GROSS UNDERWRITING PROFIT)			
NUMBER OF UNITS	AS PERCENT OF OFFER SIDE PUBLIC OFFERING PRICE	AS PERCENT OF NET AMOUNT INVESTED	DEALER CONCESSION AS PERCENT OF PUBLIC OFFERING PRICE	PRIMARY MARKET CONCESSION TO INTRODUCING DEALERS

</TABLE>

MONTHLY PAYMENT SERIES, INSURED SERIES:

<TABLE>

<S>	<C>	<C>	<C>	<C>
Less than 250..............................	4.50 %	4.712 %	2.925 %	$ 32.40
250 - 499..................................	3.50	3.627	2.275	25.20
500 - 749..................................	3.00	3.093	1.950	21.60
750 - 999..................................	2.50	2.564	1.625	18.00
1,000 or more..............................	2.00	2.041	1.300	14.40

</TABLE>

INTERMEDIATE SERIES:

<TABLE>

<S>	<C>	<C>	<C>	<C>
Less than 250..............................	4.00 %	4.167 %	2.600 %	$ 28.80
250 - 499..................................	3.00	3.093	1.950	21.60
500 - 749..................................	2.50	2.564	1.625	18.00
750 - 999..................................	2.00	2.040	1.300	14.40

1,000 or more............................	1.50	1.523	0.975	10.00

</TABLE>

SECONDARY MARKET SALES CHARGE SCHEDULE

MONTHLY PAYMENT SERIES, INSURED SERIES:

NUMBER OF UNITS	SALES CHARGE (GROSS UNDERWRITING PROFIT) AS PERCENT OF BID SIDE PUBLIC OFFERING PRICE	AS PERCENT OF NET AMOUNT INVESTED	DEALER CONCESSION AS PERCENT OF PUBLIC OFFERING PRICE
Less than 250.......................................	5.50 %	5.820 %	3.575 %
250 - 499...	4.50	4.712	2.925
500 - 749...	3.50	3.627	2.275
750 - 999...	2.50	2.564	1.625
1,000 or more.......................................	2.00	2.041	1.300

INTERMEDIATE SERIES:

Less than 250.......................................	4.75 %	4.987 %	3.088 %
250 - 499...	3.75	3.896	2.438
500 - 749...	2.75	2.828	1.788
750 - 999...	2.00	2.041	1.300
1,000 or more.......................................	1.50	1.523	0.975

APPENDIX C
EXCHANGE FUNDS

NAME OF EXCHANGE FUND	MAXIMUM APPLICABLE SALES CHARGE(A)	REDUCED SALES CHARGE FOR SECONDARY MARKET(B)	INVESTMENT CHARACTERISTICS
DEFINED ASSET FUNDS-- GOVERNMENT SECURITIES INCOME FUND			
GNMA Series (other than those below)	4.25 %	$15 per unit	long-term, fixed rate, taxable income, underlying securities backed by the full faith and credit of the United States
GNMA Series E or other GNMA Series having units with an initial face value of $1.00	4.25 %	$15 per 1,000 units	long-term, fixed rate, taxable income, underlying securities backed by the full faith and credit of the United States, appropriate for IRA's or tax-deferred retirement plans
Freddie Mac Series	3.50 %	$15 per 1,000 units	intermediate term, fixed rate, taxable income, underlying securities are backed by Federal Home Loan Mortgage Corporation but not by U.S. Government
DEFINED ASSET FUNDS--MUNICIPAL INVESTMENT TRUST FUND			
Monthly Payment, State and Multistate Series	5.50 %(c)	$15 per unit	long-term, fixed rate, tax-exempt income
Intermediate Term Series	4.50 %(c)	$15 per unit	intermediate-term, fixed rate, tax-exempt income
Insured Series	5.50 %(c)	$15 per unit	long-term, fixed rate, tax-exempt income, underlying securities insured by insurance companies
AMT Monthly Payment Series	5.50 %(c)	$15 per unit	long-term, fixed rate, income exempt from regular federal income tax but partially subject to Alternative Minimum Tax
DEFINED ASSET FUNDS--MUNICIPAL INCOME FUND			
Insured Discount Series	5.50 %(c)	$15 per unit	long-term, fixed rate insured, tax-exempt income, taxable capital gains

DEFINED ASSET FUNDS-- CORPORATE INCOME FUND			
Monthly Payment Series	5.50 %	$15 per unit	long-term, fixed rate, taxable income
Intermediate Term Series	4.75 %	$15 per unit	intermediate-term, fixed rate, taxable income
Cash or Accretion Bond Series and SELECT Series	3.50 %	$15 per 1,000 units	intermediate-term, fixed rate, underlying securities composed of collateralized compound interest obligations, taxable income, appropriate for IRA's or tax-deferred retirement plans
Select High Yield Series	5.50 %	$15 per unit	non-investment grade intermediate and long-term, fixed rate, taxable income
Insured Series	5.50 %	$15 per unit	long-term, fixed-rate, taxable income, underlying securities are insured.
DEFINED ASSET FUNDS-- INTERNATIONAL BOND FUND			
Multi-Currency Series	3.75 %	$15 per unit	intermediate-term, fixed rate, payable in foreign currencies, taxable income
Australian and New Zealand Dollar Bonds Series	3.75 %	$15 per unit	intermediate-term, fixed rate, payable in Australian and New Zealand dollars, taxable income
Australian Dollar Bonds Series	3.75 %	$15 per unit	intermediate-term, fixed rate, payable in Australian dollars, taxable income
Canadian Dollar Bonds Series	3.50 %	$15 per unit	short intermediate term, fixed rate, payable in Canadian dollars, taxable income
DEFINED ASSET FUNDS--EQUITY INCOME FUND			
Utility Common Stock Series	4.50 %	$15 per 1,000 units(d)	dividends, taxable income, underlying securities are common stocks of public utilities
Concept Series	4.00 %	$15 per 100 units	underlying securities constitute a professionally selected portfolio of common stocks consistent with an investment idea or concept
Select Ten Portfolios (domestic and international)	2.75 %	$17.50 per 1,000 units	10 highest dividend yielding stocks in a designated stock index; seeks higher total return than that stock index; terminates after one year

</TABLE>

- ----------------------

(a) As described in the prospectuses relating to certain Exchange Funds, this sales charge for secondary market sales may be reduced on a graduated scale in the case of quantity purchases.

(b) The reduced sales charge for Units acquired during their initial offering period is: $20 per unit for Series for which the Reduced Sales Charge for Secondary Market (above) is $15 per unit; $20 per 100 units for Series for which the Reduced Sales Charge for Secondary Market is $15 per 100 units and $20 per 1,000 units for Series for which the Reduced Sales Charge for Secondary Market is $15 per 1,000 units.

(c) Subject to reduction depending on the maturities of the underlying Securities.

(d) The reduced sales charge for the Sixth Utility Common Stock Series of The Equity Income Fund is $15 per 2,000 units and for prior Utility Common Stock Series is $7.50 per unit.

Defined
Asset FundsSM

<TABLE>
<CAPTION>

Sponsors: Merrill Lynch, Pierce, Fenner & Smith Inc. Unit Investment Trusts P.O. Box 9051 Princeton, NJ 08543-9051 (609) 282-8500	Corporate Income Fund Insured Series--24 Prospectus
<S>	<C>
Smith Barney Inc. Unit Trust	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,

Department Two World Trade Center 101st Floor New York, NY 10048 1-800-298-UNIT	Washington, D.C. under the Securities Act of 1933 and the Investment Company Act of 1940, and to which reference is hereby made.
PaineWebber Incorporated 1200 Harbor Boulevard Weehawken, NJ 07087 (201) 902-3000	No person is authorized to give any information or to make any representations with respect to this investment company not contained in this Prospectus; and any information or representation not contained herein must not be relied upon as having been authorized. This Prospectus does not
Prudential Securities Incorporated One Seaport Plaza 199 Water Street New York, NY 10292 (212) 776-1000	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.
Dean Witter Reynolds Inc. Two World Trade Center 59th Floor New York, NY 10048 (212) 392-2222	
Evaluator: Interactive Data Services, Inc. 14 Wall Street New York, NY 10005	
Independent Accountants: Deloitte & Touche 1633 Broadway 3rd Floor New York, NY 10019	
Co-Trustees: The First National Bank of Chicago Investors Bank & Trust Company P.O. Box 1537 Boston, MA 02205-1537 1-800-338-6019	

</TABLE>

14878-7/94

PART II
Additional Information Not Included in the Prospectus

<TABLE>
<S> <C> <C>

A. The following information relating to the Depositors is incorporated by reference to the SEC filings indicated and made a part of this Registration Statement.

		SEC FILE OR IDENTIFICATION NUMBER
I.	Bonding Arrangements and Date of Organization of the Depositors filed pursuant to Items A and B of Part II of the Registration Statement on Form S-6 under the Securities Act of 1933:	
	Merrill Lynch, Pierce, Fenner & Smith Incorporated..............	2-52691
	Prudential Securities Incorporated..............................	2-61418
	Smith Barney Inc..	33-29106
	Dean Witter Reynolds Inc..	2-60599
	PaineWebber Incorporated..	2-87965
II.	Information as to Officers and Directors of the Depositors filed pursuant to Schedules A and D of Form BD under Rules 15b1-1 and 15b3-1 of the Securities Exchange Act of 1934:	
	Merrill Lynch, Pierce, Fenner & Smith Incorporated..............	8-7721
	Prudential Securities Incorporated..............................	8-12321
	Smith Barney Inc..	8-8177
	Dean Witter Reynolds Inc..	8-14172

PaineWebber Incorporated.......................................	8-16267
III. Charter documents of the Depositors filed as Exhibits to the Registration Statement on Form S-6 under the Securities Act of 1933 (Charter, By-Laws):	
Merrill Lynch, Pierce, Fenner & Smith Incorporated..............	2-73866, 2-77549
Prudential Securities Incorporated..............................	2-86941, 2-86941
Smith Barney Inc..	33-20499
Dean Witter Reynolds Inc..	2-60599, 2-86941
PaineWebber Incorporated..	2-87965, 2-87965
B. The Internal Revenue Service Employer Identification Numbers of the Sponsors and Trustee are as follows:	
Merrill Lynch, Pierce, Fenner & Smith Incorporated..............	13-5674085
Prudential Securities Incorporated..............................	13-6134767
Smith Barney Inc..	13-1912900
Dean Witter Reynolds Inc..	94-1671384
PaineWebber Incorporated..	13-2638166
The First National Bank of Chicago, Co-Trustee..................	36-0899825
Investors Bank & Trust Company, Co-Trustee......................	04-3086138

</TABLE>

SERIES OF CORPORATE INCOME FUND
AND MUNICIPAL INVESTMENT TRUST FUND
DESIGNATED PURSUANT TO RULE 487 UNDER THE SECURITIES ACT OF 1933

<TABLE>

<S> SERIES NUMBER	<C> SEC FILE NUMBER
Corporate Income Fund, Two Hundred Thirteenth Monthly Payment Series...................	2-96642
Corporate Income Fund, First Insured Series...	33-19553
Municipal Investment Trust Fund, Four Hundred Thirty-Eighth Monthly Payment Series......	33-16561
Municipal Investment Trust Fund, Multistate Series 6E..................................	33-29412
Municipal Investment Trust Fund, Multistate Series-48..................................	33-50247

</TABLE>

CONTENTS OF REGISTRATION STATEMENT

The Registration Statement on Form S-6 comprises the following papers and documents:

The facing sheet of Form S-6.

The Cross-Reference Sheet (incorporated by reference to the Cross-Reference Sheet to the Registration Statement of The Corporate Income Fund, One Hundred Eighty-Fifth Monthly Payment Series, 1933 Act File No. 2-88230).

The Prospectus.

Additional Information not included in the Prospectus (Part II). Consent of independent accountants.

The following exhibits:

<TABLE>

<S>		<C>
1.1	--	Form of Trust Indenture (incorporated by reference to Exhibit 1.1.1 to the Registration Statement of The Corporate Income Fund, Insured Series-22, 1933 Act File No. 33-49833).
1.1.1	--	Form of Standard Terms and Conditions of Trust Effective October 21, 1993 (incorporated by reference to Exhibit 1.1.1 to the Registration Statement of Municipal Investment Trust Fund, Multistate Series-48, 1933 Act File No. 33-50247).
1.2	--	Form of Master Agreement Among Underwriters (incorporated by reference to Exhibit 1.2 to the Registration Statement of The Corporate Income Fund, One Hundred Ninety-Fourth Monthly Payment Series, 1933 Act File No. 2-90925).
2.1	--	Form of Certificate of Beneficial Interest (included in Exhibit 1.1.1).
3.1	--	Opinion of counsel as to the legality of the securities being issued including their consent to the use of their name under the headings 'Taxes' and 'Miscellaneous--Legal Opinion' in the Prospectus.
4.1.1	--	Consent of the Evaluator.
4.1.2	--	Consent of Rating Agency.

</TABLE>

SIGNATURES

The registrant hereby identifies the series numbers of Corporate Income Fund and Municipal Investment Trust Fund listed on page R-1 for the purposes of the representations required by Rule 487 and represents the following:

1) That the portfolio securities deposited in the series as to which this registration statement is being filed do not differ materially in type or quality from those deposited in such previous series;

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

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

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THE REGISTRANT HAS DULY CAUSED THIS REGISTRATION STATEMENT OR AMENDMENT TO THE REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED THEREUNTO DULY AUTHORIZED IN THE CITY OF NEW YORK AND STATE OF NEW YORK ON THE 8TH DAY OF JULY, 1994.

SIGNATURES APPEAR ON PAGES R-3, R-4, R-5, R-6 AND R-7.

A majority of the members of the Board of Directors of Merrill Lynch, Pierce, Fenner & Smith Incorporated has signed this Registration Statement or Amendment to the Registration Statement pursuant to Powers of Attorney authorizing the person signing this Registration Statement or Amendment to the Registration Statement to do so on behalf of such members.

A majority of the members of the Board of Directors of Smith Barney Inc. has signed this Registration Statement or Amendment to the Registration Statement pursuant to Powers of Attorney authorizing the person signing this Registration Statement or Amendment to the Registration Statement to do so on behalf of such members.

A majority of the members of the Executive Committee of the Board of Directors of PaineWebber Incorporated has signed this Registration Statement or Amendment to the Registration Statement pursuant to Powers of Attorney authorizing the person signing this Registration Statement or Amendment to the Registration Statement to do so on behalf of such members.

A majority of the members of the Board of Directors of Prudential Securities Incorporated has signed this Registration Statement or Amendment to the Registration Statement pursuant to Powers of Attorney authorizing the person signing this Registration Statement or Amendment to the Registration Statement to do so on behalf of such members.

A majority of the members of the Board of Directors of Dean Witter Reynolds Inc. has signed this Registration Statement or Amendment to the Registration Statement pursuant to Powers of Attorney authorizing the person signing this Registration Statement or Amendment to the Registration Statement to do so on behalf of such members.

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
DEPOSITOR

<TABLE>

<S>	<C>
By the following persons, who constitute a majority of the Board of Directors of Merrill Lynch, Pierce, Fenner & Smith Incorporated:	Powers of Attorney have been filed under Form SE and the following 1933 Act File Numbers: 33-43466 and 33-51607

</TABLE>

HERBERT M. ALLISON, JR.
BARRY S. FREIDBERG
EDWARD L. GOLDBERG
STEPHEN L. HAMMERMAN
JEROME P. KENNEY
DAVID H. KOMANSKY
DANIEL T. NAPOLI

THOMAS H. PATRICK
JOHN L. STEFFENS
DANIEL P. TULLY
ROGER M. VASEY
ARTHUR H. ZEIKEL

ERNEST V. FABIO

By: ERNEST V. FABIO
(As authorized signatory for Merrill Lynch, Pierce, Fenner & Smith Incorporated and Attorney-in-fact for the persons listed above)

PRUDENTIAL SECURITIES INCORPORATED
DEPOSITOR

By the following persons, who constitute a majority of the Board of Directors of Prudential Securities Incorporated:	Powers of Attorney have been filed under Form SE and the following 1933 Act File Number: 33-41631

ALAN D. HOGAN
HOWARD A. KNIGHT
GEORGE A. MURRAY
LELAND B. PATON
HARDWICK SIMMONS

RICHARD R. HOFFMANN

By: RICHARD R. HOFFMANN
(As authorized signatory for Prudential Securities Incorporated and Attorney-in-fact for the persons listed above)

SMITH BARNEY INC.

DEPOSITOR

By the following persons, who constitute a majority of the Board of Directors of Smith Barney Inc.:	Powers of Attorney have been filed under the following 1933 Act File Numbers: 33-49753 and 33-51607

RONALD A. ARTINIAN
STEVEN D. BLACK
JAMES BOSHART III
ROBERT A. CASE
ROBERT K. DIFAZIO
ROBERT DRUSKIN
HERBERT DUNN
TONI ELLIOTT
LEWIS GLUCKSMAN
ROBERT F. GREENHILT
THOMAS GUBA
HENRY U. HARRIS
JOHN B. HOFFMAN
A. RICHARD JANIAK, JR.
ROBERT Q. JONES
ROBERT B. KANE
JEFFREY LANE
JACK H. LEHMAN III
ROBERT H. LESSIN
JOEL N. LEVY
THOMAS A. MAGUIRE, JR.
JOHN J. MCATEE, JR.
HOWARD D. MARSH
JOHN F. MCCANN
WILLIAM J. MILLS II
JOHN C. MORRIS
CHARLES O'CONNOR
HUGH J. O'HARE

JOSEPH J. PLUMERI II
JACK L. RIVKIN
A. GEORGE SAKS
BRUCE D. SARGENT
DON M. SHAGRIN
DAVID M. STANDRIDGE
MELVIN B. TAUB
JACQUES S. THERIOT
STEPHEN J. TREADWAY
PAUL UNDERWOOD
PHILIP M. WATERMAN

GINA LEMON

By: GINA LEMON
(As authorized signatory for

Smith Barney Inc. and

Attorney-in-fact for the persons listed above)

DEAN WITTER REYNOLDS INC.
DEPOSITOR

<TABLE>
<S> <C>

By the following persons, who constitute a majority of the Board of Directors of Dean Witter Reynolds Inc.:	Powers of Attorney are being filed under Form SE and the following 1933 Act File Number: 33-17085

</TABLE>

NANCY DONOVAN
CHARLES A. FIUMEFREDDO
JAMES F. HIGGINS
STEPHEN R. MILLER
PHILIP J. PURCELL
THOMAS C. SCHNEIDER
WILLIAM B. SMITH

MICHAEL D. BROWNE

By: MICHAEL D. BROWNE
(As authorized signatory for
Dean Witter Reynolds Inc. and
Attorney-in-fact for the persons listed above)

PAINEWEBBER INCORPORATED
DEPOSITOR

<TABLE>
<S> <C>

By the following persons, who constitute a majority of the Executive Committee of the Board of Directors of PaineWebber Incorporated:	Powers of Attorney are being filed under Form SE and the following 1933 Act File Number: 33-28452

</TABLE>

JOHN A. BULT
PAUL B. GUENTHER
DONALD B. MARRON
JAMES C. TREADWAY

ROBERT E. HOLLEY

By: ROBERT E. HOLLEY
(As authorized signatory for
PaineWebber Incorporated and
Attorney-in-fact for the persons listed above)

CONSENT OF INDEPENDENT ACCOUNTANTS

The Sponsors and Co-Trustees of
Corporate Income Fund,
Insured Series-24, Defined Asset Funds:

We hereby consent to the use in this Registration Statement No. 33-51967 of our opinion dated July 8, 1994, relating to the Statement of Condition of Corporate Income Fund, Insured Series-24, Defined Asset Funds and to the reference to us under the heading 'Auditors' in the Prospectus which is a part of this Registration Statement.

Deloitte & Touche
New York, N.Y.

July 8, 1994

EXHIBIT 3.1

DAVIS POLK & WARDWELL
450 LEXINGTON AVENUE
NEW YORK, NEW YORK 10017
(212) 450-4000

JULY 8, 1994

Corporate Income Fund,

Insured Series-24

Defined Asset Funds

Merrill Lynch, Pierce, Fenner & Smith Incorporated

Smith Barney Inc.

PaineWebber Incorporated
Prudential Securities Incorporated
Dean Witter Reynolds Inc.
c/o Merrill Lynch, Pierce, Fenner & Smith Incorporated
Unit Investment Trusts
P.O. Box 9051
Princeton, N.J. 08543-9051

Dear Sirs:

We have acted as special counsel for you, as sponsors (the 'Sponsors') of the Insured Series--24 of Corporate Income Fund, Defined Asset Funds (the 'Fund'), in connection with the issuance of units of fractional undivided interest in the Fund (the 'Units') in accordance with the Trust Indenture relating to the Fund (the 'Indenture').

We have examined and are familiar with originals or copies, certified or otherwise identified to our satisfaction, of such documents and instruments as we have deemed necessary or advisable for the purpose of this opinion.

Based upon the foregoing, we are of the opinion that (i) the execution and delivery of the Indenture and the issuance of the Units have been duly authorized by the Sponsors and (ii) the Units, when duly issued and delivered by the Sponsors and the Co-Trustees in accordance with the Indenture, will be legally issued, fully paid and nonassessable.

We hereby consent to the use of this opinion as Exhibit 3.1 to the Registration Statement relating to the Units filed under the Securities Act of 1933 and to the use of our name in such Registration Statement and in the related prospectus under the headings 'Taxes' and 'Miscellaneous--Legal Opinion.'

Very truly yours,

Davis Polk & Wardwell

EXHIBIT 4.1.1

JULY 8, 1994

Interactive Data
14 Wall Street
New York, N.Y. 10005
212-285-0700

Merrill Lynch, Pierce, Fenner & Smith Incorporated
Unit Investment Trusts
P.O. Box 9051
Princeton, N.J. 08543-9051

Investors Bank & Trust Company
The First National Bank of Chicago
c/o One Lincoln Plaza
89 South Street
Boston, MA 02111

RE: CORPORATE INCOME FUND, INSURED SERIES-24, DEFINED ASSET FUNDS (A UNIT INVESTMENT TRUST) UNITS OF FRACTIONAL UNDIVIDED INTEREST--REGISTERED UNDER THE SECURITIES ACT OF 1933, FILE NO. 33-51967

Gentlemen:

We have examined the Registration Statement for the above-captioned Fund.

We hereby consent to the reference to Interactive Data Services, Inc. in the Prospectus and Registration Statement for the above-captioned Fund and to the evaluations of the Obligations prepared by us which are referred to in such Prospectus and Registration Statement.

You are authorized to file copies of this letter with the Securities and Exchange Commission.

Very truly yours,

James Perry
Vice President

EXHIBIT 4.1.2

JULY 8, 1994

Standard & Poor's Corporation
Bond Insurance Administration
25 Broadway
New York, N.Y. 10004-1064
Telephone 212/208-1740
FAX: 212/208-8262

Merrill Lynch, Pierce, Fenner & Smith Incorporated
Unit Investment Trusts Division
P.O. Box 9051
Princeton, N.J. 08543-9051

Investors Bank & Trust Company
The First National Bank of Chicago
c/o One Lincoln Plaza
89 South Street
Boston, MA 02111

RE: CORPORATE INCOME FUND, INSURED SERIES-24, DEFINED ASSET FUNDS

Gentlemen:

Pursuant to your request for a Standard & Poor's rating on the units of the above-captioned trust, SEC Pound33-51967, we have reviewed the information presented to us and have assigned a 'AAA' rating to the units of the trust and a 'AAA' rating to the securities contained in the trust for as long as they remain in the trust. The ratings are direct reflections of the portfolio of the trust, which will be composed solely of securities covered by bond insurance policies that insure against default in the payment of principal and interest on the securities so long as they remain in the trust. Since such policies have been issued by one or more insurance companies which have been assigned 'AAA' claims paying ability ratings by S&P, S&P has assigned a 'AAA' rating to the units of the trust and to the securities contained in the trust for as long as they remain in the trust.

You have permission to use the name of Standard & Poor's Corporation and the above-assigned ratings in connection with your dissemination of information relating to these units, provided that it is understood that the ratings are not 'market' ratings nor recommendations to buy, hold, or sell the units of the trust or the securities contained in the trust. Further, it should be understood the rating on the units does not take into account the extent to which fund expenses or portfolio asset sales for less than the fund's purchase price will reduce payment to the unit holders of the interest and principal required to be paid on the portfolio assets. S&P reserves the right to advise its own clients, subscribers, and the public of the ratings. S&P relies on the sponsor and its counsel, accountants, and other experts for the accuracy and completeness of the information submitted in connection with the ratings. S&P does not independently verify the truth or accuracy of any such information.

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

Please be certain to send us three copies of your final prospectus as soon as it becomes available. Should we not receive them within a reasonable time after the closing or should they not conform to the representations made to us, we reserve the right to withdraw the rating.

We are pleased to have had the opportunity to be of service to you. If we can be of further help, please do not hesitate to call upon us.

Sincerely,

Vincent S. Orgo