FORM 497

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FILER

DEFINED ASSET FDS GOVT SEC INC FD US GOVT ZERO COUP BD SER 3

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DEFINED
ASSET FUNDSSM

GOVERNMENT SECURITIES
INCOME FUND

- --
U.S. GOVERNMENT
ZERO COUPON BOND
SERIES 3
(A UNIT INVESTMENT TRUST)

PROSPECTUS, PART A
DATED JULY 29, 1994

SPONSOR:
Merrill Lynch,
Pierce, Fenner & Smith Inc.

This Series (the 'Fund') was formed to provide safety of capital and a high yield to maturity through investment in fixed portfolios consisting primarily of stripped debt obligations of the United States of America ('Stripped Treasury Securities'). There is no assurance that these objectives will be met if Units are sold before the underlying Securities mature because market prices of the Securities before maturity and therefore the value of the Units will vary with changes in interest rates and other factors. Stripped Treasury Securities do not make any periodic payments of interest prior to maturity; accordingly, each Trust's portfolio as a whole is priced at a deep discount from face amount and Unit prices may be subject to greater fluctuations in response to changing interest rates than a fund consisting of debt obligations of comparable maturities that pay interest currently. This risk is greater when the period to maturity is longer. See Risk Factors. The Fund consists of the 1994, 1999 and 2009 Trusts, each a separate unit investment trust ('Trust'), designated by the year in which its Stripped Treasury Securities mature. Each Trust also contains an interest-bearing Treasury security (the 'Treasury Note') to provide income to pay the expenses of the Trust and the Sponsor's administrative fee.

Units of interest ('Units') in the Trusts will be sold only to employee benefit plans (the 'Plans') as an investment alternative for Plan allocations to help participants meet their personal retirement needs and goals. The choice of maturities is offered to enable Plan allocations to be tailored to participants' retirement planning objectives and financial requirements. Each Plan will invest in Units of the Trusts in accordance with allocation instructions received from employees pursuant to the Plan. Accordingly, the interest of an employee in the Units is subject to the terms of the Plan. The rights of a Plan as a Holder of Units should be distinguished from the rights of an employee. The term 'Holder' in this Prospectus shall refer to the Plans, to the Sponsor if it holds Units (see Market for Units) and to any employee who holds Units distributed from a Plan.
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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.
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Read and retain this Prospectus for future reference.

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 features: 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.

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INVESTMENT SUMMARY AS OF MARCH 31, 1994 THE EVALUATION DATE+

This Series consists of separate unit investment trusts, each designated for the maturity of its underlying Securities (see Portfolios).

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<S>	1994 TRUST <C>	1999 TRUST <C>	2009 TRUST <C>
FACE AMOUNT OF SECURITIES.............$	12,674,630	$ 38,007,873	$ 72,295,092
NUMBER OF UNITS.......................	127,044	380,142	723,272
FACE AMOUNT OF SECURITIES PER UNIT.....$	99.765	$ 99.983	$ 99.955
FRACTIONAL UNDIVIDED INTEREST IN FUND REPRESENTED BY EACH UNIT............	1/127,044th	1/380,142nd	1/723,272nd
OFFER PRICE PER UNIT			
Net Assets of Trust*..............$	12,409,291	$ 26,895,894	$ 24,738,059
Divided by Number of Units.........$	97.677	$ 70.752	$ 34.203
Plus Adjustment Factor**...........	.049	.106	.103
Total++...........................	97.726	70.858	34.306
REDEMPTION PRICE PER UNIT (net of Adjustment Factor**)++.......$	97.628	$ 70.646	$ 34.100
REDEMPTION PRICE PER UNIT LESS THAN OFFER PRICE BY..................$	.098	$ .212	$ .206
CALCULATION OF ESTIMATED NET ANNUAL CASH INTEREST INCOME PER 1,000 FACE AMOUNT			
Gross annual cash income...........	4.00	1.82	1.38
Less estimated annual expenses.....	.91	.71	.64
Less annual Sponsor's administrative fee***................	3.09	1.11	.74
Estimated net annual cash income...$	0.00	$ 0.00	$ 0.00
ESTIMATED YIELD TO MATURITY (based on Price per Unit)........................	3.786%	6.232%	7.206%
ESTIMATED MAXIMUM DOLLAR AMOUNT PER 10 UNITS PAYABLE ON ACCOUNT OF SPONSOR'S ADMINISTRATIVE FEE****...............$	1.94	$ 6.25	$ 11.19
INCOME ACCOUNT DISTRIBUTIONS Although no periodic distributions of income should be expected, the Sponsor may direct the Trustee to distribute any accumulated net interest income to Holders of a Trust as of the last Business Day in any year.			
CAPITAL ACCOUNT DISTRIBUTIONS Distributions from the Capital Account will be made on the first business day following the maturity of the Stripped Treasury Securities in a Trust to holders of record on the business day immediately preceding the date of the			

distribution.			
TRUSTEE'S ANNUAL FEE AND EXPENSES***** Per 10 Units (see Expenses and Charges)	$ .91	$ .71+++	$ .64+++
EVALUATOR'S FEE FOR EACH EVALUATION Minimum of $5.00 plus $0.25 for each issue of underlying Securities in excess of 50 issues, treating separate maturities as separate issues (see Expenses and Charges).			
EVALUATION TIME 3:30 P.M. New York Time			
MANDATORY TERMINATION DATE Each Trust must be terminated no later than one year after the maturity date of the last maturing Security in that Trust listed under Portfolio (see Portfolio).			

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+ The Indenture was signed and the initial deposit was made as of February 2, 1989.

++ Plus any net cash.

+++ During the last 12 months of the 1999 Trust, and for up to 60 months in the 2009 Trust in the event the Treasury Note is called at its earliest call date, the Trustee's Annual Fee and Expenses will be reduced, and the estimated net annual income per Unit should remain the same (see Expenses and Charges--Fees).

* The net assets of the Trust represent the aggregate value of Securities (including amortization of discount) plus other assets less accrued liabilities, determined as described under Redemption--Computation of Redemption Price per Unit.

** The net asset value per Unit is adjusted by adding to the Offer Price and subtracting from the Redemption Price, an amount (the 'Adjustment Factor'), currently .0005 times the net assets per Unit for the 1994 Trust, .0015 for the 1999 Trust and .003 for the 2009 Trust. See Sales of Units--Unit Offer Price.

***There is no sales charge on purchases of Units. Income on the Units will be subject to a Sponsor's administrative fee accrued at the annual rate shown. This fee will be calculated on a daily basis and will accrue from the settlement date for Units purchased on the Initial Date of Deposit. This fee will be deducted from interest income on the U.S. Treasury Notes semi-annually (see Expenses and Charges). For Units that are tendered for redemption, a pro rata portion of the accrued administrative fee will be deducted at the time of redemption (see Redemption). See the chart at the end of this Investment Summary for the percentage which the present value of the Sponsor's administrative fee represents at various intervals of the Price per 10 Units.

**** This amount assumes that each Holder holds his Units until termination of the Trust. This amount may differ from actual payments on account of the Sponsor's administrative fee as a result of the length of time a Holder holds his Units and other factors.

***** Of this amount, the Trustee receives annually for its services as Trustee, $0.50 per 10 Units, payable in semi-annual installments.

INVESTMENT SUMMARY AS OF MARCH 31, 1994 THE EVALUATION DATE

TRUST PORTFOLIOS (SEE PORTFOLIOS)

SECURITIES--Each Trust consists primarily of issues of Stripped Treasury Securities purchased at a deep discount. The Securities are not rated but, in the opinion of the Sponsor, have credit characteristics comparable to those of Securities rated 'AAA' by nationally recognized rating agencies. Each Trust also contains one interest-bearing Treasury Security (the 'Treasury Note') deposited in order to provide cash income with which to pay the expenses, including the Sponsor's administrative fee, of the Trust.

RISK FACTORS--An investment in Units of a Trust should be made with an understanding of the risks which an investment in debt obligations, most of which were purchased at a deep discount, may entail, including the risk that the value of a Trust and hence of the Units will decline with increases in interest rates. The market value of Stripped Treasury Securities, and therefore the value of the Units, may be subject to greater fluctuations in response to changing interest rates than debt obligations of comparable maturities which pay interest currently. The risk is greater when the period to maturity is longer. (See pages 6-7.) For each 10 Units of a Trust purchased, a Holder will receive total distributions of approximately $1,000 for Units held until maturity of the underlying Securities of that Trust. Furthermore, the price per Unit will vary in accordance with fluctuations in the values of the Securities and the distributions could change if the Securities are paid or sold, or if the expenses or Sponsor's administrative fee of the Trust change. For a discussion of the economic differences between the Trusts and a fund consisting of customary securities, see Description of the Fund--Income and Estimated Yield to Maturity.

Additional Units may be offered subsequent to the Initial Date of Deposit, which may have an effect upon the value of previously existing Units. Additional Units may be created by depositing Securities (or contracts to purchase Securities accompanied by cash, or a bank letter of credit in an amount sufficient to complete the contracts) or cash (or a bank letter of credit) to purchase additional Securities, in each instance maintaining precisely the original proportionate relationship between the face amounts of Stripped Treasury Securities and the Treasury Notes of identical maturities. If cash (or a letter of credit) is deposited to purchase Securities, the value of existing Units will change to the extent the price of a Security increases or decreases between the time of deposit and the time the Security is purchased. See Fund Structure. The Adjustment Factor, which is added to the Offer Price and subtracted from the Redemption Price, is intended to cover the costs of acquiring and disposing of securities so that they are not borne by the Trust. See Sale of Units--Unit Offer Price.

ML PLANS--Units may be purchased by certain employee benefit plans established for employees of Merrill Lynch & Co., Inc. and its affiliates ('ML Plans'). A ML Plan may buy Units only directly from the Trustee and may realize the value of Units only by tendering them for redemption. See FUND STRUCTURE--ML Plans.

DISTRIBUTIONS--There will be no payments of interest on the Securities other than on the Treasury Note in each Trust, which will be used to pay the expenses of and Sponsor's administrative fee on the Trust. Consequently, no distributions of interest income should be expected; however, the Sponsor may direct the Trustee to distribute any accumulated net interest income to Holders of a Trust as of the last Business Day in any year. Nevertheless, the gross interest income on all Securities in the Trust is taxable to Holders. Each Stripped Treasury Security will be treated for Federal income tax purposes as having 'original issue discount,' which must be amortized over the term of the Stripped Treasury Security and included in a Holder's ordinary gross income before the Holder receives the cash attributable to that income. These tax consequences would apply to an employee only if he becomes a Holder by taking Units upon terminating participation in the Plan. See Taxes. The final distribution will be made in cash following the maturity of the Stripped Treasury Securities in the Trust, and may include any amount received upon the sale of Securities to meet redemptions of Units which exceeds the amount necessary to meet those redemptions and any accumulated net interest income. Principal from maturity of the Treasury Note will not be distributed until disposition of the Stripped Treasury Security in the Trust. See Administration of the Fund--Accounts and Distributions.

ESTIMATED YIELD TO MATURITY ON UNITS--The yield to maturity on the Units of each Trust is the annual percentage return to the investor based on amortization of discount, compounded semi-annually, divided by the Offer Price per Unit. It is assumed that interest income will equal expenses and other deductions. The value of the Units will fluctuate with the value of the portfolio of underlying Securities. The yield to maturity will change with changes in the price per Unit (including the Adjustment Factor) and any change in the Trust's expenses or the Sponsor's administrative fee.

UNIT PRICE--The price of the Units is based on the net asset value per Unit, determined as described under Redemption--Computation of Redemption Price per Unit. The Adjustment Factor, at current rates described under Sale of Units--Unit Offer Price, is added in computing the Offer Price of Units and deducted in computing the Redemption Price or sale price. Units are subject to a Sponsor's administrative fee calculated on a daily basis at the annual rate of \$3.09 per 10 Units of the 1994 Trust; \$1.11 per 10 Units of the 1999 Trust; and \$.74 per 10 Units of the 2009 Trust. The following chart states these administrative fees as percentages of the prices at various intervals. It is assumed that Trust expenses and the accrued Sponsor's administrative fee will exactly offset any accrued interest. There is no minimum purchase.

INVESTMENT SUMMARY AS OF MARCH 31, 1994 THE EVALUATION DATE

PRESENT VALUE OF SPONSOR'S ADMINISTRATIVE FEE AS PERCENT OF PRICE PER 10 UNITS AT SELECTED INTERVALS*

<TABLE>
<CAPTION>

		$25 LESS	PRICE PER $10 UNITS AS OF MARCH 31, 1994, THE EVALUATION DATE	$25 MORE	$50 MORE	$100 MORE
<S>	<C>	<C>	<C>	<C>	<C>	<C>
1994 TRUST	Price per 10 Units	$ 952.26	$ 977.26	--	--	--

		1.79	1.85	--	--	--
	Present value of Sponsor's administrative fee					
		0.190%	0.190%	--	--	--
	Sponsor's administrative fee					
1999 TRUST	Price per 10 Units	$ 683.58	$ 708.58	$ 733.58	$ 758.58	$ 808.58
		5.03	5.13	5.23	5.32	5.52
	Present value of Sponsor's administrative fee					
		0.74%	0.72%	0.71%	0.70%	0.68%
	Sponsor's administrative fee					
2009 TRUST	Price per 10 Units	$ 318.06	$ 343.06	$ 368.06	$ 393.06	$ 443.06
		6.47	6.68	6.89	7.09	7.48
	Present value of Sponsor's administrative fee					
		2.03%	1.95%	1.87%	1.80%	1.69%
	Sponsor's administrative fee					

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* These represent the maximum fees and figures assume that Units are purchased on the Evaluation Date and are held until maturity of the Trust. Purchase after the Evaluation Date or sale before maturity will result in lesser deductions and therefore a lesser rate of administrative fee. The present value is computed at the same interest rate as the estimated yield to maturity at each purchase price.

MARKET FOR UNITS--The Sponsor, though not obligated to do so, intends to maintain a market for Units at the Redemption Price per Unit. See Page 12. If that market is not maintained, a Holder will be able to dispose of Units through redemption at prices computed on the same basis. See Redemption. Market conditions and the Adjustment Factor may cause the prices available in the market maintained by the Sponsor or upon exercise of redemption rights to be more or less than the amount paid for Units. The market prices of Stripped Treasury Securities, and hence of the Units, are subject to greater fluctuations than the prices of securities making current payments of interest.

FUND STRUCTURE

This Series (the 'Fund') consists of a number of separate unit investment trusts (each a 'Trust') created under New York law by one Trust indenture (the 'Indenture') among the Sponsor, the Trustee and the Evaluator. Unless otherwise indicated, when Investors Bank & Trust Company and The First National Bank of Chicago act as Co-Trustees to the Fund, reference to the Trustee in the Prospectus shall be deemed to refer to Investors Bank & Trust Company and The First National Bank of Chicago, as Co-Trustees. To the extent that references in the Prospectus are to articles and sections of the Indenture, which are hereby incorporated by reference, the statements made herein are qualified in their entirety by this reference. On the initial date of deposit for each Trust stated in this Prospectus (the 'Initial Date of Deposit') the Sponsor deposited the underlying Securities with the Trustee at prices equal to the valuation of those Securities as determined by the Evaluator, and the Trustee delivered to the Sponsor units of interest ('Units') representing the entire ownership of that Trust in the Fund. Most if not all of the Securities so deposited were represented by purchase contracts assigned to the Trustee together with an irrevocable letter or letters of credit issued by a commercial bank or banks in the amount necessary to complete the purchase thereof. The record holders ('Holders') of Units will have the right to have their Units redeemed (see Redemption) if the Units cannot be sold in the market which the Sponsor intends to maintain (see Market for Units). Redemption will be made in securities ('in kind') or in cash at the option of the Holder.

With the initial deposit in each Trust, a proportionate relationship was established between the face amounts of Stripped Treasury Securities and the Treasury Note therein. Following the Initial Date of Deposit, additional Units may be issued on deposit of additional Securities by the Sponsor or on deposit of cash (or a bank letter of credit) to purchase Securities. In either case, the additional Securities will have maturities identical to those in the Trust and maintain precisely the original proportionate relationship among the face amounts of each type of Security. Units will to the extent practicable continue to represent the identical face amount of each Security. However, it may not be practicable to maintain this identical face amount per Unit because of, among other reasons, changes in prices. Units in the Trusts may be continuously offered for sale by means of this Prospectus (see Sale of Units--Distribution), resulting in a potential increase in the number of outstanding Units of each Trust (see Selection and Acquisition of Securities).

As used herein, 'Securities' includes the Stripped Treasury Securities and interest-bearing Treasury Note deposited in the Trusts and described under Portfolios and any additional Treasury Securities deposited thereafter or contracts for the purchase thereof together with an irrevocable letter or letters of credit sufficient to perform such contracts. As used herein, the term 'Units,' unless the context otherwise indicates, means the units of interest in all Trusts of the Fund.

ML PLANS

As the Sponsor is a 'party in interest' with respect to each ML Plan, it is prohibited by ERISA from selling Units to or buying them from any ML Plan. Accordingly, any ML Plan will purchase Units directly from the Trustee and may only tender Units to the Trustee for redemption. It is also prohibited from acting as dealer, and from charging for its services as broker, for the Trust in acquiring Securities with monies paid for Units, and in selling Securities to pay redemptions of Units, by ML Plans. In addition, ERISA prohibits the Sponsor from receiving compensation or other consideration except for reimbursement of its direct expenses. Therefore, the proceeds of the Sponsor's administrative fee paid by any ML Plan will be used to reimburse the Sponsor for these expenses, and the Sponsor will not collect the administrative fee on Units held by ML Plans at any time when it has no unreimbursed expenses. Merrill Lynch & Co., Inc. intends to file with the Department of Labor an application for exemption from certain of the ERISA prohibited transaction provisions so that the Sponsor, among other things, may provide a secondary market for Units held by ML Plans and may charge certain fees and recover certain additional costs.

RISK FACTORS

An investment in Units should be made with an understanding of the risks which an investment in deep discount debt obligations may entail, including the risk that the value of the Trust's portfolio (the 'Portfolio') and hence of the Units will decline with increases in interest rates. High inflation and recession, together with the fiscal and monetary measures adopted to attempt to deal with those and other economic problems, have contributed to recent wide fluctuations in interest rates and thus in the value of fixed-rate debt obligations generally. The Sponsor cannot predict future economic policies or their consequences or, therefore, the course or

extent of any similar fluctuations in the future. Furthermore, a Holder (but not employees before they terminate Plan participation--see Taxes) will have significant amounts of taxable income attributable to it before the receipt of the cash attributable to that income.

SPECIAL CHARACTERISTICS OF STRIPPED TREASURY SECURITIES

Stripped Treasury Securities are sold at a deep discount from their face amounts payable at maturity because the buyer of those securities receives only the right to receive a future fixed payment on the security and not any rights to periodic interest payments thereon. Purchasers of these securities acquire, in effect, discount obligations that are economically identical to the 'zero-coupon bonds' that have been issued by corporations. Zero coupon bonds are debt obligations which do not make any periodic payments of interest prior to maturity and accordingly are issued at a deep discount. Accordingly, the Trusts are not a suitable investment to persons seeking current cash distributions.

Because interest on 'zero coupon' debt obligations is not distributed on a current basis but in effect compounded, the value of securities of this type, including the value of accrued and reinvested interest (and of a fund comprised of these obligations), is subject to greater fluctuations than on obligations which distribute income regularly. Accordingly, while the full faith and credit of the U.S. government provides a high level of protection against credit risks on the Securities, sale of Units before maturity of the Securities at a time when interest rates have increased would involve greater market risk than in a fund which is invested in debt obligations of comparable maturity which pay interest currently. This risk is greater when the period to maturity is longer.

Stripped Treasury Securities held by any Trust shall consist solely of registered U.S. Treasury debt obligations which may be held through the Federal Reserve Bank's book entry system called 'Separate Trading of Registered Interest and Principal of Securities' ('STRIPS'). STRIPS, while direct obligations of the United States and issued under programs introduced by the U.S. Treasury, are not issued directly by the U.S. government. The STRIPS program facilitates secondary market stripping of selected Treasury notes and bonds into individual principal and interest components by purchasers with access to a book-entry account at a Federal Reserve bank. Those obligations may be maintained in the book-entry system operated by the Federal Reserve in a manner that permits separate trading and ownership of interest and principal payments. The Federal Reserve does not charge a fee for this service, but book-entry transfers of interest and principal components are subject to the same fee schedule generally applicable to transfers of Treasury securities. The Stripped Treasury Securities are payable in full at maturity at their stated maturity amount, and are not subject to redemption prior to maturity. In addition, the Stripped Treasury Securities do not make any periodic payments of interest.

Sales of Units in California may be made only to persons which have a minimum net worth (exclusive of home, home furnishings, and automobiles for personal use) of at least (i) $75,000 or (ii) $30,000 if the investor has an adjusted gross income of at least $30,000. A holder of Stripped Treasury Securities will be required to include annually in gross income an allocable portion of the deemed original issue discount, prior to receipt of the cash attributable to that income. However, a qualified retirement plan is not taxed on income.

Under generally accepted accounting principles, a holder of a security purchased at a discount normally must report as an item of income for financial accounting purposes the portion of the discount attributable to the applicable reporting period. The calculation of this attributable income would be made on the 'interest' method which generally will result in a lesser amount of includible income in earlier periods and a correspondingly larger amount in later periods. For Federal income tax purposes, the inclusion will be on a basis that reflects the effective semi-annual compounding of accrued but unpaid interest effectively represented by the discount. Although this treatment is similar to the 'interest' method described above, the 'interest' method may differ to the extent that generally accepted accounting principles permit or require the inclusion of interest on the basis of a compounding period other than the semi-annual period (see Taxes).

DESCRIPTION OF THE FUND

THE PORTFOLIO

The Portfolio of each Trust consists of different issues of Stripped Treasury Securities, with fixed maturity dates and not having any equity or conversion features, that do not pay interest before maturity and as such were purchased at a deep discount (see above) and of the Treasury Note deposited in order to provide cash income with which to pay the expenses of the Trust and the Sponsor's administrative fee.

SELECTION AND ACQUISITION OF SECURITIES

In selecting Securities for deposit in a Trust, the following factors, among others, were considered by the Unit Investment Trusts division of Merrill Lynch, Pierce, Fenner & Smith Incorporated: (i) the types of securities available; (ii) the prices of those securities relative to other comparable securities; (iii) the extent to which those securities trade at a discount from par once the interest coupons are stripped; (iv) the yield to maturity of those securities; and (v) the maturities of those securities.

The yield to maturity and discount from par on securities of the type deposited in the Trusts are dependent on a variety of factors, including general money market conditions, general conditions of the bond market, prevailing interest rates and the maturities of the securities.

Each Trust consists of the Securities (or contracts to purchase the Securities) listed under Portfolios and any additional Securities acquired pursuant to the terms of the Indenture (including provisions with respect to deposit of Securities in connection with the sale of additional Units) as long as they may continue to be held from time to time in the Trust together with accrued and undistributed interest on any interest-bearing securities deposited in order to pay the expenses of the Trust and the Sponsor's administrative fee, undistributed cash representing payments of principal and cash realized from the disposition of Securities.

Neither the Sponsor nor the Trustee shall be liable in any way for any default, failure or defect in any of the Securities. In the event of a failure to deliver any Security that has been purchased for a Trust under a contract ('Failed Security'), the Sponsor is authorized under the Indenture to direct the Trustee to acquire substitute securities ('Replacement Securities') to make up the portfolio of the Trust. Replacement Securities must be deposited within 20 days after delivery of notice of the Failed Security; the purchase price may not exceed the amount of funds reserved for the purchase of the Failed Security. The Replacement Securities must (i) be Securities issued by the U.S. Treasury, that if stripped make no periodic payments of interest, or if interest-bearing are of the same issue, (ii) have a fixed maturity identical to that of the Failed Security, (iii) be purchased at a price that results in a yield to maturity as of the date of deposit of the Failed Security which is equivalent (taking into consideration then current market conditions) to the yield to maturity of the Failed Security and (iv) not be when, as and if issued obligations. If this right of substitution is not utilized to acquire Replacement Securities in the event of a failed contract, the Sponsor will cause to be refunded any attributable sales charge plus the attributable Cost of Securities to Trust, plus accrued interest and amortization attributable to the relevant Security.

Because certain of the Securities from time to time may be sold under certain circumstances described herein, each Trust is not expected to retain its present size and composition (see Redemption). The Indenture also authorizes the increase of the size and number of Units of any Trust by the deposit of additional Securities or cash and the issue of a corresponding number of additional Units, provided that the maturity of any additional Securities so acquired is identical to the maturity of the Securities initially deposited in the Trust and the relative face amounts of Securities deposited maintain as closely as practicable the original proportionate relationship between the face amounts of those Securities.

THE UNITS

On the date of the Investment Summary of each Trust each Unit represented the fractional undivided interest in the Securities held in the Trust and net income of the Trust set forth under Investment Summary. Thereafter, if Units of any Trust are redeemed the face amount of Securities in that Trust will be reduced by amounts allocable to redeemed Units, and the fractional undivided interest represented by each remaining Unit in the balance will be increased. However, if additional Units are issued by any Trust, the aggregate face amount of Securities in the Trust will be increased by amounts allocable to the additional Units, and the fractional undivided interest represented by each Unit in the balance of the Trust will be decreased. Units will remain outstanding until redeemed upon tender to the Trustee by a Holder (which may include the Sponsor) or until the termination of the Indenture (see Redemption and Administration of the Fund--Amendment and Termination).

INCOME AND ESTIMATED YIELD TO MATURITY

The estimated yield to maturity per Unit of each Trust is the annual percentage return to the investor based on amortization of discount, compounded semi-annually, divided by the Unit Offer Price. It is assumed that interest income on the Treasury Note will equal expenses and other deductions. If the price of the Units is less

than stated in the Investment Summary, the yield to maturity will be greater, if the price is greater (other than additional accrued original discount), the yield to maturity will be less.

The economic effect of purchasing Units of a Trust is that the investor who holds his Units until maturity of the underlying Securities should receive approximately a fixed yield, not only on his original investment but on all earned discount during the life of the Securities. The assumed or implicit automatic reinvestment at market rates at the time of purchase of the portion of the yield represented by earned discount differentiates the Trusts from funds consisting of customary securities on which current periodic interest is paid at market rates at the time of issue. Accordingly, an investor in the Units, unlike an investor in a fund comprised of customary securities, virtually eliminates his risk of being unable to invest distributions at a rate as high as the yield on his Trust, but will forego the ability to reinvest at higher rates in the future.

The price per Unit of each Trust will vary in accordance with fluctuations in the prices of the Securities held by the Trust. Changes in the Offer and Redemption Price per Unit or in a Trust's expenses will result in changes in the yields to maturity.

TAXES

While Units are held by a Plan, neither it nor any participating employee will be taxable on income from the Trust. An employee who elects to receive his pro rata portion of Units held by the Plan when he terminates participation in the Plan and does not roll over those Units to an eligible retirement plan as described in Section 402(c) of the Internal Revenue Code of 1986, as amended (the 'Code'), will be taxable under rules applicable to qualified plan distributions as described in Section 402 of the Code. Thereafter, the employee will be taxable as a Holder as described below.

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

> Each Trust is not an association taxable as a corporation for Federal income tax purposes, and income received by the Trust will be treated as the income of the Holders of the Trust in the manner set forth below.
>
> Each Holder will be considered the owner of a pro rata portion of each Security in his Trust under the grantor trust rules of Sections 671-679 of the Code. The total cost to a Holder for his Units (i.e., for an individual Holder, the fair market value of his Units on the date the Plan distributes them to him) is allocated among his pro rata portion of each Security in his Trust (in proportion to the fair market values thereof on that date) in order to determine his tax cost for his pro rata portion of each Security. A Holder will be entitled to add to his tax cost of his pro rata portion of each Security that portion of the administrative fee which is not characterized as imputed interest (see below).
>
> Each Trust consists primarily of Stripped Treasury Securities. A Holder is required to treat his pro rata portion of each Stripped Treasury Security in his Trust as a bond that was originally issued on the date the

Holder purchased his Units (for an individual Holder, the date of distribution) at an original issue discount equal to the excess of the stated redemption price at maturity over the Holder's tax cost therefor as discussed above, and to include annually in income a portion of such original issue discount determined under a formula which takes into account the compounding of interest. The amount of accrued original issue discount so included in income in respect of a Holder's pro rata portion of a Security is added to the Holder's tax basis therefor.

Each Holder will be considered to have received the income on his pro rata portion of the Treasury Note in his Trust when interest on the Note is received by his Trust. An individual Holder who itemizes deductions may deduct his pro rata share of the fees and expenses of his Trust, but only to the extent that this amount together with the Holder's other miscellaneous deductions exceeds 2% of his adjusted gross income. A portion of the Sponsor's administrative fee may constitute imputed interest which is deductible subject to limitations on investment interest.

Except with respect to Units held in a Plan, a Holder will recognize taxable gain or loss when all or part of his pro rata portion of a Security in his Trust is disposed of (i.e., when the Security is sold by the Trust or is redeemed or paid at maturity or when the Holder sells or redeems for cash all or some of his Units) for an amount greater or less than his original tax cost therefor, increased by the amount of original issue discount included in the Holder's gross income as discussed above. This resulting gain or loss generally will be capital gain or loss (except in the case of a dealer or financial institution), and will be long-term if the Holder has held his Units for more than one year. 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. The deduction of capital losses is subject to limitations.

A distribution to a Holder of Securities upon redemption of Units will not be a taxable event to the Holder or to nonredeeming Holders. The redeeming Holder's basis for such Securities will be equal to his basis for the Securities (previously represented by his Units) prior to such redemption, and his holding period for such Securities will include the period during which he held his Units. However, a Holder may recognize taxable gain or loss when the Holder sells the Securities so distributed for cash.

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

Holders will be required for Federal income tax purposes to include amounts in ordinary gross income in advance of the receipt of the cash attributable to such income. Therefore, direct holding of Units may be appropriate only for a tax-deferred account which can have taxable income attributed in advance of the receipt of the cash attributable to such income.

The foregoing discussion relates only to Federal and certain aspects of New York income taxes. Depending on their state of residence, Holders may be subject to state and local taxation and should consult their own tax advisors in this regard.

*   *   *

After the end of each calendar year, the Trustee will furnish to each Holder a report from which the Holder may determine the income received by his Trust on his pro rata portion of the Treasury Note, the gross proceeds received by the Trust from the disposition of any Security and the Holder's pro rata portion of the fees and expenses paid by his Trust. In order to enable them to comply with Federal and state tax reporting requirements, Holders will be furnished upon request to the Trustee with evaluations of Securities furnished to it by the Evaluator (Section 4.02). The Trustee will also furnish to each Holder and the Internal Revenue Service all required information returns (including a return with respect to original issue discount).

SALE OF UNITS

UNIT OFFER PRICE

Units may be purchased by a Plan at the Offer Price by means of this Prospectus. The Offer Price per Unit of a Trust is computed as of the Evaluation Time by adding the evaluation of the underlying Securities, as determined by the Evaluator as described under Redemption--Computation of Redemption Price per Unit, plus the Adjustment Factor, divided by the number of Units outstanding.

The Adjustment Factor is currently .0005 times the evaluation for the 1994 Trust, .0015 for the 1999 Trust and .003 for the 2009 Trust. The Adjustment Facor (as determined by the Sponsor) may be changed for each calendar quarter but in no event will it exceed .00175 for the 1994 Trust, .007 for the 1999 Trust or .0175 for the 2009 Trust. This factor is designed to cover the Trust's costs, without profit, of buying and selling securities in connection with sales and redemptions of Units, and is intended to ensure that the prices for purchases or sales of Units more closely match the market value of the underlying Securities. A proportionate share of any cash in the Capital Account not allocated to the purchase of specific Securities is added. Because the income on the Treasury Note is designed to exactly equal the Trust expenses, accrued interest on the Note is not reflected in the offering, repurchase or redemption prices of Units. In practice, as determined on an accrual basis by the auditors, accumulated expenses have been slightly higher or lower than the interest on the Treasury Notes. These differences are immaterial and may change over time. If there is an expense deficit at termination of a Trust, either the Trustee will waive part of its fee or the Sponsor will bear sufficient expenses to eliminate the deficit. If a surplus remains at termination, the amount will be distributed to Holders. The Offer Price per Unit of a Trust will vary after the Evaluation Date (set forth under Investment Summary) in accordance with fluctuations in the evaluations of the underlying Securities. Amortization of discount will have the effect of increasing at any particular time the evaluation of the Securities.

No sales charge is payable when Units are purchased. Instead, Units are subject to a Sponsor's administrative fee at the annual rates set forth under Investment Summary. The percentage which their present values represent of the Offer Price per Unit at various intervals is shown in the chart at the end of the Investment Summary. If a

Holder sells or redeems Units before the maturity of a Trust, except for the Adjustment Factor only the administrative fees accrued to the date of sale or redemption will be payable, and this will have the effect of reducing the rate of administrative fees. Similarly, if Units are purchased after the Evaluation Date, the purchaser will not pay fees previously accrued and this will also have the effect of reducing the rate of administrative fees.

Evaluations of the Securities are determined by the Evaluator taking into account the same factors referred to under Redemption--Computation of Redemption Price per Unit. The determinations are made on each business day, effective for all sales made since the last of these evaluations (Section 4.01). The term 'business day', as used herein and under 'Redemption', shall exclude 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; and the following Federal holidays: Martin Luther King's birthday, Columbus Day and Veterans Day.

Because of fluctuations in the market prices of these Securities and the fact that the Adjustment Factor and the accrued portion of the administrative fee will be deducted from amounts paid to Holders upon redemption, among other reasons, the amount realized by a Holder upon any sale or redemption of Units may be less than the price paid for these Units.

SPONSOR'S PROFITS

The Sponsor receives the administrative fee through periodic deductions at the rates set forth above and through deduction of a pro rata portion of the accrued administrative fee at the time of any redemption.

The following chart sets forth the estimated maximum dollar amount payable on account of the Sponsor's administrative fee assuming that Holders hold their Units for the following periods of time from March 31, 1994:

MAXIMUM DOLLAR AMOUNT PER 10 UNITS
PAYABLE ON ACCOUNT OF SPONSOR'S ADMINISTRATIVE FEE

YEARS HELD	1994 TRUST	1999 TRUST	2009 TRUST
1 $	1.94$	1.11$	0.74
2		2.22	1.48
3		3.33	2.22
4		4.44	2.96
5		5.55	3.70
6		6.25	4.44
7			5.18
8			5.92
9			6.66
10			7.40
11			8.14
12			8.88
13			9.62
14			10.36
15			11.10

The Sponsor may also realize a profit or loss on each deposit of Securities in a Trust. This is the difference between the cost of the Securities to the Trusts (which is based on the mean between the bid and offering side evaluation of the Securities on the date of deposit) and the purchase price of those Securities to the Sponsor. To the extent additional Units continue to be offered for sale, the Sponsor also may realize profits or sustain losses as a result of fluctuations after the date of deposit in the Offer Price of the Units. Employees may incur an annual account maintenance fee after termination of Plan participation--see Expenses and Charges below. Cash, if any, made available by buyers of Units to the Sponsor prior to the settlement dates for purchase of Units may be used in the Sponsor's business, subject to the limitations of Rule 15c33 under the Securities Exchange Act of 1934, and may be of benefit to the Sponsor.

In maintaining a market for the Units the Sponsor will also realize profits or sustain losses in the amount of any difference between the prices at which it buys Units and the prices at which it resells or redeems those Units, as the case may be.

MARKET FOR UNITS

While the Sponsor is not obligated to do so, it intends to maintain a secondary market for Units of each Trust and continuously to offer to purchase Units of each Trust. The Sponsor, of course, does not in any way guarantee the enforceability, marketability of price of any Securities in the Trusts or of the Units. The Sponsor may discontinue purchases of Units of any Trust should the supply of Units exceed demand or for other business reasons.

The Sponsor may redeem any Units it has purchased in the secondary market or through the Trustee in accordance with the procedures described below if it determines it is undesirable to continue to hold those Units in its inventory.

REDEMPTION

Units may be redeemed at the office of the Trustee upon delivery on any business day, as defined under Sale of Units--Unit Price, of a request for redemption, and payment of any relevant tax, without any other fee (Section 5.02). Holders' signatures must be guaranteed by an eligible guarantor institution or in some other manner acceptable to the Trustee. In certain instances the Trustee may require additional documents including, but not limited to, trust instruments, certificates of death, appointments as executor or administrator or certificates of corporate authority.

The Trustee will redeem Units either in cash or, at the option of certain qualified Holders as specified in writing to the Trustee, in kind. Unless otherwise specified, redemptions will be made in cash. On the seventh calendar day following the tender (or if the seventh calendar day is not a business day on the first business day prior thereto), the Holder will be entitled to receive the proceeds of the redemption in an amount and value of Securities per Unit equal to the Redemption Price per Unit (see below) as determined as of the Evaluation Time next following the tender.

The Trustee is empowered to sell Securities from a Trust in order to make funds available for cash redemptions (Section 5.02). The Securities to be sold so as to maintain, as closely as practicable, the percentage relationship between the face amounts of Stripped Treasury Securities and the Treasury Note in the Trust at the time of sale. Provision is made under the Indenture for the Sponsor to specify minimum face amounts in which blocks of Securities are to be sold in order to obtain the best price for the Trust. While these minimum amounts may vary from time to time in accordance with market conditions, the Sponsor believes that the minimum face amounts which would be specified would range from $25,000 to $100,000.

Holders tendering Units for redemption may, in lieu of receiving cash, request the Trustee to distribute in kind an amount and value of Securities per Unit equal to the Redemption Price per Unit as determined as of the Evaluation Time next following the tender. The distribution in kind on redemption of Units will be held by a Distribution Agent (the 'Distribution Agent') for the account of, and for disposition in accordance with the instructions of, the tendering Holder. If a qualified tendering Holder requests redemption in kind, the Trustee as Distribution Agent for the account of the redeeming Holder will sell the Securities and distribute the net cash proceeds to the Holder (unless he requests that the in kind redemption be held on a book entry system for his account). A Holder will not recognize any gain or loss for Federal income tax purposes to the extent the Holder receives a distribution in kind. In implementing these redemption procedures, the Trustee and Distribution Agent shall make any adjustments necessary to reflect differences between the Redemption Price of the Units and the value of the Securities distributed in kind as of the date of tender. If funds in the Capital Account are insufficient to cover the required cash distribution to the tendering Holder, the Trustee may sell Securities according to the criteria discussed above. (Section 5.02)

To the extent that Securities in a Trust are redeemed in kind or sold, the size of the relevant Trust will be reduced. Sales will usually be required at a time when Securities would not otherwise be sold and may result in lower prices than might otherwise be realized. In addition, because of the minimum face amounts in which Securities are required to be sold, the proceeds of sale may, if the Sponsor fails to purchase Units tendered for redemption, exceed the amount required at the time to redeem Units; any excess proceeds will be deposited in the Capital Account. See Administration of the Fund--Accounts and Distributions. The price received upon

redemption may be more than or less than the amount paid by the Holder depending on the value of the Securities in the Trust at the time of redemption.

The right of redemption may be suspended and payment postponed (1) for any period during which the New York Stock Exchange, Inc. is closed other than for customary weekend and holiday closings or (2) for any period during which, as determined by the Securities and Exchange Commission, (i) trading on that Exchange is restricted or (ii) an emergency exists as a result of which disposal or evaluation of the Securities is not reasonably practicable, or (3) for any other periods which the Commission may by order permit (Section 5.02).

COMPUTATION OF REDEMPTION PRICE PER UNIT

Redemption Price per Unit of a Trust is computed by the Trustee as of the Evaluation Time on each June 30 and December 31 (or the last business day prior thereto), on any business day, as of the Evaluation Time next following the tender of any Unit for redemption, and on any other business day desired by the Trustee or the Sponsor, by adding (a) the value of the Securities in the Trust, (b) cash on hand in the Trust (other than cash covering contracts to purchase Securities), (c) accrued and unpaid interest on these Securities up to but not including the date of redemption and (d) all other assets of the Trust; deducting therefrom the sum of (v) taxes or other governmental charges against the Trust not previously deducted, (w) accrued fees and expenses of the Trustee (including legal and auditing expenses), the Evaluator and counsel, and certain other expenses, (x) the Adjustment Factor at the applicable rate, (y) accrued administrative fees payable and (z) any cash held for distribution to Holders of record as of a date prior to the evaluation; and dividing the result by the number of Units outstanding as of the date of computation (Sections 4.01 and 5.01). The Adjustment Factor will not be deducted from a redemption in kind nor from the distribution when the Trust terminates.

The value of the Securities is determined by the Evaluator in the following manner: (a) on the basis of the mean between the current bid and offering prices for the Securities, (b) if bid and offering prices are not available for any Securities, on the basis of current bid and offering prices for comparable securities, (c) by appraising the value of the Securities, or (d) by any combination of the above. The Evaluator may obtain current price information as to the Securities from investment dealers or brokers (including the Sponsor) which customarily deal in that type of securities. On the day on which a Holder is entitled to receive the Redemption Price, the accrued but unpaid administrative fee will be deducted from the accrued interest on the Securities to provide funds to meet such redemption and will be distributed to the Sponsor.

While Securities of the type included in the Trusts' Portfolios involve minimal risk of loss of principal when held to maturity, due to variations in interest rates the market value of the Securities and Redemption Price per Unit can be expected to fluctuate during the period of an investment in a Trust.

EXPENSES AND CHARGES

SPONSOR'S ADMINISTRATIVE FEE

An administrative fee, to reimburse the Sponsor for certain expenses described under Fund Structure--ML Plans, at the rates set forth under Investment Summary, calculated on a daily basis, will be deducted from interest income received by the Fund semi-annually and will be distributed to the Sponsor upon certification of its reimbursable expenses.

FEES

The Trustee's and Evaluator's fees are set forth under Investment Summary. The Trustee's fees for its services as Trustee, payable in semi-annual installments, are accrued daily based on the number of Units in a Trust. Certain regular and recurring expenses of each Trust, including the Evaluator's fee and certain mailing and printing expenses, are also included in the amount set forth under Investment Summary as Trustee's Annual Fee and Expenses (Section 3.14). Expenses in excess of the amount included for these expenses in the Trustee's Annual Fee and Expenses under Investment Summary will be borne by the Trust. The Trustee also receives benefits to the extent that it holds funds on deposit in the various non-interest bearing accounts created under the Indenture.

The interest bearing Securities in the 1999 Trust mature several months before the Stripped Treasury Securities therein and in the 2009 Trust, may be called up to five years before maturity (see Portfolio). The Trustee will reduce its fees and expenses for these Trusts in the amount of interest that would have accrued on these Securities between their maturity date and the maturity date of the Stripped Treasury Securities in the

Trust. This reduction will eliminate the necessity of charging the Capital Account for the Trust expenses during this period.

When an employee receives Units from a Plan, he may establish an individual account or deposit the Units in an existing account with Merrill Lynch. Merrill Lynch currently charges annual maintenance fees on some types of accounts. The individual Holder would be responsible for any such charge. The fee is not payable if the employee is the record holder of the Units.

OTHER CHARGES

These include: (a) fees of the Trustee for extraordinary services (Section 8.05), (b) certain expenses of the Trustee (including legal and auditing expenses) and of counsel designated by the Sponsor (Sections 3.04, 3.09, 8.01e], 8.03 and 8.05), (c) various governmental charges (Sections 3.03 and 8.01h]), (d) expenses and costs of any action taken to protect any Trust (Section 8.01d]), (e) indemnification of the Trustee for any loss, liabilities and expenses incurred without gross negligence, bad faith or wilful misconduct on its part (Section 8.05), (f) indemnification of the Sponsor for any losses, liabilities and expenses incurred without gross negligence, bad faith, wilful misconduct or reckless disregard of its duties (Section 7.05b]) and (g) expenditures incurred in contacting Holders upon termination of the Trust (Section 9.02). The amounts of these charges and fees are secured by a lien on the relevant Trust and, if the balances in the Income and Capital Accounts (see below) are insufficient, the Trustee has the power to sell Securities to pay these amounts (Section 8.05).

ADMINISTRATION OF THE FUND

RECORDS

The Trustee keeps a register of the names, address and holdings of all Holders of each Trust. The Trustee also keeps records of the transactions of each Trust, including a current list of the Securities and a copy of the Indenture, which are available to record Holders for inspection at the office of the Trustee at reasonable times during business hours (Sections 8.02 and 8.04).

ACCOUNTS AND DISTRIBUTIONS

The terms of the Securities provide for payment to the holders thereof (including the Trusts) upon their maturities. Interest received on any Securities in a Trust which bear current interest, including that part of the proceeds of any disposition of any such Security which represents accrued interest and any late payment penalties, is credited to an Income Account for the applicable Trust and other receipts to a Capital Account for the Trust (Sections 3.01 and 3.02). Distributions for Holders as of the Record Day normally will be made by mail on the following Distribution Day and shall consist of an amount substantially equal to each Holder's pro rata share of the distributable cash balance of the Income Account of the Trust computed as of the close of business on the Record Day. The balance in the Capital Account shall be distributed on the business day following the maturity of the Stripped Treasury Securities in the Trust Portfolio; the Record Day for that distribution shall be the business day immediately preceding the distribution day. The Trustee will acquire additional Securities as directed by the Sponsor, in the original proportionate relationship between face amounts, if there is a sufficient cash balance in the Capital Account.

The amount to be distributed may change as Securities are exchanged, paid or sold. A Reserve Account may be created by the Trustee by withdrawing from the Income or Capital Accounts, from time to time, amounts which it deems requisite to establish a reserve for any taxes or other governmental charges that may be payable out of the Trust (Section 3.03). Funds held by the Trustee in the various accounts created under the Indenture do not bear interest (Section 8.01).

PORTFOLIO SUPERVISION

Each Trust is part of a unit investment trust and its not an actively managed fund. Traditional methods of investment management for a managed fund typically involve frequent changes in a portfolio of securities on the basis of economic, financial and market analyses. The Portfolios of the Trusts, however, will not be actively managed and therefore the adverse financial condition of an issuer will not necessarily require the sale of its securities from a Trust. However, the Sponsor may direct the disposition of Securities upon default in payment of amounts due on any Securities which is not promptly cured, institution of certain legal proceedings, default in payment of amounts due on other Treasury Securities, or decline in price or the occurrence of other market or credit factors that in the opinion of the Sponsor would make the retention of these Securities in any Trust

detrimental to the interest of the Holders of that Trust. If a default in payment of amounts due on any Security occurs and if the Sponsor fails to give instructions to sell or hold the Security the Indenture provides that the Trustee, within 30 days of that failure by the Sponsor, may sell the Security (Sections 3.07 and 3.10).

REPORTS TO HOLDERS

The Trustee will furnish Holders of record with each distribution a statement of the amounts of interest and other receipts which are being distributed, expressed in each case as a dollar amount per Unit. After the end of each calendar year (usually within twenty to sixty days), the Trustee will furnish to Holders of record a statement (i) summarizing transactions for the year in the Income, Capital and Reserve Accounts of the Trust, (ii) indentifying Securities sold and purchased during the year and listing Securities held and the number of Units oustanding at the end of the year by the Trust, (iii) stating the Trust's Redemption Price per Unit based upon the computation thereof made at the end of that year and (iv) specifying the amounts distributed during that year from the Trust's Income and Capital Accounts (Section 3.06). The accounts of each Trust shall be audited at least annually by independent certified public accountants designated by the Sponsor, and the report of the accountants shall be furnished by the Trustee to Holders upon request (Section 8.01[e]).

In order to enable them to comply with Federal and state tax reporting requirements, Holders will be furnished upon request to the Trustee with evaluations of Securities furnished to it by the Evaluator (Section 4.02).

UNCERTIFICATED UNITS

All Holders are required to hold their Units in uncertificated form. The Trustee will credit a Holder's account with the number of Units held by the Holder. This relieves the Holder of the responsibility of safekeeping of certificates and the need to deliver certificates upon sale or redemption of Units. Units are transferable by the Trustee, with a payment of $2.00 if required by the Trustee (or such other amount as may be specified by the Trustee and approved by the Sponsor) for each transfer and any sums payable for taxes or other governmental charges imposed upon these transactions and compliance with the formalities necessary to redeem Units (Section 6.02).

AMENDMENT AND TERMINATION

The Sponsor and Trustee may amend the Indenture without the consent of Holders (a) to cure any ambiguity or to correct or supplement any provision thereof which may be defective or inconsistent, (b) to change any provision thereof as may be required by the Securities and Exchange Commission or any successor governmental agency, or (c) to make any other provisions which do not adversely affect the interest of the Holders (as determined in good faith by the Sponsor). The Indenture may also be amended in any respect by the Sponsor and Trustee, or any of the provisions thereof may be waived, with the consent of the Holders of 51% of the Units then outstanding, provided that none of these amendments or waivers will reduce the interest in any Trust of any Holder without the consent of the Holder or reduce the percentage of Units required to consent to any of these amendments or waivers without the consent of all Holders (Section 10.01).

The Indenture will terminate upon the earlier of the disposition of the last Security held thereunder or the mandatory termination date. The Indenture as to any Trust may be terminated at any time by written instrument executed by the Sponsor and consented to by Holders of 51% of the Units (Sections 8.01[g] and 9.01). The Trustee will deliver written notice of any termination to each Holder within a reasonable period of time prior to the termination, specifying the times at which the Holders may surrender their Certificates for cancellation. Within a reasonable period of time after the termination, the Trustee must sell all of the Securities then held and distribute to each Holder, upon surrender for cancellation of his Certificates, and after deductions for accrued but unpaid fees, taxes and governmental and other charges, the Holder's interest in the Income and Capital Accounts (Section 9.01). This distribution will normally be made by mailing a check in the amount of each Holder's interest in these accounts to the address of the Holder appearing on the record books of the Trustee.

RESIGNATION, REMOVAL AND LIMITATIONS ON LIABILITY

THE TRUSTEE

The Trustee or any successor may resign upon notice to the Sponsor. The Trustee may be removed upon the direction of the Holders of 51% of the Units at any time or by the Sponsor without the consent of any of the Holders, if the

Trustee becomes incapable of acting or becomes bankrupt or its affairs are taken over by public

authorities or if for any reason the Sponsor determines in good faith that the replacement of the Trustee is in the best interests of the Holders. The resignation or removal shall become effective upon the acceptance of appointment by the successor. In case of resignation or removal the Sponsor is to use its best efforts to appoint a successor promptly and if upon resignation of the Trustee no successor has accepted appointment within thirty days after notification, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor (Section 8.06). The Trustee shall be under no liability for any action taken in good faith in reliance on prima facie properly executed documents or for the disposition of monies or Securities, nor shall it be liable or responsible in any way for depreciation or loss incurred by reason of the sale of any Security. This provision, however, shall not protect the Trustee in cases of wilful misfeasance, bad faith, gross negligence or reckless disregard of its obligations and duties. In the event of the failure of the Sponsor to act, the Trustee may act under the Indenture and shall not be liable for any of these actions taken in good faith. The Trustee shall not be personally liable for any taxes or other governmental charges imposed upon or in respect of the Securities or upon the interest thereon. In addition, the Indenture contains other customary provisions limiting the liability of the Trustee (Sections 3.07, 3.10, 8.01 and 8.05).

THE EVALUATOR

The Evaluator may resign or may be removed, effective upon the acceptance of appointment by its successor, by the Sponsor, who is to use its best efforts to appoint a successor promptly. If upon resignation of the Evaluator no successor has accepted appointment within thirty days after notification, the Evaluator may apply to a court of competent jurisdiction for the appointment of a successor (Section 4.40). Determinations by the Evaluator under the Indenture shall be made in good faith upon the basis of the best information available to it; provided, however, that the Evaluator shall be under no liability to the Trustee, the Sponsor or the Holders for errors in judgment. This provision, however, shall not protect the Evaluator in cases of wilful misfeasance, bad faith, gross negligence or reckless disregard of its obligations and duties (Section 4.03). The Trustee, the Sponsor and the Holders may rely on any evaluation furnished by the Evaluator and shall have no responsibility for the accuracy thereof.

THE SPONSOR

If the Sponsor fails to perform its duties or becomes incapable of acting or becomes bankrupt or its affairs are taken over by public authorities, then the Trustee may (a) appoint a successor Sponsor at rates of compensation deemed by the Trustee to be reasonable and as may not exceed amounts prescribed by the Securities and Exchange Commission, or (b) terminate the Indenture and liquidate the Trusts or (c) continue to act as Trustee without terminating the Indenture (Section 8.01[f]). The Sponsor shall be under no liability to the Trusts or to the Holders for taking any action or for refraining from the taking any action in good faith or for errors in judgment and shall not be liable or responsible in any way for depreciation or loss incurred by reason of the sale of any Security. This provision, however, shall not protect the Sponsor in cases of wilful misfeasance, bad faith, gross negligence or reckless disregard of its obligations and duties (Section 7.02). The Sponsor may transfer all or substantially all of its assets to a corporation or partnership which carries on its business and duly assumes all of its obligations under the Indenture and in that event shall be relieved of all futher liability under the Indenture (Section 7.01)

MISCELLANEOUS

TRUSTEE

Acting as Co-Trustees are 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 Federal Deposit Insurance Corporation and the Board of Governors of the Federal Reserve System) 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 Federal Deposit Insurance Corporation and the Board of Governors of the Federal Reserve System).

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 Sponsor. 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.

AUDITORS

The financial statements, including the Portfolios of the Trusts, included herein have been audited by Deloitte & Touche, independent accountants, as stated in their opinion appearing herein and have been so included in reliance upon that opinion given on the authority of that firm as experts in accounting and auditing.

SPONSOR

The 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. The Sponsor and Merrill Lynch Asset Management, Inc., a Delaware corporation and subsidiary of Merrill Lynch & Co., Inc., the parent of the Sponsor, are engaged in the investment advisory business. The Sponsor has acted as sponsor of a number of series of unit investment trusts. The Sponsor has acted as principal underwriter and managing underwriter of other investment companies. The Sponsor, in addition to participating as a member of various selling groups or as an agent of other investment companies, executes orders on behalf of investment companies for the purchase and sale of securities of these companies and sells securities to these companies in its capacity as a broker or dealer in securities.

DEFINED ASSET FUNDS - GOVERNMENT SECURITIES INCOME FUND,
U.S. GOVERNMENT ZERO COUPON BOND SERIES - 3

REPORT OF INDEPENDENT ACCOUNTANTS

The Sponsor, Co-Trustees and Holders
of Defined Asset Funds - Government Securities Income Fund,
U.S. Government Zero Coupon Bond Series - 3:

We have audited the accompanying statements of condition of the 1994 Trust, 1999 Trust and the 2009 Trust of Defined Asset Funds - Government Securities Income Fund, U.S. Government Zero Coupon Bond Series - 3, including the portfolios, as of March 31, 1994 and the related statements of operations and of changes in net assets for the years ended March 31, 1994, 1993 and 1992. These financial statements are the responsibility of the Co-Trustees. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Securities owned at March 31, 1994, as shown in such portfolios, were 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the above-mentioned Trusts of Defined Asset Funds - Government Securities Income Fund, U.S. Government Zero Coupon Bond Series - 3 at March 31, 1994 and the results of their operations and changes in their net assets for the above-stated years in conformity with generally accepted accounting principles.

DELOITTE & TOUCHE

New York, N.Y.
June 6, 1994

DEFINED ASSET FUNDS - GOVERNMENT SECURITIES INCOME FUND,
U.S. GOVERNMENT ZERO COUPON BOND SERIES - 3

STATEMENTS OF CONDITION
AS OF MARCH 31, 1994

<TABLE>

		1994 TRUST
<S>		<C>
TRUST PROPERTY:		
Investment in marketable securities - at value (cost $12,261,917) (Note 1)		$12,507,220
Accrued interest receivable		19,378
Cash		187,713
Total trust property		12,714,311
LESS LIABILITIES:		
Accrued expenses	$ 80,815	
Liability for securities purchased	126,191	207,006
NET ASSETS (Note 2)		$12,507,305
UNITS OUTSTANDING		128,052.094
UNIT VALUE		$97.67

		1999 TRUST
TRUST PROPERTY:		
Investment in marketable securities - at value (cost $24,932,114) (Note 1)		$26,895,280
Accrued interest receivable		26,087
Cash		65,451
Total trust property		26,986,818
LESS LIABILITIES:		
Accrued expenses	$ 90,752	
Redemptions payable	6,246	96,998
NET ASSETS (Note 2)		$26,889,820
UNITS OUTSTANDING		380,053.673
UNIT VALUE		$70.75

See Notes to Financial Statements.

</TABLE>

DEFINED ASSET FUNDS - GOVERNMENT SECURITIES INCOME FUND,
U.S. GOVERNMENT ZERO COUPON BOND SERIES - 3

STATEMENTS OF CONDITION
AS OF MARCH 31, 1994

<TABLE>
<CAPTION>

		2009 TRUST
<S>		<C>
TRUST PROPERTY:		
Investment in marketable securities - at value (cost $22,278,142) (Note 1)		$24,733,631
Accrued interest receivable		37,468
Cash		116,980
Total trust property		24,888,079
LESS LIABILITIES:		
Accrued expenses	$141,250	
Redemptions payable	13,220	154,470
NET ASSETS (Note 2)		$24,733,609
UNITS OUTSTANDING		723,288.954
UNIT VALUE		$34.20

See Notes to Financial Statements.

</TABLE>

DEFINED ASSET FUNDS - GOVERNMENT SECURITIES INCOME FUND,
U.S. GOVERNMENT ZERO COUPON BOND SERIES - 3

STATEMENTS OF OPERATIONS

1994 TRUST

<TABLE>
<CAPTION>

	Years Ended March 31, 1994	1993	1992
<S>	<C>	<C>	<C>
INVESTMENT INCOME:			
Interest income	$ 53,476	$ 55,794	$ 53,786
Accretion of original issue discount	835,486	862,001	745,203
Co-Trustees' fees and expenses	(11,879)	(12,540)	(14,174)
Sponsors' fees	(41,206)	(54,013)	(27,869)
Net investment income	835,877	851,242	756,946
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:			
Realized gain on securities sold or redeemed	110,124	106,544	113,912
Unrealized appreciation (depreciation) of investments	(550,693)	223,084	304,334
Net realized and unrealized gain (loss) on investments	(440,569)	329,628	418,246
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	$ 395,308	$1,180,870	$1,175,192

1999 TRUST

	Years Ended March 31, 1994	1993	1992
INVESTMENT INCOME:			
Interest income	$ 72,523	$ 76,988	$ 66,811
Accretion of original issue discount	1,894,492	1,897,209	1,544,837
Co-Trustees' fees and expenses	(27,597)	(30,063)	(28,719)
Sponsors' fees	(44,861)	(55,869)	(27,869)
Net investment income	1,894,557	1,888,265	1,555,060
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:			
Realized gain on securities sold or redeemed	1,037,077	400,371	199,384
Unrealized appreciation (depreciation) of investments	(2,082,261)	2,817,119	744,871
Net realized and unrealized gain (loss) on investments	(1,045,184)	3,217,490	944,255
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	$ 849,373	$5,105,755	$2,499,315

See Notes to Financial Statements.

</TABLE>

STATEMENTS OF OPERATIONS

2009 TRUST

<TABLE>
<CAPTION>

<S>	Years Ended March 31, 1994 <C>	1993 <C>	1992 <C>
INVESTMENT INCOME:			
Interest income	$ 100,309	$ 111,389	$ 104,396
Accretion of original issue discount	1,628,064	1,656,612	1,401,573
Co-Trustees' fees and expenses	(44,847)	(52,003)	(49,798)
Sponsors' fees	(54,606)	(84,822)	(27,869)
Net investment income	1,628,920	1,631,176	1,428,302
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:			
Realized gain (loss) on securities sold or redeemed	2,020,300	453,945	(71,931)
Unrealized appreciation (depreciation) of investments	(2,082,706)	3,378,855	1,017,809
Net realized and unrealized gain (loss) on investments	(62,406)	3,832,800	945,878
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	$1,566,514	$5,463,976	$2,374,180

See Notes to Financial Statements.

</TABLE>

DEFINED ASSET FUNDS - GOVERNMENT SECURITIES INCOME FUND,
U.S. GOVERNMENT ZERO COUPON BOND SERIES - 3

STATEMENTS OF CHANGES IN NET ASSETS

1994 TRUST

<TABLE>
<CAPTION>

	Years Ended March 31, 1994	1993	1992
<S>	<C>	<C>	<C>
OPERATIONS:			
Net investment income	$ 835,877	$ 851,242	$ 756,946
Realized gain on securities sold or redeemed	110,124	106,544	113,912
Unrealized appreciation (depreciation) of investments	(550,693)	223,084	304,334
Net increase in net assets resulting from operations	395,308	1,180,870	1,175,192
CAPITAL SHARE TRANSACTIONS (Note 3):			
Voluntary Contribution by Affiliate of Sponsor	54,154		
Issuance of additional units	1,591,459	2,708,051	4,418,082
Redemptions of units	(2,746,509)	(2,496,318)	(2,416,657)
Net capital share transactions	(1,100,896)	211,733	2,001,425
NET INCREASE (DECREASE) IN NET ASSETS	(705,588)	1,392,603	3,176,617
NET ASSETS AT BEGINNING OF YEAR	13,212,893	11,820,290	8,643,673
NET ASSETS AT END OF YEAR	$12,507,305	$13,212,893	$11,820,290
PER UNIT:			
Net asset value at end of year	$97.67	$94.32	$85.88
TRUST UNITS OUTSTANDING AT END OF YEAR	128,052.094	140,090.135	137,643.496

See Notes to Financial Statements.

</TABLE>

DEFINED ASSET FUNDS - GOVERNMENT SECURITIES INCOME FUND,
U.S. GOVERNMENT ZERO COUPON BOND SERIES - 3

STATEMENTS OF CHANGES IN NET ASSETS

1999 TRUST

<TABLE>
<CAPTION>

Years Ended March 31,

	1994	1993	1992
<S>	<C>	<C>	<C>
OPERATIONS:			
Net investment income	$ 1,894,557	$ 1,888,265	$ 1,555,060
Realized gain on securities sold or redeemed	1,037,077	400,371	199,384
Unrealized appreciation (depreciation) of investments	(2,082,261)	2,817,119	744,871
Net increase in net assets resulting from operations	849,373	5,105,755	2,499,315
CAPITAL SHARE TRANSACTIONS (Note 3):			
Voluntary Contribution by Affiliate of Sponsor	135,008		
Issuance of additional units	3,906,487	7,730,515	8,702,185
Redemptions of units	(7,828,047)	(5,272,030)	(4,188,366)
Net capital share transactions	(3,786,552)	2,458,485	4,513,819
NET INCREASE (DECREASE) IN NET ASSETS	(2,937,179)	7,564,240	7,013,134
NET ASSETS AT BEGINNING OF YEAR	29,826,999	22,262,759	15,249,625
NET ASSETS AT END OF YEAR	$26,889,820	$29,826,999	$22,262,759
PER UNIT:			
Net asset value at end of year.	$70.75	$68.84	$56.92
TRUST UNITS OUTSTANDING AT END OF YEAR	380,053.673	433,265.276	391,148.012

See Notes to Financial Statements.

</TABLE>

DEFINED ASSET FUNDS - GOVERNMENT SECURITIES INCOME FUND,
U.S. GOVERNMENT ZERO COUPON BOND SERIES - 3

STATEMENTS OF CHANGES IN NET ASSETS

2009 TRUST

<TABLE>
<CAPTION>

	Years Ended March 31, 1994	1993	1992
<S>	<C>	<C>	<C>
OPERATIONS:			
Net investment income	$ 1,628,920	$ 1,631,176	$ 1,428,302
Realized gain (loss) on securities sold or redeemed	2,020,300	453,945	(71,931)
Unrealized appreciation (depreciation) of			

investments	(2,082,706)	3,378,855	1,017,809
Net increase (decrease) in net assets resulting from operations	1,566,514	5,463,976	2,374,180
CAPITAL SHARE TRANSACTIONS (Note 3):			
Voluntary Contribution by Affiliate of Sponsor	216,142		
Issuance of additional units	6,381,661	8,708,468	9,467,284
Redemptions of units	(9,480,835)	(7,837,490)	(8,708,300)
Net capital share transactions	(2,883,032)	870,978	758,984
NET INCREASE (DECREASE) IN NET ASSETS	(1,316,518)	6,334,954	3,133,164
NET ASSETS AT BEGINNING OF YEAR	26,050,127	19,715,173	16,582,009
NET ASSETS AT END OF YEAR	$24,733,609	$26,050,127	$19,715,173
PER UNIT:			
Net asset value at end of year	$34.20	$32.37	$25.81
TRUST UNITS OUTSTANDING AT END OF YEAR	723,288.954	804,786.144	763,740.955

See Notes to Financial Statements.

</TABLE>

DEFINED ASSET FUNDS - GOVERNMENT SECURITIES INCOME FUND,
U.S. GOVERNMENT ZERO COUPON BOND SERIES - 3

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

The Fund is registered under the Investment Company Act of 1940 as a Unit Investment Trust. The Fund consists of the 1994, 1999 and 2009 Trusts, each a separate unit investment trust. The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The policies are in conformity with generally accepted accounting principles.

(a) Securities are stated at value as determined by the Evaluator based on the mean between bid and offering prices for the securities (see "Redemption - Computation of Redemption Price Per Unit" in this Prospectus).

(b) Cost of securities has been adjusted to include the accretion of original issue discount on the Stripped Treasury Securities.

(c) Each Trust is not subject to income taxes. Accordingly, no provision for such taxes is required.

2. NET ASSETS, MARCH 31, 1994

1994 TRUST

Cost of 128,052.094 units at Dates of Deposit	$ 9,857,784
Redemption of units - Net cost of 94,171.340 units redeemed less redemption amounts	42,748
Realized gain on securities sold or redeemed	338,326
Unrealized appreciation of investments	245,303
Net capital applicable to Holders	10,484,161
Undistributed net investment income - accretion of original issue discount ($2,023,564) less excess ($420) of fees and expenses over interest income	2,023,144
Net assets	$12,507,305

1999 TRUST

Cost of 380,053.673 units at Dates of Deposit	$19,835,342
Redemption of units - Net cost of 306,828.723 units redeemed less redemption amounts	(956,200)
Realized gain on securities sold or redeemed	1,671,668
Unrealized appreciation of investments	1,963,166
Net capital applicable to Holders	22,513,976
Undistributed net investment income - accretion of original issue discount ($4,375,672) plus excess ($172) of interest income over fees and expenses	4,375,844
Net assets	$26,889,820

2009 TRUST

Cost of 723,288.954 units at Dates of Deposit	$17,451,173
Redemption of units - Net cost of 1,187,720.853 units redeemed less redemption amounts	(1,129,983)
Realized gain on securities sold or redeemed	2,671,242
Unrealized appreciation of investments	2,455,489
Net capital applicable to Holders	21,447,921
Undistributed net investment income - accretion of original issue discount ($3,287,281) less excess ($1,593) of fees and expenses over interest income	3,285,688
Net assets	$24,733,609

3. CAPITAL SHARE TRANSACTIONS

Additional units were issued by the Trusts as follows:

Trust	Year Ended March 31, 1994	Year Ended March 31, 1993	Year Ended March 31, 1992
1994	16,521.091	29,875.299	55,226.306

1999	54,539.727	123,828.126	164,535.347
2009	178,220.474	307,177.790	392,745.500

Units were redeemed as follows:

Trust	Year Ended March 31, 1994	Year Ended March 31, 1993	Year Ended March 31, 1992
1994	28,559.132	27,428.660	28,920.172
1999	107,751.330	81,710.862	76,299.280
2009	259,717.664	266,132.027	352,362.078

Units may be redeemed at the office of the Trustee upon tender thereof generally on any business day or, in the case of uncertificated units, upon delivery of a request for redemption and payment of any relevant tax. The Trustee may redeem units either in cash or in kind at the option of the Holder as specified in writing to the Trustee.

On July 21, 1993, an affiliate of the Sponsor, as Plan Administrator, made voluntary contributions of $54,154, $135,008 and $216,142 into the 1994, 1999 and 2009 Trusts, respectively, to purchase additional securities.

4. INCOME TAXES

All Trust items of income received, accretion of original issue discount, expenses paid, and realized gains and losses on securities sold are attributable to the Holders, on a pro rata basis, for Federal income tax purposes in accordance with the grantor trust rules of the United States Internal Revenue Code.

At March 31, 1994, the cost of investment securities for Federal income tax purposes was approximately equivalent to the adjusted cost as shown in each Trust's portfolio.

5. DISTRIBUTIONS

It is anticipated that each Trust will not make any distributions until the first business day following the maturity of its holdings in the Stripped Treasury Securities which are non-interest bearing.

DEFINED ASSET FUNDS - GOVERNMENT SECURITIES INCOME FUND,

U.S. GOVERNMENT ZERO COUPON BOND SERIES - 3

PORTFOLIOS
AS OF MARCH 31, 1994
<TABLE>
<CAPTION>

Portfolio No. and Title of Securities	Interest Rates	Maturities	Face Amount	Adjusted Cost(1)	Value(1)
<S>	<C>	<C>	<C>	<C>	<C>
1994 TRUST					
1 Stripped Treasury Securities(2)	0.000%	11/15/94	$12,298,000	$11,717,284	$11,983,786
2 U.S. Treasury Notes	10.125	11/15/94	505,728	544,633	523,434
Total			$12,803,728	$12,261,917	$12,507,220
1999 TRUST					
1 Stripped Treasury Securities(2)	0.000%	11/15/99	$37,231,000	$24,108,306	$26,034,893
2 U.S. Treasury Notes	8.875	11/15/98	776,873	823,808	860,387
Total			$38,007,873	$24,932,114	$26,895,280
2009 TRUST					
1 Stripped Treasury Notes Securities(2)	0.000%	5/15/09	$71,210,000	$21,086,376	$23,488,618
2 U.S. Treasury Bonds	9.125	5/15/09(3)	1,085,092	1,191,766	1,245,013
Total			$72,295,092	$22,278,142	$24,733,631

(1) See Notes to Financial Statements.
(2) See "Risk Factors - Special Characteristics of Stripped Treasury Securities" in this Prospectus.
(3) Callable beginning 5/15/04 at par.

</TABLE>

DEFINED
ASSET FUNDSSM

SPONSOR:
Merrill Lynch,
Pierce, Fenner & Smith Inc.
Unit Investment Trusts
P.O. Box 9051
Princeton, N.J. 08543-9051
(609) 282-8500
EVALUATOR:
Kenny S&P Evaluation Services
65 Broadway
New York, N.Y. 10006
INDEPENDENT ACCOUNTANTS:
Deloitte & Touche
1633 Broadway
3rd Floor
New York, N.Y. 10048
CO-TRUSTEES:
The First National Bank of Chicago
Investors Bank & Trust Company
P.O. Box 1537
Boston, MA 02205-1537
1-800-338-6019

GOVERNMENT SECURITIES
INCOME FUND
U.S. Government Zero Coupon
Bond Series 3
(A Unit Investment Trust)
PROSPECTUS

This Prospectus does not contain all of the information with respect to the investment company set forth in its registration statement and exhibits relating thereto which have been filed with the Securities and Exchange Commission, Washington, D.C. under the Securities Act of 1933 and the Investment Company Act of 1940, and to which reference is hereby made.

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

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