FORM 485APOS

Post-effective amendments [Rule 485(a)]

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FILER

FIRST PRAIRIE U S GOVERNMENT INCOME FUND

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Business Address
200 PARK AVENUE- 8TH FL
C/O DREYFUS CORP
NEW YORK NY 10166
2129226130

Registration Nos. 33-46403
811-6595

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-1A

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Pre-Effective Amendment No.

Post-Effective Amendment No. 2

and/or

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940

Amendment No. 2

(Check appropriate box or boxes)

FIRST PRAIRIE U.S. GOVERNMENT INCOME FUND
(Exact Name of Registrant as Specified in Charter)

c/o The Dreyfus Corporation
200 Park Avenue, New York, New York 10166
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, including Area Code: (212) 922-6000

Daniel C. Maclean III, Esq.
200 Park Avenue
New York, New York 10166
(Name and Address of Agent for Service)

It is proposed that this filing will become effective (check appropriate box)

immediately upon filing pursuant to paragraph (b)

on (date) pursuant to paragraph (b)

60 days after filing pursuant to paragraph (a)

on (date) pursuant to paragraph (a) of Rule 485

Registrant has registered an indefinite number of shares of beneficial interest under the Securities Act of 1933 pursuant to Section 24(f) of the Investment Company Act of 1940. Registrant's Rule 24f-2 Notice for the period from March 5, 1993 (commencement of operations) through January 31, 1994 will be filed on or about March 25, 1994.

FIRST PRAIRIE U.S. GOVERNMENT INCOME FUND
Cross-Reference Sheet Pursuant to Rule 495(a)

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NOTE: * Omitted since answer is negative or inapplicable

_______________, 1994

FIRST PRAIRIE U.S. GOVERNMENT INCOME FUND

Supplement to Prospectus Dated ____________, 1994.

The following information supplements and should be read in conjunction with the section of the Fund's Prospectus entitled "Management of the Fund."

The Dreyfus Corporation ("Dreyfus") has entered into an Agreement and Plan of Merger providing for the merger of Dreyfus with a subsidiary of Mellon Bank Corporation ("Mellon").

Upon closing of the merger, it is planned that Dreyfus will retain its New York headquarters and will be a separate subsidiary within the Mellon organization. It is expected that the Dreyfus management team and the Dreyfus mutual fund managers will remain in place, and the Dreyfus mutual funds will be operated in the same manner as they are currently.

Following the merger, Dreyfus will be either a direct or indirect subsidiary of Mellon, whose principal banking subsidiary is Mellon Bank, N.A. Closing of this merger is subject to a number of contingencies, including the receipt of certain regulatory approvals and the approvals of the stockholders of Dreyfus and of Mellon. The merger is expected to occur in mid-1994, but could occur significantly later.

FIRST PRAIRIE U.S. GOVERNMENT INCOME FUND

INTERMEDIATE SERIES

PROSPECTUS

The First National Bank of Chicago
Manager

Dreyfus Service Corporation
Distributor

Prospectus begins on page one.

FIRST PRAIRIE U.S. GOVERNMENT INCOME FUND

Intermediate Series

PROSPECTUS

PROSPECTUS-_______, 1994

First Prairie U.S. Government Income Fund (the "Fund") is an open-end, management investment company, known as a series fund. By this Prospectus, Class A, Class B and Class F shares of the

Fund's Intermediate Series (the "Series") are being offered. The Series is a diversified mutual fund which seeks to provide investors with as high a level of current income as is consist- tent with the preservation of capital. The dollar-weighted average maturity of the Series' portfolio ranges between three and ten years.

The First National Bank of Chicago (the "Manager") serves as the Fund's investment adviser. Dreyfus Service Corporation (the "Distributor"), a wholly-owned subsidiary of The Dreyfus Corporation, serves as the Fund's distributor.

Class A shares are subject to a sales charge imposed at the time of purchase and Class B shares are subject to a contingent deferred sales charge imposed on redemptions made within five years of purchase. The Fund offers these alternatives to permit an investor to choose the method of purchasing shares that is most beneficial given the amount of the purchase, the length of time the investor expects to hold the shares and other circumstances. Class F shares are offered without a sales charge and are sold only to clients of the Manager for their qualified trust, custody and/or agency accounts maintained at its Personal Investments Department and to clients of affiliates of the Manager for their similar accounts maintained at such affiliates. Other differences between the Classes include the services offered to and the expenses borne by each Class and certain voting rights, as described herein.

The Fund's shares are not deposits or obligations of, or guaranteed by, the Manager or any of its affiliates, and are not federally insured by the Federal Deposit Insurance Corporation ("FDIC"), the Federal Reserve Board or any other agency. The Fund's shares involve certain investment risks, including the possible loss of principal. The Fund's share price, yield and investment return fluctuate and are not guaranteed.

____

This Prospectus sets forth concisely information about the Fund that an investor should know before investing. It should be read and retained for future reference.

Part B (also known as the Statement of Additional Information), dated _______, 1994, which may be revised from time to time, provides a further discussion of certain areas in this Prospectus and other matters which may be of interest to some investors. It has been filed with the Securities and Exchange

Commission and is incorporated herein by reference. For a free copy, write to the Fund at 144 Glenn Curtiss Boulevard, Uniondale, New York 11556-0144, or call 1-800-346-3621. When telephoning, ask for Operator 666.

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

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FEE TABLE

	CLASS A	CLASS B	CLASS F
Shareholder Transaction Expenses			
Maximum Sales Load Imposed on Purchases (as a percentage of offering price)	3.00%	None	None
Maximum Deferred Sales Charge Imposed on Redemptions (as a percentage of the amount subject to charge)	None	3.00%	None
Annual Fund Operating Expenses (as a percentage of average daily net assets)			
Management Fees (after expense reimbursement)	0%	0%	0%
12b-1 Fees	None	.50%	None
Service Fees	.25%	.25%	None

Other Expenses (after expense reimbursement)	0%	0%	0%
Total Series Operating Expenses (after expense reimbursement)	__%	__%	__%

Example

An investor would pay the following expenses on a $1,000 investment, assuming (1) 5% annual return and (2) except where noted, redemption at the end of each time period:		Class A	Class B	Class B*	Class F
	1 Year	$__	$__	$__	$__
	3 Years	$__	$__	$__	$__

* Assuming no redemption of Class B shares.

THE AMOUNTS LISTED IN THE EXAMPLE SHOULD NOT BE CONSIDERED AS REPRESENTATIVE OF PAST OR FUTURE EXPENSES AND ACTUAL EXPENSES MAY BE GREATER OR LESS THAN THOSE INDICATED. MOREOVER, WHILE THE EXAMPLE ASSUMES A 5% ANNUAL RETURN, THE SERIES' ACTUAL PERFORMANCE WILL VARY AND MAY RESULT IN AN ACTUAL RETURN GREATER OR LESS THAN 5%.

The purpose of the foregoing table is to assist investors in understanding the various costs and expenses investors will bear, directly or indirectly, the payment of which will reduce investors' return on an annual basis. Long-term investors in Class B shares could pay more in 12b-1 fees than the economic equivalent of paying a front-end sales charge. Other Expenses and Total Series Operating Expenses are based on estimated amounts. Prior to ____________, 1994, Class A shares were subject to 12b-1 fees, but no service fees. The Manager, affiliates of the Manager and certain Service Agents (as defined below) may charge their clients direct fees for services provided to clients in connection with accounts through which shares are purchased; such fees are not reflected in the foregoing table. See "How to Buy Fund Shares," "Management of the Fund" and "Distribution Plan and Shareholder Services Plan." The expenses noted above, without reimbursements, would be: with respect to each Class, Management Fees--.60% and, with respect to Class A, Class B and Class F shares, Other Expenses--.__%, .__% and .__%, respectively, and Total Series Operating Expenses--__%, __% and __%, respectively; and the amount of expenses that an investor would pay, assuming redemption after one and three years, would be, assuming (1) 5% annual return and (2) except where noted, redemption at the end of each time period:

	Class A	Class B	Class B*	Class F
1 Year	$	$	$	$
3 Years	$	$	$	$

* Assuming no redemption of Class B shares.

CONDENSED FINANCIAL INFORMATION

The table below sets forth certain information covering the Series' investment results for the period indicated. Further financial data and related notes are included in the Statement of Additional Information available upon request. Class B shares has not been offered as of the date of the financial statements and, accordingly, no financial data are available for Class B.

Financial Highlights. Contained below is per share operating performance data for a Class A and Class F share of beneficial interest outstanding, total investment return, ratios to average net assets and other supplemental data for the period indicated. This information has been derived from information provided in the Fund's financial statements.

Period Ended August 31, 1993 (Unaudited)<F1>

	Class A Shares	Class F Shares
Per Share Data:		
Net asset value, beginning of period	$	$
Income from Investment Operations:		
Investment income-net		
Net realized and unrealized (loss) on investments		
Total Income from Investment Operations		
Distributions:		
Dividends from investment income-net		
Net asset value, end of period	$	$
Total Investment Return:<F2>		
Ratios/Supplemental Data:		
Ratio of expenses to average net assets<F2>	--	--
Ratio of net investment income to average net assets<F2>	%	%
Decrease reflected in above expense ratio		

due to undertaking by The First National Bank of Chicago<F2>	%	%
Portfolio Turnover Rate<F3>	%	%
Net Assets, end of period (000's omitted)	$	$

[FN]
<F1> From March 5, 1993 (commencement of operations) to August 31, 1993.
<F2> Annualized basis.
<F3> Not Annualized.

Further information about the Series' performance will be contained in the Fund's annual report for the fiscal year ending January 31, 1994, which will be available approximately the end of March 1994, and may be obtained without charge by writing to the address or calling the number set forth on the cover page of this Prospectus.

HIGHLIGHTS

The following summary is qualified in its entirety by the more detailed information appearing elsewhere in this Prospectus.

The Fund. The Fund is an open-end, management investment company, known as a series fund. The Fund currently has established one diversified portfolio: the Intermediate Series.

Investment Objective. The Series seeks to provide investors with as high a level of current income as is consistent with the preservation of capital.

Management Policies. The Series invests in securities issued or guaranteed as to principal and interest by the U.S. Government or its agencies or instrumentalities ("U.S. Government Securities"), and may enter into repurchase agreements in respect thereof. Securities in which the Series invests may not earn as high a level of current income as long-term or lower quality securities which generally have less liquidity, greater market risk and more fluctuation in market value.

The dollar-weighted average maturity of the Series' portfolio ranges between three and ten years. The Series is not limited in the maturities of the securities in which it invests and the maturity of a portfolio security may range from overnight to 40 years.

The Series may engage in various investment techniques such as leveraging, short-selling, options and futures transactions and lending portfolio securities for hedging or other permissible purposes.

The Manager and Management Fee. The First National Bank of Chicago is the Fund's investment adviser.

The Fund has agreed to pay the Manager, for its investment management services, a monthly fee at the annual rate of .60 of 1% of the value of the Series' average daily net assets.

Alternative Purchase Methods. The Series offers three classes of shares: Class A shares, Class B shares and Class F shares. Each Class A, Class B and Class F share represents an identical pro rata interest in the Series' investment portfolio.

Class A shares are sold at net asset value per share plus a maximum initial sales charge of 3% of the public offering price imposed at the time of purchase. The initial sales charge may be reduced or waived for certain purchases. See "How to Buy Fund Shares--Class A Shares." Class A are subject to an annual service fee at the rate of .25 of 1% of the value of the average daily net assets of Class A.

Class B shares are sold at net asset value per share with no initial sales charge at the time of purchase; as a result, the entire purchase price is immediately invested in the Fund. Class B shares are subject to a maximum 3% contingent deferred sales charge ("CDSC"), which is assessed only if the Class B shares are redeemed within five years of purchase. See "How to Redeem Fund Shares--Contingent Deferred Sales Charge--Class B Shares". Class B shares also are subject to an annual service fee at the rate of .25 of 1% of the value of the average daily net assets of Class B. In addition, Class B shares are subject to an annual distribution fee at the rate of .50 of 1% of the value of the average daily net assets of Class B. The distribution fee paid by Class B will cause such Class to have a higher expense ratio and to pay lower dividends than Class A. Approximately six years after the date of purchase, Class B shares automatically will convert to Class A shares, based on the relative net asset values for shares of each Class, and will no longer be subject to the distribution fee.

Class F shares are sold at net asset value with no sales charge. Class F shares are offered exclusively to certain clients of the Manager and its affiliates as described below.

See "Alternative Purchase Methods."

How to Buy Fund Shares. Orders for purchases of Class A and Class B shares may be placed through a number of institutions, including: the Manager, affiliates of the Manager, including First Chicago Investment Services, Inc. ("FCIS"), a registered broker-dealer, the Distributor and certain banks, securities dealers and other industry professionals, such as investment advisers, accountants and estate planning firms (collectively, "Service Agents").

Orders for purchases of Class F shares may be placed only for clients of the Manager for their qualified trust, custody and/or agency accounts maintained at its Personal Investments Department and for clients of affiliates of the Manager for their similar accounts maintained at such affiliates. These accounts are referred to herein as "Fiduciary Accounts."

Investors purchasing Class F shares through their Fiduciary Accounts at the Manager or its affiliates should contact such entity directly for appropriate instructions, as well as for information about conditions pertaining to the account and any related fees.

The minimum initial investment for each Class is $1,000 ($250 for IRAs and other personal retirement plans). All subsequent investments must be at least $100.

See "How to Buy Fund Shares."

Investors should consult their financial and tax advisers before buying Class F shares to determine, among other matters, the tax consequences to them of their purchase, including the effect of selling any assets to fund such purchase.

How to Redeem Fund Shares. Generally, investors should contact their representatives at the Manager or appropriate Service Agent for redemption instructions.

Investors who are not clients of the Manager or a Service Agent may redeem Fund shares by written request, by wire or telephone, or through the TeleTransfer Privilege.

See "How to Redeem Fund Shares."

Risks and Special Considerations. The use of investment techniques such as short-selling, engaging in financial futures and options transactions, lending portfolio securities, borrowing for investment purposes, entering into repurchase agreements and purchasing securities on a when-issued or forward commitment basis, and the purchase of certain mortgage-backed securities and zero coupon securities involves greater risk than that incurred by many other funds with similar objectives and may affect the degree to which the Series' net asset value fluctuates.

Changes in the value of the Series' portfolio securities will result in changes in the value of a Series share and thus the Series' yield and total return to investors.

See "Description of the Fund--Risk Factors."

ALTERNATIVE PURCHASE METHODS

The Fund offers investors three methods of purchasing Fund shares. Orders for purchases of Class F shares, however, may be placed only for clients of the Manager or its affiliates for their Fiduciary Accounts maintained at the Manager or one of its affiliates. An investor who is not eligible to purchase Class F shares may choose from Class A and Class B the Class of shares that best suits the investor's needs, given the amount of purchase, the length of time the investor expects to hold the shares and any other relevant circumstances. Each Class A, Class B and Class F share represents an identical pro rata interest in the Fund's investment portfolio.

Class A shares are sold at net asset value per share plus a maximum initial sales charge of 3% of the public offering price imposed at the time of purchase. The initial sales charge may be reduced or waived for certain purchases. See "How to Buy Fund Shares--Class A Shares." These shares are subject to an annual service fee at the rate of .25 of 1% of the value of the average daily net assets of Class A. See "Distribution Plan and Shareholder Services Plan--Shareholder Services Plan."

Class B shares are sold at net asset value per share with no initial sales charge at the time of purchase; as a result, the entire purchase price is immediately invested in the Fund. Class B shares are subject to a maximum 3% CDSC, which is assessed only if Class B shares are redeemed within five years of purchase. See "How to Buy Fund Shares--Class B Shares" and "How to Redeem Fund Shares--Contingent Deferral Sales Charge--Class B Shares." These shares also are subject to an annual service fee at the rate of .25 of 1% of the value of the average daily net assets of Class B. In addition, Class B shares are subject to an annual distribution fee at the rate of .50 of 1% of the value of the average daily net assets of Class B. See "Distribution Plan and Shareholder Services Plan." The distribution fee paid by Class B will cause such Class to have a higher expense ratio and to pay lower dividends than Class A or Class F. Approximately six years after the date of purchase, Class B shares automatically will convert to Class A shares, based on the relative net asset values for shares of each Class, and will no longer be subject to the distribution fee. Class B shares that have been acquired through the reinvestment of dividends and distributions will be converted on a pro rata basis together with other Class B shares, in the proportion that a shareholder's Class B shares converting to Class A shares bears to the total Class B shares not acquired through the reinvestment of dividends and distributions.

Class F shares are sold at net asset value with no sales charge. Class F shares are not subject to an annual service fee or distribution fee.

An investor who is not eligible to purchase Class F shares should consider whether, during the anticipated life of the investor's investment in the Fund, the accumulated distribution fee and CDSC on Class B shares prior to conversion would be less than the initial sales charge on Class A shares purchased at the same time, and to what extent, if any, such differential would be offset by the return of Class A. In this regard, generally, Class B shares may be more appropriate for investors who invest less than $100,000 in Fund shares. Additionally, investors qualifying for reduced initial sales charges who expect to maintain their investment for an extended period of time might consider purchasing Class A shares because the accumulated continuing distribution fees on Class B shares may exceed the initial sales charge on Class A shares during the life of the investment. Generally, Class A shares may be more appropriate for investors who invest $100,000 or more in Fund shares.

DESCRIPTION OF THE FUND

[For left margin side bar: The Fund is a series fund, currently offering only one portfolio: the Intermediate Series.]

General. The Fund is a "series fund," which is a mutual fund divided into separate portfolios. Each portfolio is treated as a separate entity for certain matters under the Investment Company Act of 1940 and for other purposes, and a shareholder of one Series is not deemed to be a shareholder of any other Series. As described below, for certain matters Fund shareholders vote together as a group; as to others they vote separately by Series.

[For left margin side bar: The Series seeks to provide as high a level of current income as is consistent with the preservation of capital.]

Investment Objective. The Series seeks to provide investors with as high a level of current income as is consistent with the preservation of capital. The Series' investment objective cannot be changed without approval by the holders of a majority (as defined in the Investment Company Act of 1940) of the Series' outstanding voting shares. There can be no assurance that the Series' investment objective will be achieved.

[For left margin side bar: The Series invests primarily in U.S. Government Securities, which include U.S. Treasury securities, Agency securities and mortgage-backed securities, and may enter into repurchase agreements.]

Management Policies. The Series invests in U.S. Government Securities and may enter into repurchase agreements in respect thereof. It is a fundamental policy of the Series that it will invest at least 65% of the value of its total assets in U.S. Government Securities. The dollar-weighted average maturity of the Series' portfolio ranges between three and ten years. The Series is not limited in the maturities of the securities in which it invests and the maturity of a portfolio security may range from overnight to 40 years.

U.S. Government Securities

U.S. Treasury Securities--The U.S. Government Securities in which the Fund invests include U.S. Treasury securities, which differ in their interest rates, method of payment and maturities. Treasury Bills have initial maturities of one year or less; Treasury Notes have initial maturities of one to ten years; and Treasury Bonds generally have initial maturities of greater than ten years.

Obligations Issued or Guaranteed by U.S. Government Agencies and Instrumentalities--U.S. Government Securities also include obligations issued or guaranteed by U.S. Government agencies and instrumentalities, some of which are supported by the full faith and credit of the U.S. Treasury, for example, Maritime Administration Bonds; others, such as those of the Federal Home Loan Banks, by the right of the issuer to borrow from the U.S. Treasury; others, such as those issued by the Federal National Mortgage Association ("Fannie Mae"), by discretionary authority of the U.S. Government to purchase certain obligations of the agency or instrumentality; and others, such as those issued by the Student Loan Marketing Association, only by the credit of the agency or instrumentality. These securities bear fixed, floating or variable rates of interest. Principal and interest may fluctuate based on generally recognized reference rates or the relationship of rates. While the U.S. Government provides financial support to such U.S. Government-sponsored agencies or instrumentalities, no assurance can be given that it will always do so, since it is not so obligated by law. The Series will invest in such securities only when it is satisfied that the credit risk with respect to the issuer is minimal.

Mortgage-Related Securities Issued or Guaranteed by U.S. Government Agencies and Instrumentalities--U.S. Government Securities also include mortgage-related securities represented by pools of mortgage loans assembled for sale to investors by various governmental agencies such as the Government National Mortgage Association ("Ginnie Mae") and government-related organizations such as Fannie Mae and the Federal Home Loan Mortgage Corporation ("Freddie Mac"). Such securities are ownership interests in the underlying mortgage loans and provide for monthly payments that are a "pass-through" of the monthly interest and principal payments (including any prepayments) made by the individual borrowers on the pooled mortgage loans, net of any fees paid to the guarantor of such securities and the servicer of the underlying mortgage loans. As more fully described in the "Appendix-Portfolio Securities," these securities also may include multiclass pass-through securities and stripped mortgage-backed securities including interest-only and principal-only classes of such securities. The mortgages backing these securities include conventional fixed rate mortgages, graduated payment mortgages and adjustable rate mortgages.

Zero Coupon U.S. Treasury Securities--U.S. Government Securities also include zero coupon U.S. Treasury securities, which are Treasury Notes and Bonds that have been stripped of their unmatured interest coupons, the coupons themselves and receipts or certificates representing interests in such stripped debt obligations and coupons. A zero coupon security pays no interest to its holder during its life and is sold at a discount to its face value at maturity. The amount of the discount fluctuates with the market price of the security. The market prices of zero coupon securities generally are more volatile than the market prices of securities that pay interest periodically and are likely to respond to a greater degree to changes in interest rates than non-zero coupon securities having similar maturities and credit qualities. The Series also may purchase zero coupon securities issued by domestic corporations and financial institutions which constitute a proportionate ownership of the issuer's pool of underlying U.S. Treasury securities. Such securities will not be considered as obligations of the U.S. Government for purposes of the 65% requirement referred to above.

Repurchase Agreements--Repurchase agreements involve the acquisition by the Series of an underlying debt instrument, subject to an obligation of the seller to repurchase, and the Series to resell, the instrument at a fixed price usually not more than one week after its purchase. The Fund's custodian or sub-custodian will have custody of, and will hold in a segregated account, securities acquired by the Series under a repurchase agreement. Repurchase agreements are considered by the staff of the Securities and Exchange Commission to be loans by the Series which enters into them. In an attempt to reduce the risk of incurring a loss on a repurchase agreement, the Fund will enter into repurchase agreements on behalf of the Series only with registered or unregistered securities dealers or banks with total assets in excess of one billion dollars, with respect to securities of the type in which the Series may invest, and will require that additional securities be deposited with it if the value of the securities purchased should decrease below resale price. The Manager will monitor on an ongoing basis the value of the collateral to assure that it always equals or exceeds the repurchase price. Certain costs may be incurred by the Series in connection with the sale of the securities if the seller does not repurchase them in accordance with the repurchase agreement. In addition, if bankruptcy proceedings are commenced with respect to the seller of the securities, realization on the securities by the Series may be delayed or limited. The Fund will consider on an ongoing basis the creditworthiness of the institutions with which the Series enters into repurchase agreements.

[For left margin side bar: Investment techniques used by the Series may include leveraging, short-selling, options and futures transactions and lending portfolio securities.]

The Series may engage in various investment techniques such as leveraging, short-selling, options and futures transactions and lending portfolio securities, each of which involves risk. For a discussion of such investment techniques and their related risks, see "Appendix--Investment Techniques" and "Risk Factors" below.

[For left margin side bar: The Series has adopted certain fundamental policies intended to limit the risk of its investment portfolio. These policies cannot be changed without shareholder approval.]

Certain Fundamental Policies. The Series may (i) borrow money for investment purposes to the extent permitted under the Investment Company Act of 1940, which currently provides that total borrowings may not exceed 33-1/3% of the value of the Series' total assets; and (ii) invest up to 25% of the value of its total assets in the securities of issuers in a single industry, provided there is no limitation on the purchase of U.S. Government Securities. This paragraph describes fundamental policies that cannot be changed without approval by the holders of a majority (as defined in the Investment Company Act of 1940) of the Series' outstanding voting shares. See "Investment Objective and Management Policies-Investment Restrictions" in the Statement of Additional Information.

Certain Additional Non-Fundamental Policies. The Series may (i) pledge, hypothecate, mortgage or otherwise encumber its assets, but only to secure permitted borrowings; and (ii) invest up to 15% of the value of its net assets in repurchase agreements providing for settlement in more than seven days after notice and in other illiquid securities. See "Investment Objective and Management Policies-Investment Restrictions" in the Statement of Additional Information.

Risk Factors. The Series' net asset value is not fixed and should be expected to fluctuate.

The value of the portfolio securities held by the Series will vary inversely to changes in prevailing interest rates. Thus, if interest rates have increased from the time a security was purchased, such security, if sold, might be sold at a price less than its cost. Similarly, if interest rates have declined from the time a security was purchased, such security, if sold, might be sold at a price greater than its cost. In either instance, if the security was purchased at face value and held to maturity, no gain or loss would be realized.

While the Series invests in securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities, no assurance can be given as to the liquidity of the market for certain of these securities, such as multiclass pass-through securities, stripped mortgage-backed securities and zero coupon securities. See "Appendix-Portfolio Securities." Determination as to the liquidity of such securities will be made in accordance with guidelines established by the Fund's Board of Trustees. In accordance with such guidelines, the Manager will monitor the Series' investments in such securities with particular regard to trading activity, availability of reliable price information and other relevant information. The Series will not invest more than 15% of its net assets in securities which are illiquid.

The yield characteristics of mortgage-related securities differ from traditional debt securities. Among the major differences are that interest and principal payments are made more frequently, usually monthly, and that principal may be prepaid at any time because the underlying mortgage loans generally may be prepaid at any time. As a result, if the Series purchases such a security at a premium, a prepayment rate that is faster than expected will reduce yield to maturity, while a prepayment rate that is slower than expected will have the opposite effect of increasing yield to maturity. Conversely, if the Series purchases these securities at a discount, faster than expected prepayments will increase, while slower than expected prepayments will reduce, yield to maturity. Derivative mortgage-related securities, such as stripped mortgage-backed securities, and certain types of mortgage pass-through securities, including those whose interest rates fluctuate directly or indirectly based on multiples of a stated index, are designed to be highly sensitive to changes in prepayment and interest rates and can subject the holders thereof to extreme reductions of yield and possibly loss of principal.

Prepayments on a pool of mortgage loans are influenced by a variety of economic, geographic, social and other factors, including changes in mortgagor's housing needs, job transfers, unemployment, mortgagors' net equity in the mortgaged properties and servicing decisions. Generally, however, prepayments on fixed rate mortgage loans will increase during a period of falling interest rates and decrease during a period of rising interest rates. Accordingly, amounts available for reinvestment by the Series are likely to be greater during a period of declining interest rates and, as a result, likely to be reinvested at lower interest rates than during a period of rising interest rates. Mortgage-related securities may decrease in value as a result of increases in interest rates and may benefit less than other fixed income securities from declining interest rates because of the risk of prepayment.

[For left margin side bar: The Series uses various investment techniques which may enhance the Series' performance; their use involves certain risks.]

The use of investment techniques such as short-selling, engaging in financial futures and options transactions, leverage through borrowing, purchasing securities on a when-issued or forward commitment basis and lending portfolio securities involves greater risk than that incurred by many other funds with similar objectives. These risks are described in the "Appendix" hereto. Using these techniques may produce higher than normal portfolio turnover and may affect the degree to which the Series' net asset value fluctuates.

[For left margin side bar: The Series focuses on long-term investment strategies and will engage in short-term trading only when consistent with its stated investment objective.]

The Series' ability to engage in certain short-term transactions may be limited by the requirement that, to qualify as a regulated investment company, the Series must earn less than 30% of its gross income from the disposition of securities held for less than three months. This 30% test limits the extent to which the Series may sell securities held for less than three months, effect short sales of securities held for less than three months, write options expiring in less than three months and invest in certain futures contracts, among other strategies. However, portfolio turnover will not otherwise be a limiting factor in making investment decisions.

Investment decisions for the Series are made independently from those of the other investment companies, investment advisory accounts, custodial accounts, individual trust accounts and commingled funds that may be advised by the Manager. However, if such other investment companies or managed accounts are prepared to invest in, or desire to dispose of, securities in which the Series invests at the same time as the Series, available investments or opportunities for sales will be allocated equitably to each of them. In some cases, this procedure may adversely affect the size of the position obtained for or disposed of by the Series or the price paid or received by the Series.

MANAGEMENT OF THE FUND

[For left margin side bar: The investment adviser, The First National Bank of Chicago, is one of the largest commercial banks in the United States and the largest in the mid-western United States and manages approximately $9.1 billion of investment assets.]

Manager. The Manager, located at Three First National Plaza, Chicago, Illinois 60670, is the Fund's investment adviser. The Manager, a wholly-owned subsidiary of First Chicago Corporation, a registered bank holding company, is a commercial bank offering a wide range of banking and investment services to customers throughout the United States and around the world. As of March 31, 1993, it was one of the largest commercial banks in the United States and the largest in the mid-western United States in terms of assets ($48.4 billion) and in terms of deposits ($27.6 billion). As of March 31, 1993, the Manager provided investment management services to portfolios containing approximately $9.1 billion in assets. The Manager serves as investment adviser for the Fund pursuant to a Management Agreement dated as of August 18, 1992 (as revised June 17, 1993). Under the Management Agreement, the Manager, subject to the supervision of the Fund's Board of Trustees and in conformity with Massachusetts law and the stated policies of the Fund, manages the investment of the Fund's assets. The Manager is responsible for making investment decisions for the Fund, placing purchase and sale orders (which may be allocated to various dealers based on their sales of Fund shares) and providing research, statistical analysis and continuous supervision of the investment portfolio. The Manager provides these services through its Investment Management Department. The investment advisory services of the Manager are not exclusive under the terms of the Management Agreement. The Manager is free to, and does, render investment advisory services to others including other investment companies as well as commingled trust funds and a broad spectrum of individual trust and investment management portfolios, which have varying investment objectives. The Manager has advised the Fund that in making its investment decisions the Manager does not obtain or use material inside information in the possession of any division or department of the Manager or in the possession of any affiliate of the Manager.

The Manager and its affiliates presently intend to continue to charge and collect customary account and account transaction fees with respect to accounts through which or for which shares of the Series are purchased or redeemed. This will result in the receipt by the Manager and its affiliates of customer account fees in addition to management and Service Agent fees from the Fund with respect to assets in certain accounts. See "Distribution Plan and Shareholder Services Plan."

[For left margin side bar: The Dreyfus Corporation, which manages or administers approximately $82 billion in mutual fund assets, will assist the Manager in providing certain administrative services for the Fund.]

The Manager has engaged The Dreyfus Corporation ("Dreyfus"), located at 200 Park Avenue, New York, New York 10166, to assist it in providing certain administrative services for the Fund pursuant to a separate agreement between it and Dreyfus. The Manager, from its own finds, will pay Dreyfus for Dreyfus' services. Dreyfus was formed in 1947 and as of June 1, 1993, managed or administered approximately $82 billion in assets for more than 1.9 million investor accounts.

Under the terms of the Management Agreement, the Fund has agreed to pay the Manager a monthly fee at the annual rate of .60 of 1% of the value of the Series' average daily net assets. For the period from March 5, 1993 (commencement of operations) to August 31, 1993, no management fee was paid by the Fund pursuant to an undertaking by the Manager.

The Fund's primary portfolio manager is Annette Cole. She has held that position since the Fund's inception, and has been employed by the Adviser since October 1984. The Adviser also provides research services for the Fund as well as for other funds it advises through a professional staff of portfolio managers and security analysts.

Glass-Steagall Act. The Glass-Steagall Act and other applicable laws prohibit Federally chartered or supervised banks from engaging in certain aspects of the business of issuing, underwriting, selling and/or distributing securities, although banks such as the Manager are permitted to purchase and sell securities upon the order and for the account of their customers. The Manager has advised the Fund of its belief that it may perform the services for the Fund contemplated by the Management Agreement and this Prospectus without violating the Glass-Steagall Act or other applicable banking laws or regulations. The Manager has pointed out, however, that future changes in either Federal or state statutes and regulations relating to permissible activities of banks and their subsidiaries and affiliates, as well as future judicial or administrative decisions or interpretations of present and future statutes and regulations, could prevent the Manager from continuing to perform such services for the Fund. If the Manager were to be prevented from providing such services to the Fund, the Fund's Board of Trustees would review the Fund's relationship with the Manager and consider taking all actions necessary in the circumstances. See "Management Agreement--Glass-Steagall Act" in the Statement of Additional Information.

[For left margin side bar: The Shareholder Services Group, Inc. keeps the Fund's records and pays dividends to shareholders.]

Transfer and Dividend Disbursing Agent and Custodian. The Shareholder Services Group, Inc., a subsidiary of First Data

Corporation, P.O. Box 9671, Providence, Rhode Island 02940-9671, is the Fund's Transfer and Dividend Disbursing Agent (the "Transfer Agent"). The Bank of New York, 110 Washington Street, New York, New York 10286, is the Fund's Custodian.

Expenses. All expenses incurred in the operation of the Fund are borne by the Fund, except to the extent specifically assumed by the Manager. The expenses borne by the Fund include the following: organizational costs, taxes, interest, loan commitment fees, interest paid on securities sold short, brokerage fees and commissions, if any, fees of Trustees who are not officers, directors, employees or holders of 5% or more of the outstanding voting securities of the Manager, Securities and Exchange Commission fees, state Blue Sky qualification fees, advisory fees, charges of custodians, transfer and dividend disbursing agents' fees, certain insurance premiums, industry association fees, outside auditing and legal expenses, costs of maintaining the Fund's existence, costs of independent pricing services, costs attributable to investor services (including, without limitation, telephone and personnel expenses), costs of shareholders' reports and meetings and any extraordinary expenses. Class A and Class B shares are subject to an annual service fee for ongoing personal services relating to shareholder accounts and services related to the maintenance of shareholder accounts. In addition, Class B shares are subject to an annual distribution fee for advertising, marketing and distributing Class B shares pursuant to a distribution plan adopted in accordance with Rule 12b-1 under the Investment Company Act of 1940. See "Distribution Plan and Shareholder Services Plan." Expenses attributable to a particular Series are charged against the assets of that Series; other expenses of the Fund are allocated between the Series on the basis determined by the Board of Trustees, including, but not limited to, proportionately in relation to the net assets of each Series.

HOW TO BUY FUND SHARES

[For left margin side bar: The Fund offers a number of convenient ways to purchase shares.]

Information Applicable to All Purchasers. The Fund's distributor is Dreyfus Service Corporation, a wholly-owned subsidiary of Dreyfus, located at 200 Park Avenue, New York, New York 10166. The shares it distributes are not deposits or obligations of The Dreyfus Security Savings Bank, F.S.B. or the Manager and therefore are not insured by the FDIC.

When purchasing Series shares, you must specify whether the purchase is for Class A, Class B or Class F shares. Class A and Class B shares are offered to the general public and may be purchased through a number of institutions, including the Manager and its affiliates, other Service Agents, and directly through the Distributor. Orders for purchases of Class F shares may be placed only for clients of the Manager or its affiliates for their Fiduciary Accounts maintained at the Manager or one of its affiliates. Share certificates will not be issued. The Fund reserves the right to reject any purchase order.

[For left margin side bar: You can open an account with as little as $1,000 ($250 for IRAs or other personal retirement plans). Subsequent investments can be as little as $100.]

The minimum initial investment for each Class is $1,000. However, for IRAs and other personal retirement plans, the minimum initial investment is $250. All subsequent investments must be at least $100. The initial investment must be accompanied by the Fund's Account Application. The Manager and Service Agents may impose initial or subsequent investment minimums which are higher or lower than those specified above and may impose different minimums for different types of accounts or purchase arrangements.

[For left margin side bar: Net asset value is determined as of the close of trading on the floor of the New York Stock Exchange (currently 4:00 p.m., New York time) on each business day.]

Series shares are sold on a continuous basis. Net asset value per share of each Class is determined as of the close of trading on the floor of the New York Stock Exchange (currently 4:00 p.m., New York time), on each business day (which, as used herein, shall include each day the New York Stock Exchange is open for business, except Martin Luther King, Jr. Day, Columbus Day and Veterans' Day). For purposes of determining net asset value per share, options and futures contracts will be valued 15 minutes after the close of trading on the floor of the New York Stock Exchange. Net asset value per share of each Class is computed by dividing the value of the Series' net assets represented by such Class (i.e., the value of its assets less liabilities) by the total number of shares of such Class outstanding. The Series' investments are valued each business day generally by using available market quotations or at fair value which may be determined by one or more pricing services approved by the Board of Trustees. Each pricing service's procedures are reviewed under the general supervision of the

Board of Trustees. For further information regarding the methods employed in valuing the Series' investments, see "Determination of Net Asset Value" in the Fund's Statement of Additional Information.

If an order is received by the Transfer Agent by the close of trading on the floor of the New York Stock Exchange (currently 4:00 p.m., New York time) on a business day, Series shares will be purchased at the public offering price determined as of the close of trading on the floor of the New York Stock Exchange on that day. Otherwise, Series shares will be purchased at the public offering price determined as of the close of trading on the floor of the New York Stock Exchange on the next business day, except where Class A or Class B shares are purchased through a dealer as provided below.

Orders for the purchase of Class A or Class B shares received by dealers by the close of trading on the floor of the New York Stock Exchange on any business day and transmitted to the Distributor by the close of its business day (normally 5:15 p.m., New York time) will be based on the public offering price per share determined as of the close of trading on the floor of the New York Stock Exchange on that day. Otherwise, the orders will be based on the next determined public offering price. It is the dealer's responsibility to transmit orders so that they will be received by the Distributor before the close of its business day.

Federal regulations require that an investor provide a certified Taxpayer Identification Number ("TIN") upon opening or reopening an account. See "Dividends, Distributions and Taxes" and the Fund's Account Application for further information concerning this requirement. Failure to furnish a certified TIN to the Fund could subject the investor to a $50 penalty imposed by the Internal Revenue Service (the "IRS").

Copies of the Fund's Prospectus and Statement of Additional Information may be obtained from the Distributor, the Manager, certain affiliates of the Manager or certain Service Agents, as well as from the Fund.

[For left margin side bar: Class A shares are sold with a sales load. There are several ways to reduce or eliminate the sales load.]

Class A Shares. The public offering price of Class A shares is the net asset value per share of that Class plus a sales load as shown below:

TOTAL SALES LOAD

Amount of Transaction	As a % of offering price per Class A share	As a % of net asset value per Class A share	Dealer's Reallowance as a % of offering price
Less than $100,000	3.00	3.10	2.75
$100,000 to less than $500,000	2.50	2.55	2.25
$500,000 to less than $1,000,000	2.00	2.00	1.75
$1,000,000 and above	1.00	1.00	1.00

Full-time employees of NASD member firms and full time employees of other financial institutions which have entered into an agreement with the Distributor pertaining to the sale of Class A shares (or which otherwise have a brokerage-related or clearing arrangement with an NASD member firm or other financial institution with respect to sales of Class A shares) may purchase Class A shares for themselves or for their spouses or minor children, and accounts opened by a bank, trust company or thrift institution, acting as a fiduciary, may purchase Class A shares for themselves or itself, as the case may be, at net asset value, provided that they have furnished the Distributor appropriate notification of such status at the time of the investment and such other information as it may request from time to time in order to verify eligibility for this privilege. This privilege also applies to full-time employees of financial institutions affiliated with NASD member firms whose full-time employees are eligible to purchase Class A shares at net asset value. In addition, Class A shares may be purchased at net asset value for Fund accounts registered under the Uniform Gifts to Minors Act or Uniform Transfers to Minors Act which are opened through FCIS. Class A shares also are offered at net asset value to employees and directors of First Chicago Corporation, or any of its affiliates and subsidiaries, retired employees of First Chicago Corporation, or any of its affiliates and subsidiaries, Board members of a fund advised by the Manager, including members of the Fund's Board, or the spouse or minor child of any of the foregoing.

Class A shares will be offered at net asset value without a sales load to employees participating in qualified or non-qualified employee benefit plans or other programs where (i) the employers or affiliated employers maintaining such plans or programs have a minimum of 250 employees eligible for participation in such plans or programs or (ii) such plan's or program's aggregate initial investment in the Fund, and certain other funds advised by the Manager or Dreyfus exceeds one million dollars ("Eligible Benefit Plans"). The determination of the number of employees eligible for participation in such a plan or program shall be made on the date that Class A shares are first purchased by or on behalf of employees participating in such plan or program and on each subsequent January 1st.

Class B Shares. The public offering price for Class B shares is the net asset value per share of that Class. No initial sales charge is imposed at the time of purchase. A CDSC is imposed, however, on certain redemptions of Class B shares as described under "How to Redeem Fund Shares." FCIS may compensate certain Service Agents for selling Class B shares at the time of purchase from its own assets. Proceeds of the CDSC and distribution fees payable to FCIS, in part, would be used to defray these expenses.

[For left margin side bar: Class F shares are sold without a sales load.]

Class F Shares. The public offering price for Class F shares is the net asset value per share of that Class. No sales charge is imposed for Class F shares.

Purchasing Shares Through Accounts with the Manager or a Service Agent. (Applicable to Class A, Class B and Class F Shares). Investors who desire to purchase Fund shares through their accounts at the Manager or its affiliates or a Service Agent should contact such entity directly for appropriate instructions, as well as for information about conditions pertaining to the account and any related fees. The Manager and its affiliates may charge clients direct fees for services provided to clients as fiduciary or agent in connection with accounts through which shares are purchased. These fees, if any, would be in addition to management fees received by the Manager under the Management Agreement. Service Agents also may charge clients direct fees for effecting transactions in Class A or Class B shares. These fees, if any, would be in addition to fees received by a Service Agent under the Shareholder Services Plan. Each Service Agent has agreed to transmit to its clients a schedule of such fees. The Manager and its affiliates may receive different levels of compensation for selling different classes of shares. In addition, the Manager and Service Agents may receive different levels of compensation for selling different Classes of shares and may impose minimum account and other conditions, including conditions which might affect the availability of certain shareholder privileges described in this Prospectus. It is the responsibility of the Manager and Service Agents to transmit orders on a timely basis.

Purchasing Shares Through the Distributor. (Class A and Class B Shares Only; Not Applicable to Class F Shares) Class A and Class B shares may be purchased directly through the Distributor by check or wire, or through the TeleTransfer Privilege described below. The initial investment must be accompanied by the Fund's Account Application which can be obtained from the Distributor. Checks should be made payable to "The First Prairie Family of Funds." Payments to open new accounts which are mailed should be sent to The First Prairie Family of Funds, P.O. Box 9387, Providence, Rhode Island 02940-9387, together with the investor's Account Application indicating the name of the Series and Class of shares being purchased. For subsequent investments, the investor's Fund account number should appear on the check and an investment slip should be enclosed and sent to The First Prairie Family of Funds, P.O. Box 105, Newark, New Jersey 07101-0105. Neither initial nor subsequent investments should be made by third party check. A charge will be imposed if any check used for investment in an investor's account does not clear. All payments should be in U.S. dollars and, to avoid fees and delays, should be drawn only on U.S. banks.

Wire payments may be made for the purchase of Class A or Class B shares if the investor's account is in a commercial bank that is a member of the Federal Reserve System or any other bank having a correspondent bank in New York City or Chicago. An investor should request his bank to transmit immediately available funds by wire to The Bank of New York, DDA #8900117656/First Prairie U.S. Government Income Fund-Intermediate Series--Class A shares, or DDA #______________/First Prairie U.S. Government Income Fund-Intermediate Series--Class B shares, as the case may be, for purchase of shares in the investor's name. The wire must include the name of the Series being purchased, the investor's account number (for new accounts, include the investor's TIN instead), account registration and dealer number, if applicable. Further information about remitting funds in this manner is provided in "Payment and Mailing Instructions" on the Fund's Account Application.

Subsequent investments for Class A or Class B shares also may be made by electronic transfer of funds from an account maintained in a bank or other domestic financial institution that is an Automated Clearing House member. The investor must direct the institution to transmit immediately available funds through the Automated Clearing House to The Bank of New York with instructions to credit the investor's Fund account. The instructions must specify the investor's Fund account registration and Fund account number preceded by the digits "1111."

[For left margin side bar: Reduced sales loads apply to combined purchases of $50,000 or more of Class A shares and shares of other eligible First Prairie funds.]

Right of Accumulation--Class A Shares. Reduced sales loads apply to any purchase of Class A shares, shares of other funds advised by the Manager which are sold with a sales load or acquired by a previous exchange of shares purchased with a sales load and shares of certain other funds advised by Dreyfus which are sold with a sales load (hereinafter referred to as "Eligible Funds") by an investor and any related "purchaser" as defined in the Statement of Additional Information, where the aggregate investment, including such purchase, is $100,000 or more. If, for example, an investor previously purchased and still holds Class A shares of the Fund, or of any other Eligible Fund or combination thereof, with an aggregate current market value of $90,000 and subsequently purchases Class A shares of the Series or an Eligible Fund having a current value of $20,000, the sales load applicable to the subsequent purchase would be reduced to 2.50% of the offering price (2.55% of the net asset value). All present holdings of Eligible Funds may be combined to determine the current offering price of the aggregate investment in ascertaining the sales load applicable to each subsequent purchase.

To qualify for reduced sales loads, at the time of a purchase an investor or his Service Agent must notify the Dist
ributor if orders are made by wire, or the Transfer Agent if orders are made by mail. The reduced sales load is subject to confirmation of an investor's holdings through a check of appropriate records.

[For left margin side bar: You can purchase additional

Class A shares by telephone after you supply the necessary information on your Account Application.]

TeleTransfer Privilege. An investor may purchase Class A shares (minimum $500, maximum $50,000) by telephone if he has checked the appropriate box and supplied the necessary information on the Fund's Account Application or has filed an Optional Services Form with the Transfer Agent. The proceeds will be transferred between the checking, NOW or bank money market deposit account (as permitted) designated in one of these documents and the investor's Fund account. Only such an account maintained in a domestic financial institution which is an Automated Clearing House member may be so designated. The Fund may modify or terminate this Privilege at any time or charge a service fee upon notice to shareholders. No such fee currently is contemplated.

Investors who have selected the TeleTransfer Privilege may request a TeleTransfer purchase of Class A shares by calling 1-800-227-0072 or, if calling from overseas, 1-401-455-3309.

SHAREHOLDER SERVICES

The Exchange Privilege and Auto-Exchange Privilege are available to shareholders of any Class. The other services and privileges described under this heading are available only for Class A or Class B shareholders.

In addition, such services and privileges may not be available to clients of certain Service Agents and some Service Agents may impose certain conditions on their clients which are different from those described in this Prospectus. Each investor should consult his Service Agent in this regard.

[For left margin side bar: There is no charge for exchanges with certain other First Prairie mutual funds.]

Exchange Privilege. The Exchange Privilege enables an investor to purchase, in exchange for Class A, Class B or Class F shares of the Series, shares of the same class of certain other funds advised by the Manager or Dreyfus, to the extent such shares are offered for sale in the investor's state of residence. These funds have different investment objectives that may be of interest to investors. The Exchange Privilege may be expanded to permit exchanges between the Fund and other funds that, in the future, may be advised by the Manager. Investors will be notified of any such change. If an investor desires to use this Privilege, he should consult the Manager or the affiliate of the Manager at which the investor maintains his account, his Service

Agent or the Distributor to determine if it is available and whether any conditions are imposed on its use.

To use this Privilege, an investor or his Service Agent acting on his behalf must give exchange instructions, with respect to Class A or Class B, to the Transfer Agent in writing, by wire or by telephone, or, with respect to Class F, in accordance with the instructions pertaining to his account at the Manager or its affiliates. If an investor previously has established the Telephone Exchange Privilege, he may telephone exchange instructions for Class A or Class B shares by calling 1-800-227-0072, or if calling from overseas, 1-401-455-3309. See "How to Redeem Fund Shares--Procedures." Before any exchange, the investor must obtain and should review a copy of the current prospectus of the fund into which the exchange is being made. Prospectuses may be obtained from the Distributor, the Manager or certain affiliates of the Manager or certain Service Agents. The shares being exchanged must have a current value of at least $500; furthermore, when establishing a new account by exchange, the shares being exchanged must have a value of at least the minimum initial investment required for the fund into which the exchange is being made. Telephone exchanges may be made only if the appropriate "YES" box has been checked on the Account Application, or a separate signed Optional Services Form is on file with the Transfer Agent. Upon an exchange into a new account, the following shareholder services and privileges, as applicable and where available, will be automatically carried over to the fund into which the exchange is made: Exchange Privilege, Redemption by Wire or Telephone, TeleTransfer Privilege and the dividend/capital gain distribution option (except for the Dividend Sweep Privilege) selected by the investor.

Shares will be exchanged at the next determined net asset value; however, a sales load may be charged with respect to exchanges of Class A shares into funds sold with a sales load. No CDSC will be imposed on Class B shares at the time of an exchange; however, Class B shares acquired through an exchange will be subject on redemption to the higher CDSC applicable to the exchanged or acquired shares. The CDSC applicable on redemption of the acquired Class B shares will be calculated from the date of the initial purchase of the Class B shares exchanged. If an investor is exchanging Class A shares into a fund that charges a sales load, the investor may qualify for share prices which do not include the sales load or which reflect a reduced sales load, if the shares of the fund from which the investor is exchanging were: (a) purchased with a sales load, (b) acquired by a previous exchange from shares purchased with a sales load, or (c) acquired through reinvestment of dividends or distributions paid with respect to the foregoing categories of shares. To qualify, at the time of an exchange, the investor must notify the Transfer Agent or the investor's Service Agent must notify the Distributor. Any such qualification is subject to confirmation of the investor's holdings through a check of appropriate records. See "Shareholder Services" in the Statement of Additional Information. No fees currently are charged shareholders directly in connection with exchanges, although the Fund reserves the right, upon not less than 60 days' written notice, to charge shareholders a nominal fee in accordance with rules promulgated by the Securities and Exchange Commission. The Fund reserves the right to reject any exchange request in whole or in part. The Exchange Privilege may be modified or terminated at any time upon notice to shareholders.

The exchange of shares of one fund for shares of another is treated for Federal income tax purposes as a sale of the shares given in exchange by the shareholder and, therefore, an exchanging shareholder may realize a taxable gain or loss.

[For left margin side bar: You can exchange automatically Class A, Class B or Class F shares for shares of the same class of certain other First Prairie funds at regular intervals which you select.]

Auto-Exchange Privilege. The Auto-Exchange Privilege enables an investor to invest regularly (on a semi-monthly, monthly, quarterly or annual basis), in exchange for Class A, Class B or Class F shares of the Series, in shares of the same class of certain other funds in the First Prairie Family of Funds or certain funds advised by Dreyfus of which he is currently an investor. The amount an investor designates, which can be expressed either in terms of a specific dollar or share amount ($100 minimum), will be exchanged automatically on the first and/or fifteenth of the month according to the exchange schedule that the investor has selected. Shares will be exchanged at the then-current net asset value; however, a sales load may be charged with respect to exchanges of Class A shares into funds sold with a sales load. No CDSC will be imposed on Class B shares at the time of an exchange; however, Class B shares acquired through an exchange will be subject on redemption to the higher CDSC applicable to the exchanged or acquired shares. The CDSC applicable on redemption of the acquired Class B shares will be calculated from the date of the initial purchase of the

Class B shares exchanged. See "Shareholder Services" in the Statement of Additional Information. The right to exercise this Privilege may be modified or canceled by the Fund or the Transfer Agent. An investor or the investor's Service Agent may modify or cancel the investor's exercise of this Privilege at any time by writing to The First Prairie Family of Funds, P.O. Box 9671, Providence, Rhode Island 02940-9671. The Fund may charge a service fee for the use of this Privilege. No such fee currently is contemplated. The exchange of shares of one fund for shares of another is treated for Federal income tax purposes as a sale of the shares given in exchange by the shareholder and, therefore, an exchanging shareholder may realize a taxable gain or loss. For more information concerning this Privilege and the funds eligible to participate in this Privilege, or to obtain an Auto-Exchange Authorization Form, please call toll-free in Illinois 1-800-621-6592, or, outside Illinois 1-800-537-4938 if Fund shares were purchased through FCIS, or 1-800-645-6561 if Fund shares were purchased through the Distributor.

[For left margin side bar: You can purchase Class A or Class B shares automatically at regular intervals which you select.]

Automatic Asset Builder. Automatic Asset Builder permits an investor to purchase Class A or Class B shares (minimum of $100 per transaction) at regular intervals selected by the investor. Class A or Class B shares are purchased by transferring funds from the checking, NOW or bank money market deposit account (as permitted) designated by the investor. At the investor's option, the account designated by the investor will be debited in the specified amount, and Fund shares will be purchased, once a month, on either the first or fifteenth day, or twice a month, on both days. Only an account maintained at a domestic financial institution which is an Automated Clearing House member may be so designated. To establish an Automatic Asset Builder account, the investor must file an authorization form with the Transfer Agent. The necessary authorization form may be obtained from the Distributor, the Manager, certain affiliates of the Manager or certain Service Agents. An investor may cancel this Privilege or change the amount of purchase at any time by mailing written notification to The First Prairie Family of Funds, P.O. Box 9671, Providence, Rhode Island 02940-9671, and the notification will be effective three business days following receipt. The Fund may modify or terminate this Privilege at any time or charge a service fee. No such fee currently is contemplated.

[For left margin side bar: Many Federal payments are eligible for full or partial direct deposit into your Fund account to purchase Class A or Class B shares.]

Government Direct Deposit Privilege. Government Direct Deposit Privilege enables an investor to purchase Class A or Class B shares (minimum of $100 and maximum of $50,000 per transaction) by having Federal salary, Social Security or certain veterans', military or other payments from the Federal government automatically deposited into the investor's Fund account. An investor may deposit as much of such payments as he elects. To enroll in Government Direct Deposit, the investor must file with the Transfer Agent a completed Direct Deposit Sign-Up Form for each type of payment the investor desires to include in this Privilege. The appropriate form may be obtained from the Distributor, the Manager, certain affiliates of the Manager or certain Service Agents. Death or legal incapacity will terminate an investor's participation in this Privilege. An investor may elect at any time to terminate his participation by notifying in writing the appropriate Federal agency. Further, the Fund may terminate an investor's participation upon 30 days' notice to the investor.

[For left margin side bar: You can withdraw a specified dollar amount from your Fund account every month or quarter.]

Automatic Withdrawal Plan. The Automatic Withdrawal Plan permits an investor in Class A or Class B shares to request withdrawal of a specified dollar amount (minimum of $50) on either a monthly or quarterly basis if the investor has a $5,000 minimum account. An Application for the Automatic Withdrawal Plan can be obtained from the Distributor, the Manager or certain affiliates of the Manager. The Automatic Withdrawal Plan may be ended at any time by the investor, the Fund or the Transfer Agent.

Class B shares withdrawn pursuant to the Automatic Withdrawal Plan will be subject to any applicable CDSC. Purchases of additional Class A shares where a sales load is imposed concurrently with withdrawals of Class A shares generally are undesirable.

[For left margin side bar: You can "sweep" your dividends and capital gain distributions into certain other First Prairie mutual funds.

Dividend Sweep Privilege. The Dividend Sweep Privilege enables an investor in Class A or Class B shares to invest automatically dividends and capital gain distributions, if any, paid by the Fund in shares of the same Class of another fund in the First Prairie Family of Funds or certain other funds advised or administered by Dreyfus of which the investor is a shareholder. Shares of the other fund will be purchased at the then-current net asset value; however, a sales load may be charged with respect to investments in shares of a fund sold with a sales load. If an investor is investing in a fund that charges a sales load, the investor may qualify for share prices which do not include the sales load or which reflect a reduced sales load. If an investor is investing in a fund that charges a CDSC, the shares purchased will be subject to the CDSC, if any, applicable to the purchased shares. See "Shareholder Services" in the Statement of Additional Information. For more information concerning this Privilege and the funds eligible to participate in this Privilege, or to request a Dividend Sweep Authorization Form, investors should call toll free in Illinois 1-800-621-6592; or outside Illinois, 1-800-537-4938 if Fund shares were purchased through FCIS, or 1-800-645-6561 if Fund shares were purchased through the Distributor. To cancel this Privilege, the investor or the investor's Service Agent must mail written notification to The First Prairie Family of Funds, P.O. Box 9671, Providence, Rhode Island 02940-9671. To select a new fund after cancellation, the investor or the investor's Service Agent must submit a new authorization form to the Transfer Agent. Enrollment in or cancellation of this Privilege is effective three business days following receipt by the Transfer Agent. This Privilege is available only for existing accounts and may not be used to open new accounts. Minimum subsequent investments do not apply. The Fund may modify or terminate this Privilege at any time or charge a service fee. No such fee currently is contemplated. Shares held under Keogh plans, IRAs or other retirement plans are not eligible for this Privilege.

[For left margin side bar: By signing a Letter of Intent to purchase additional shares within 13 months, you become eligible for any reduced sales charges applying to the total purchase.]

Letter of Intent--Class A Shares. By signing a Letter of Intent form, available from the Distributor, the Manager, certain affiliates of the Manager or certain Service Agents, an investor becomes eligible for the reduced sales load applicable to the total number of Eligible Fund shares purchased in a 13-month period pursuant to the terms and conditions set forth in the Letter of Intent. A minimum initial purchase of $5,000 is required. To compute the applicable sales load, the offering price of shares the investor holds (on the date of submission of the Letter of Intent) in any Eligible Fund that may be used toward "Right of Accumulation" benefits described above may be used as a credit toward completion of the Letter of Intent. However, the reduced sales load will be applied only to new purchases.

The Transfer Agent will hold in escrow 5% of the amount indicated in the Letter of Intent for payment of a higher sales load if the investor does not purchase the full amount indicated in the Letter of Intent. The escrow will be released when the investor fulfills the terms of the Letter of Intent by purchasing the specified amount. If the investor's purchases qualify for a further sales load reduction, the sales load will be adjusted to reflect the investor's total purchase at the end of 13 months. If total purchases are less than the amount specified, the investor will be requested to remit an amount equal to the difference between the sales load actually paid and the sales load applicable to the aggregate purchases actually made. If such remittance is not received within 20 days, the Transfer Agent, as attorney-in-fact pursuant to the terms of the Letter of Intent, will redeem an appropriate number of Class A shares held in escrow to realize the difference. Signing a Letter of Intent does not bind the investor to purchase, or the Fund to sell, the full amount indicated at the sales load in effect at the time of signing, but the investor must complete the intended purchase to obtain the reduced sales load. At the time an investor purchases Eligible Fund shares, he must indicate his intention to do so under a Letter of Intent.

HOW TO REDEEM FUND SHARES

[For left margin side bar: You can redeem Fund shares at any time.]

General. An investor may request redemption of his shares at anytime. Redemption requests for Class A or Class B shares should be transmitted to the Transfer Agent as described below. An investor who has purchased Class F shares through his Fiduciary Account must redeem shares by following instructions pertaining to such account. It is the responsibility of the Manager to transmit the redemption order to the Transfer Agent and credit the investor's account with the redemption proceeds on a timely basis. When a request is received in proper form, the Fund will redeem the shares at the next determined net asset value as described below. If an investor holds Fund shares of more than one Class, any request for redemption must specify the Class of shares being redeemed. If an investor fails to specify the Class of shares to be redeemed or if an investor owns fewer shares of the Class than specified to be redeemed, the redemption request may be delayed until the Transfer Agent receives further instructions from the investor or his Service Agent.

The Fund imposes no charges (other than any applicable CDSC with respect to Class B shares) when shares are redeemed. Service Agents may charge a nominal fee for effecting redemptions of Class A or Class B shares. The value of the shares redeemed may be more or less than their original cost, depending upon the Fund's then-current net asset value.

The Fund ordinarily will make payment for all shares redeemed within seven days after receipt by the Transfer Agent of a redemption request in proper form, except as provided by the rules of the Securities and Exchange Commission. However, if an investor has purchased Class A or Class B shares by check, TeleTransfer Privilege or through Automatic Asset Builder and subsequently submits a written redemption request to the Transfer Agent, the redemption proceeds will be transmitted to the investor promptly upon bank clearance of the investor's purchase check, TeleTransfer purchase or Automatic Asset Builder order, which may take up to eight business days or more. In addition, the Fund will reject requests to redeem Class A or Class B shares by wire or telephone or pursuant to the TeleTransfer Privilege for a period of eight business days after receipt by the Transfer Agent of the purchase check, the TeleTransfer purchase or the Automatic Asset Builder order against which such redemption is requested. These procedures will not apply if the investor's Class A or Class B shares were purchased by wire payment or if the investor otherwise has a sufficient collected balance in his Fund account to cover the redemption request. Prior to the time any redemption is effective, dividends on such shares will accrue and be payable, and the investor will be entitled to exercise all other rights of beneficial ownership. Fund shares will not be redeemed until the Transfer Agent has received the investor's Account Application.

The Fund reserves the right to redeem an investor's account at the Fund's option upon not less than 30 days' written notice if the account's net asset value is $500 or less and remains so during the notice period.

Contingent Deferred Sales Charge--Class B Shares. A CDSC payable to FCIS and other Service Agents is imposed on any redemption of Class B shares which reduces the current net asset value of an investor's Class B shares to an amount which is lower than the dollar amount of all payments by the investor for the purchase of Class B shares of the Fund held by the investor at the time of redemption. No CDSC will be imposed to the extent that the net asset value of the Class B shares redeemed does not exceed (i) the current net asset value of Class B shares acquired through reinvestment of dividends or capital gain distributions, plus (ii) increases in the net asset value of an investor's Class B shares above the dollar amount of all the investor's payments for the purchase of Class B shares of the Fund held by the investor at the time of redemption.

If the aggregate value of Class B shares redeemed has declined below their original cost as a result of the Series' performance, a CDSC may be applied to the then-current net asset value rather than the purchase price.

In circumstances where the CDSC is imposed, the amount of the charge will depend on the number of years from the time you purchased the Class B shares until the time of redemption of such shares. Solely for purposes of determining the number of years from the time of any payment for the purchase of Class B shares, all payments during a month will be aggregated and deemed to have been made on the first day of the month. The following table sets forth the rates of the CDSC:

Year Since Purchase Payment Was Made	CDSC as a % of Amount Invested or Redemption Proceeds
First.	3.00
Second	3.00
Third.	2.00
Fourth	2.00
Fifth.	1.00

Sixth. 0.00

In determining whether a CDSC is applicable to a redemption, the calculation will be made in a manner that results in the lowest possible rate. It will be assumed that the redemption is made first of amounts representing shares acquired pursuant to the reinvestment of dividends and distributions; then of amounts representing the increase in net asset value of Class B shares above the total amount of payments for the purchase of Class B shares made during the preceding five years; then of amounts representing the cost of shares purchased five years prior to the redemption; and finally, of amounts representing the cost of shares held for the longest period of time within the applicable five-year period.

For example, assume an investor purchased 100 shares at $10 a share for a cost of $1,000. Subsequently, the shareholder acquired five additional shares through dividend reinvestment. During the second year after the purchase the investor decided to redeem $500 of his or her investment. Assuming at the time of the redemption the net asset value had appreciated to $12 per share, the value of the investor's shares would be $1,260 (105 shares at $12 per share). The CDSC would not be applied to the value of the reinvested dividend shares and the amount which represents appreciation ($260). Therefore, $240 of the $500 redemption proceeds ($500 minus $260) would be charged at a rate of 3% (the applicable rate in the second year after purchase) for a total CDSC of $7.20.

Waiver of CDSC--The CDSC will be waived in connection with (a) redemptions made within one year after the death or disability, as defined in Section 72(m)(7) of the Internal Revenue Code of 1986, as amended (the "Code"), of the shareholder, (b) redemptions by Eligible Benefit Plans, (c) redemptions as a result of a combination of any investment company with the Fund by merger, acquisition of assets or otherwise, (d) a distribution following retirement under a tax-deferred retirement plan or upon attaining age 70-1/2 in the case of an IRA or Keogh plan or custodial account pursuant to Section 403(b) of the Code, and (e) redemptions by such shareholders as the Securities and Exchange Commission or its staff may permit. If the Fund's Trustees determine to discontinue the waiver of the CDSC, the disclosure in the Fund's prospectus will be revised appropriately. Any Fund shares subject to a CDSC which were purchased prior to the termination of such waiver will have the CDSC waived as provided in the Fund's prospectus at the time of the purchase of such shares.

To qualify for a waiver of the CDSC, at the time of redemption the investor must notify the Transfer Agent or the investor's Service Agent must notify the Distributor or FCIS. Any such qualification is subject to confirmation of your entitlement.

[For left margin side bar: The Fund offers a number of convenient ways to access your Class A or Class B investment.]

Class A and Class B Procedures. An investor who has purchased Class A or Class B shares may redeem Class A or Class B shares by using the regular redemption procedure through the Transfer Agent, by wire or telephone, or through the TeleTransfer Privilege, as described below. If an investor has given his Service Agent authority to instruct the Transfer Agent to redeem shares and to credit the proceeds of such redemption to a designated account at the Service Agent, the investor may redeem shares only in this manner and in accordance with a written redemption request pursuant to the regular redemption procedure described below. Investors who wish to use the other redemption methods described below must arrange with their Service Agents for delivery of the required application(s) to the Transfer Agent. It is the responsibility of the Service Agent to transmit the redemption order and credit the investor's account with the redemption proceeds on a timely basis. Investors are urged to consult their Service Agents for instructions concerning redemption of Fund shares held in IRAs or other personal retirement plans.

An investor's redemption request may direct that the redemption proceeds be used to purchase shares of other funds advised by the Manager or advised or administered by Dreyfus that are not available through the Exchange Privilege. The applicable CDSC will be charged upon the redemption of Class B shares. The investor's redemption proceeds will be invested in shares of the other fund on the next business day. Before making such a request, the investor must obtain and should review a copy of the current prospectus of the fund being purchased. Prospectuses may be obtained from the Manager, the Distributor or certain Service Agents. The prospectus will contain information concerning minimum investment requirements and other conditions that may apply to the investor's purchase.

An investor may redeem or exchange Class A or Class B shares by telephone if the investor has checked the appropriate box on the Fund's Account Application or has filed an Optional Services Form with the Transfer Agent. By selecting a telephone redemption or exchange privilege, an investor authorizes the Transfer Agent to act on telephone instructions from any person representing himself or herself to be the investor, or a representative of the investor's Service Agent, and reasonably believed by the Transfer Agent to be genuine. The Fund will require the Transfer Agent to employ reasonable procedures, such as requiring a form of personal identification, to confirm that instructions are genuine and, if it does not follow such procedures, the Fund or the Transfer Agent may be liable for any losses due to unauthorized or fraudulent instructions. Neither the Fund nor the Transfer Agent will be liable for following telephone instructions reasonably believed to be genuine.

During times of drastic economic or market conditions, investors may experience difficulty in contacting the Transfer Agent by telephone to request a redemption or exchange of Class A or Class B shares. In such cases, investors should consider using the other redemption procedures described herein for Class A or Class B shares. Use of these other redemption procedures may result in the investor's redemption request being processed at a later time than it would have been if telephone redemption had been used. During the delay, the Series' net asset value may fluctuate.

Regular Redemption. Under the regular redemption procedure, an investor may redeem Class A or Class B shares by written request, indicated the Class of shares being redeemed, mailed to The First Prairie Family of Funds, P.O. Box 9671, Providence, Rhode Island 02940-9671. Redemption requests must be signed by each shareholder, including each owner of a joint account, and each signature must be guaranteed. The Transfer Agent has adopted standards and procedures pursuant to which signature-guarantees in proper form generally will be accepted from domestic banks, brokers, dealers, credit unions, national securities exchanges, registered securities associations, clearing agencies and savings associations, as well as from participants in the New York Stock Exchange Medallion Signature Program, the Securities Transfer Agents Medallion Program ("STAMP") and the Stock Exchanges Medallion Program. For further information with respect to signature-guarantees, please call the telephone number listed on the cover.

Redemption proceeds of at least $1,000 will be wired to any member bank of the Federal Reserve System in accordance with a written, signature-guaranteed request.

Redemption by Wire or Telephone. An investor may redeem Class A or Class B shares by wire or telephone if he has checked the appropriate box and supplied the necessary information on the Fund's Account Application or has filed an Optional Services Form with the Transfer Agent. The redemption proceeds may be wired ($1,000 minimum) to the investor's bank account or paid by check. Investors can redeem shares by telephone by calling 1-800-227-0072 or, if calling from overseas, 1-401-455-3309. The Fund reserves the right to refuse any request made by wire or telephone, and may limit the amount involved or the number of telephone redemptions. This Privilege may be modified or terminated at any time by the Transfer Agent or the Fund. The Fund's Statement of Additional Information sets forth instructions for redeeming Class A and Class B shares by wire.

[For left margin side bar: Call 1-800-227-0072 for Tele-Transfer transactions.]

TeleTransfer Privilege. An investor may redeem Class A or Class B shares (minimum $500, maximum $50,000) without charge by telephone if he has checked the appropriate box and supplied the necessary information on the Fund's Account Application or has filed an Optional Services Form with the Transfer Agent. The proceeds will be transferred between the investor's Fund account and the checking, NOW or bank money market deposit account (as permitted) designated in one of these documents. Only such an account maintained in a domestic financial institution which is an Automated Clearing House member may be so designated. Redemption proceeds will be on deposit in the investor's account at an Automated Clearing House member bank ordinarily two days after receipt of the redemption request. The Fund may modify or terminate this Privilege at any time or charge a service fee upon notice to shareholders. No such fee currently is contemplated.

Investors who have selected the TeleTransfer Privilege may request TeleTransfer redemptions of Class A or Class B shares by calling 1-800-227-0072 or, if calling from overseas, 1-401-455-3309.

DISTRIBUTION PLAN AND SHAREHOLDER SERVICES PLAN

Class A and Class B shares are subject to a Shareholder Services Plan and Class B shares only are subject to a Distribution Plan.

Distribution Plan--Under the Distribution Plan, adopted pursuant to Rule 12b-1 under the Investment Company Act of 1940, the Fund pays for advertising, marketing and distributing Class B shares at an annual rate of up to .50 of 1% of the value of the average daily net assets of Class B. Under the Distribution Plan, the Fund may make payments to Service Agents, including FCSI and the Distributor, in respect of these services. The Fund determines the amounts to be paid to Service Agents. Service Agents receive such fees in respect of the average daily value of Class B shares owned by their clients. From time to time, Service Agents may defer or waive receipt of fees under the Distribution Plan while retaining the ability to be paid by the Fund under the Distribution Plan thereafter. The fees payable to Service Agents under the Distribution Plan for advertising, marketing and distributing Class B shares are payable without regard to actual expenses incurred.

Shareholder Services Plan--Under the Shareholder Services Plan, the Fund pays Service Agents, including FCSI and the Distributor, for the provision of certain services to the holders of Class A and Class B shares a fee at the annual rate of up to .25 of 1% of the value of the average daily net assets of Class A and Class B. The services provided may include personal services relating to shareholder accounts, such as answering shareholder inquiries regarding the Fund and providing reports and other information, and services related to the maintenance of shareholder accounts. The Fund determines the amounts to be paid to Service Agents. Each Service Agent is required to disclose to its clients any compensation payable to it by the Fund pursuant to the Shareholder Services Plan and any other compensation payable by their clients in connection with the investment of their assets in Class A or Class B shares.

DIVIDENDS, DISTRIBUTIONS AND TAXES

[For left margin side bar: The Series declares daily and pays monthly dividends from net investment income. You may choose whether to receive dividends in cash or reinvest in additional shares.]

The Series ordinarily declares dividends from net investment income on each business day. Dividends usually are paid on the last calendar day of each month, and are automatically reinvested in additional Series shares at net asset value or, at the investor's option, paid in cash. The Series' earnings for Saturdays, Sundays and holidays are declared as dividends on the preceding business day. If an investor redeems all shares in the investor's account at any time during the month, all dividends to which such investor is entitled will be paid to the investor along with the proceeds of the redemption. Shares begin accruing income dividends on the day following the date of purchase. Distributions from net realized securities gains, if any, generally are declared and paid once a year, but the Series may make distributions on a more frequent basis to comply with the distribution requirements of the Code, in all events in a manner consistent with the provisions of the Investment Company Act of 1940. The Series will not make distributions from net realized securities gains unless capital loss carryovers, if any, have been utilized or have expired. Investors may choose whether to receive dividends and distributions in cash or to reinvest in additional Series shares of the same Class at net asset value without a sales load. Dividends paid by each Class of shares of the Series will be calculated at the same time and in the same manner and will be of the same amount, except that the expenses attributable solely to Class A, Class B or Class F shares will be borne exclusively by such Class. Class B shares will receive lower per share dividends than Class A and Class F shares and Class A shares will receive lower per share dividends than Class F shares because of the higher expenses borne by Class B and Class A, respectively. See "Fee Table."

Dividends derived from interest, together with distributions from any net realized short-term securities gains and gains from the sale or other disposition of market discount bonds, paid by the Series generally are taxable to U.S. investors as ordinary income, whether or not reinvested in additional Series shares. Distributions from net realized long-term securities gains, if any, generally are taxable to U.S. investors as long-term capital gains for Federal income tax purposes, regardless of how long shareholders have held their shares and whether such distributions are received in cash or reinvested in additional Series shares. The Code provides that the net capital gains of an individual will not be subject to Federal income tax at a rate in excess of 28%. Dividends and distributions may be subject to state and local taxes. No dividend will qualify for the dividends received deduction allowable to certain U.S. corporations.

Dividends and distributions attributable to interest from direct obligations of the United States and paid by the Series to individuals currently are not subject to tax in most states. Dividends and distributions attributable to interest from other securities in which the Series may invest may be subject to state tax. The Fund will provide shareholders with a statement which sets forth the percentage of dividends and distributions paid by the Series that is attributable to interest income from direct obligations of the United States.

Dividends derived from net investment income, together with distributions from net realized short-term securities gains and gains from the sale or other disposition of market discount bonds, paid by the Series to a foreign investor generally are subject to U.S. nonresident withholding taxes at the rate of 30%, unless the foreign investor claims the benefits of a lower rate specified in a tax treaty. Distributions from net realized long-term securities gains paid by the Series to a foreign investor, as well as the proceeds of any redemptions from a foreign investor's account, regardless of the extent to which gain or loss may be realized, will not be subject to U.S. nonresident withholding tax. However, such distributions may be subject to backup withholding, as described below, unless the foreign investor certifies his non-U.S. residency status.

The Code provides for the "carryover" of some or all of the sales load imposed on Class A shares if an investor exchanges his Class A shares for shares of certain other funds advised by the Manager within 91 days of purchase and such other fund reduces or eliminates its otherwise applicable sales load charge for the purpose of the exchange. In this case, the amount of the sales load charged the investor for Class A shares, up to the amount of the reduction of the sales load charged on the exchange, is not included in the basis of the investor's Class A shares for purposes of computing gain or loss on the exchange, and instead is added to the basis of the fund shares received on the exchange.

Notice as to the tax status of an investor's dividends and distributions will be mailed to such investor annually. Each investor also will receive periodic summaries of the investor's account which will include information as to dividends and distributions from securities gains, if any, paid during the year.

[For left margin side bar: If you have not furnished us with a correct Taxpayer Identification Number, you may be subject to tax withholding of 31% of all taxable dividends, distributions and redemption proceeds.]

Federal regulations generally require the Fund to withhold ("backup withholding") and remit to the U.S. Treasury 31% of dividends, distributions from net realized securities gains and the proceeds of any redemption, regardless of the extent to which gain or loss may be realized, paid to a shareholder if such shareholder fails to certify either that the TIN furnished in connection with opening an account is correct or that such shareholder has not received notice from the IRS of being subject to backup withholding as a result of a failure to properly report taxable dividend or interest income on a Federal income tax return. Furthermore, the IRS may notify the Fund to institute backup withholding if the IRS determines a shareholder's TIN is incorrect or if a shareholder has failed to properly report taxable dividend and interest income on a Federal income tax return.

A TIN is either the Social Security number or employer identification number of the record owner of the account. Any tax withheld as a result of backup withholding does not constitute an additional tax imposed on the record owner of the account, and may be claimed as a credit on the record owner's Federal income tax return.

It is expected that the Series will qualify as a "regulated investment company" under the Code so long as such qualification is in the best interests of its shareholders. Such qualification relieves the Series of any liability for Federal income tax to the extent its earnings are distributed in accordance with applicable provisions of the Code. In addition, the Series is subject to a non-deductible 4% excise tax, measured with respect to certain undistributed amounts of taxable investment income and capital gains.

Each investor should consult his tax adviser regarding specific questions as to Federal, state or local taxes.

PERFORMANCE INFORMATION

For purposes of advertising, performance of each Class of shares is calculated on several bases, including current yield, average annual total return and/or total return. These total return figures reflect changes in the price of the shares and assume that any income dividends and/or capital gains distributions made by the Fund during the measuring period were reinvested in shares of the same Class. Class A total return figures include the maximum initial sales charge and Class B total return figures include any applicable CDSC. These figures also take into account any applicable service and distribution fees. As a result, at any given time, the performance of Class A and Class B should be expected to be lower than that of Class F and the performance of Class B should be expected to be lower than that of Class A and Class F. Performance for each Class will be calculated separately.

[For left margin side bar: Current yield is the Fund's net investment income over a 30-day period, expressed as an annual percentage and assuming all income is reinvested.]

Current yield refers to the Series' annualized net invest investment income per share over a 30-day period, expressed as a percentage of the maximum offering price, in the case of Class A, or net asset value, in the case of Class B or Class F, per share at the end of the period. For purposes of calculating current yield, the amount of net investment income per share during that 30-day period, computed in accordance with regulatory requirements, is compounded by assuming that it is reinvested at a constant rate over a six-month period. An identical result is then assumed to have occurred during a second six-month period which, when added to the result for the first six months, provides an "annualized" yield for an entire one-year period. Calculations of the Series' current yield may reflect absorbed expenses pursuant to any undertaking that may be in effect. See "Management of the Fund."

Average annual total return is calculated pursuant to a standardized formula which assumes that an investment in the Series was purchased with an initial payment of $1,000 and that the investment was redeemed at the end of a stated period of time, after giving effect to the reinvestment of dividends and distributions during the period. The return is expressed as a percentage rate which, if applied on a compounded annual basis, would result in the redeemable value of the investment at the end of the period. Advertisements of the Series' performance will include the Series' average annual total return for one-, five- and ten-year periods, or for shorter time periods depending upon the length of time the Series has operated. Computations of average annual total return for periods of less than one year represent an annualization of the Series' actual total return for the applicable period.

[For left margin side bar: Total return combines the income and principal changes for a specified period, assuming all dividends and distributions are reinvested.]

Total return is computed on a per share basis assumes the reinvestment of dividends and distributions. Total return generally is expressed as a percentage rate which is calculated by combining the income and principal changes for a specified period and dividing by the maximum offering price, in the case of Class A, or net asset value, in the case of Class B or Class F, per share at the beginning of the period. Advertisements may include the percentage rate of total return or may include the value of a hypothetical investment at the end of the period which assumes the application of the percentage rate of total return. Total return also may be calculated by using the net asset value per share at the beginning of the period instead of the maximum offering price per share at the beginning of the period for Class A shares or without giving effect to any applicable CDSC at the end of the period for Class B shares. Calculations based on the net asset value per share do not reflect the deduction of the sales load which, if reflected, would reduce the performance quoted.

Performance will vary from time to time and past results are not necessarily representative of future results. Investors should remember that performance is a function of portfolio management in selecting the type and quality of portfolio securities and is affected by operating expenses. Performance information, such as that described above, may not provide a basis for comparison with other investment companies using a different method of calculating performance.

[For left margin side bar: The Fund may compare its performance with similar funds or recognized standards.]

Comparative performance information may be used from time to time in advertising or marketing the Fund's shares, including data from Lipper Analytical Services, Inc., Bank Rate Monitor*, N. Palm Beach, Fla. 33408, Bond 20-Bond Index, Moody's Bond Survey Bond Index, Lehman Brothers Corporate Bond Index, Morningstar, Inc. and other industry publications.

GENERAL INFORMATION

The Fund was organized as an unincorporated business trust under the laws of the Commonwealth of Massachusetts pursuant to an Agreement and Declaration of Trust (the "Trust Agreement") dated March 12, 1992, and commenced operations on March 5, 1993. The Fund is authorized to issue an unlimited number of shares of beneficial interest, par value $.001 per share. Series shares are classified into three classes--Class A, Class B and Class F. Each share has one vote and shareholders will vote in the aggregate and not by class except as otherwise required by law or when class voting is permitted by the Board of Trustees. However, holders of Class A and Class B shares will be entitled to vote on matters submitted to shareholders pertaining to the Shareholder Services Plan and only holders of Class B shares will be entitled to vote on matters submitted to shareholders pertaining to the Distribution Plan. The Manager has agreed to vote Fund shares for which it is the record owner according to voting instructions received from the beneficial holders of such shares.

To date, the Board of Trustees has authorized the creation of one series of shares. All consideration received by the Fund for shares of the Series and all assets in which such consideration is invested will belong to that Series (subject only to the rights of creditors of the Fund) and will be subject to the liabilities related thereto. The income attributable to, and the expenses of, one Series (and as to classes within a Series) are treated separately from those of the other Series (and classes), if any. The Fund has the ability to create, from time to time, new series without shareholder approval.

Under Massachusetts law, shareholders could, under certain circumstances, be held personally liable for the obligations of the Fund. However, the Trust Agreement disclaims shareholder liability for acts or obligations of the Fund and requires that notice of such disclaimer be given in each agreement, obligation or instrument entered into or executed by the Fund or a Trustee. The Trust Agreement provides for indemnification from the Fund's property for all losses and expenses of any shareholder held personally liable for the obligations of the Fund. Thus, the risk of a shareholder incurring financial loss on account of shareholder liability is limited to circumstances in which the Fund itself would be unable to meet its obligations, a possibility which management believes is remote. Upon payment of any liability incurred by the Fund, the shareholder paying such liability will be entitled to reimbursement from the general assets of the Fund.

The Trustees intend to conduct the operations of the Fund in such a way so as to avoid, as far as possible, ultimate liability of the shareholders for liabilities of the Fund. As discussed under "Management of the Fund" in the Statement of Additional Information, the Fund ordinarily will not hold shareholder meetings; however, shareholders under certain circumstances may have the right to call a meeting of shareholders for the purpose of voting to remove Trustees.

Rule 18f-2 under the Investment Company Act of 1940 provides that any matter required to be submitted under the provisions of the Investment Company Act of 1940 or applicable state law or otherwise to the holders of the outstanding voting securities of an investment company, such as the Fund, will not be deemed to have been effectively acted upon unless approved by the holders of a majority of the outstanding shares of each Series affected by such matter. Rule 18f-2 further provides that a Series shall be deemed to be affected by a matter unless it is clear that the interests of such Series in the matter are identical or that the matter does not affect any interest of such Series. However, the Rule exempts the selection of independent accountants and the election of Trustees from the separate voting requirements of the Rule.

The Transfer Agent maintains a record of each investor's ownership and sends confirmations and statements of account.

Investor inquiries may be made to the investor's Service Agent, including the Manager, or by writing to the Fund at the address shown on the front cover or by calling the appropriate telephone number.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS AND IN THE FUND'S OFFICIAL SALES LITERATURE IN CONNECTION WITH THE OFFER OF THE FUND'S SHARES, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE FUND. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER IN ANY STATE IN WHICH, OR TO ANY PERSON TO WHOM, SUCH OFFERING MAY NOT LAWFULLY BE MADE.

APPENDIX

Portfolio Securities

Ginnie Mae Certificate-Ginnie Mae is a wholly-owned corporate instrumentality of the United States within the Department of Housing and Urban Development. The National Housing Act of 1934, as amended (the "Housing Act"), authorizes Ginnie Mae to guarantee the timely payment of the principal of and interest on certificates that are based on and backed by a pool of mortgage loans insured by the Federal Housing Administration Act, or Title V of the Housing Act of 1949 ("FHA Loans"), or guaranteed by the Veterans' Administration under the Servicemen's Readjustment Act of 1944, as amended ("VA Loans"), or by pools of other eligible mortgage loans. The Housing Act provides that the full faith and credit of the United States government is pledged to the payment of all amounts that may be required to be paid under any guarantee. To meet its obligations under such guarantee, Ginnie Mae is authorized to borrow from the U.S. Treasury with no limitations as to amount.

Fannie Mae Certificates-Fannie Mae is a Federally chartered and privately owned corporation organized and existing under the Federal National Mortgage Association Charter Act. Fannie Mae was originally established in 1938 as a United States government agency to provide supplemental liquidity to the mortgage market and was transformed into a stockholder owned and privately managed corporation by legislation enacted in 1968. Fannie Mae provides funds to the mortgage market primarily by purchasing home mortgage loans from local lenders, thereby replenishing their funds for additional lending. Fannie Mae acquires funds to purchase home mortgage loans from many capital market investors that ordinarily may not invest in mortgage loans directly, thereby expanding the total amount of funds available for housing.

Each Fannie Mae Certificate will entitle the registered holder thereof to receive amounts representing such holder's pro rata interest in scheduled principal payments and interest payments (at such Fannie Mae Certificate's pass-through rate, which is net of any servicing and guarantee fees on the underlying mortgage loans), and any principal prepayments, on the mortgage loans in the pool represented by such Fannie Mae Certificate and such holder's proportionate interest in the full principal amount of any foreclosed or otherwise finally liquidated mortgage loan. The full and timely payment of principal of and interest on each Fannie Mae Certificate will be guaranteed by Fannie Mae, which guarantee is not backed by the full faith and credit of the United States government.

Freddie Mac Certificates-Freddie Mac is a corporate instrumentality of the United States created pursuant to the Emergency Home Finance Act of 1970, as amended (the "FHLMC Act"). Freddie Mac was established primarily for the purpose of increasing the availability of mortgage credit for the financing of needed housing. The principal activity of Freddie Mac currently consists of the purchase of first lien, conventional, residential mortgage loans and participation interests in such mortgage loans and the resale of the mortgage loans so purchased in the form of mortgage securities, primarily Freddie Mac Certificates.

Freddie Mac guarantees to each registered holder of a Freddie Mac Certificate the timely payment of interest at the rate provided for by such Freddie Mac Certificate, whether or not received. Freddie Mac also guarantees to each registered holder of a Freddie Mac Certificate ultimate collection of all principal of the related mortgage loans, without any offset or deduction, but, generally, does not guarantee the timely payment of scheduled principal. Freddie Mac may remit the amount due on account of its guarantee of collection of principal at any time after default on an underlying mortgage loan, but not later than 30 days following (i) foreclosure sale, (ii) payment of claim by any mortgage insurer, or (iii) the expiration of any right of redemption, whichever occurs later, but in any event no later than one year after demand has been made upon the mortgagor for accelerated payment of principal. The obligations of Freddie Mac under its guarantee are obligations solely of Freddie Mac and are not backed by the full faith and credit of the United States government.

Multiclass Pass-Through Securities-The mortgage-related securities in which the Series may invest include multiclass pass-through securities collateralized by Ginnie Mae, Fannie Mae or Freddie Mac Certificates (such collateral collectively hereinafter referred to as "Mortgage Assets"). Multiclass pass-through securities can be equity interests in a trust composed of Mortgage Assets. Payments of principal of and interest on the Mortgage Assets, and any reinvestment income thereon, provide the funds to make scheduled distributions on the multiclass pass-through securities.

In a multiclass pass-through security, a series of bonds or certificates is issued in multiple classes. Each class of the multi-class pass-through security, often referred to as a "tranche," is issued at a specific fixed or floating coupon rate and has a stated maturity or final distribution date. Principal prepayments on the Mortgage Assets may cause such securities to be retired substantially earlier than their stated maturities or final distribution dates. Interest is paid or accrues on classes of the multiclass pass-through security on a monthly, quarterly or semiannual basis and may be paid based on formulae that cause the security's interest rate to change directly or inversely to changes in specified indices. The principal of and interest on the Mortgage Assets may be allocated among the several classes of a multiclass pass-through security series in innumerable ways, some of which bear substantially more risk than others. See "Description of the Fund-Risk Factors" for a discussion of special considerations relating to the liquidity of these securities.

Stripped Mortgage-Backed Securities-The mortgage-related securities in which the Fund may invest include stripped mortgage-backed securities ("SMBS"), which are derivative multiclass mortgage securities, issued by agencies or instrumentalities of the United States government.

SMBS usually are structured with two classes that receive different proportions of the interest and principal distributions on a pool of Mortgage Assets. A common type of SMBS will have one class receiving some of the interest and most of the principal from the Mortgage Assets, while the other class will receive most of the interest and the remainder of the principal. In the most extreme case, one class will receive all of the interest (the interest only or "IO" class), while the other class will receive all of the principal (the principal-only or "PO" class). The yield to maturity on an IO class is extremely sensitive to the rate of principal payments (including prepayments) on the related underlying Mortgage Assets, and a rapid rate of principal payments may have a material adverse effect on the Series' yield to maturity. If the underlying Mortgage Assets experience greater than anticipated prepayments of principal, the Series may fail to fully recoup its initial investment in these securities even if the securities are rated in the highest rating category by a nationally recognized statistical rating organization. See "Description of the Fund-Risk Factors" for a discussion of special considerations relating to the liquidity of these securities.

Investment Techniques

In connection with its investment objective and policies, the Series may employ, among others, the following investment techniques which may involve certain risks.

Leverage Through Borrowing-The Series may borrow for investment purposes. This borrowing, which is known as leveraging, generally will be unsecured, except to the extent the Series enters into reverse repurchase agreements described below. The Investment Company Act of 1940 requires the Series to maintain continuous asset coverage (that is, total assets including borrowings, less liabilities exclusive of borrowings) of 300% of the amount borrowed. If the 300% asset coverage should decline as a result of market fluctuations or other reasons, the Series may be required to sell some of its portfolio holdings within three days to reduce the debt and restore the 300% asset coverage, even though it may be disadvantageous from an investment standpoint to sell securities at that time. Leveraging may exaggerate the effect on net asset value of any increase or decrease in the market value of the Series' portfolio. Money borrowed for leveraging will be subject to interest costs which may or may not be recovered by appreciation of the securities purchased; in certain cases, interest costs may exceed the return received on the securities purchased. The Series also may be required to maintain minimum average balances in connection with such borrowing or to pay a commitment or other fee to maintain a line of credit; either of these requirements would increase the cost of borrowing over the stated interest rate.

Among the forms of borrowing in which the Series may engage is the entry into reverse repurchase agreements with banks, brokers or dealers. These transactions involve the transfer by the Series of an underlying debt instrument in return for cash proceeds based on a percentage of the value of the security. The Series retains the right to receive interest and principal payments on the security. At an agreed upon future date, the Series repurchases the security at principal, plus accrued interest. In certain types of agreements, there is no agreed upon repurchase date and interest payments are calculated daily, often based on the prevailing overnight repurchase rate. The Series will maintain in a segregated custodial account cash or U.S. Government securities having a value at least equal to the aggregate amount of the Series' reverse repurchase obligations, plus accrued interest, in certain cases, in accordance with releases promulgated by the Securities and Exchange Commission. The Securities and Exchange Commission views reverse repurchase transactions as collateralized borrowings by the Series. These agreements, which are treated as if reestablished each day, are expected to provide the Series with a flexible borrowing tool.

Short-Selling-The Series may make short sales, which are transactions in which the Series sells a security it does not own in anticipation of a decline in the market value of that security. To complete such a transaction, the Series must borrow the security to make delivery to the buyer. The Series then is obligated to replace the security borrowed by purchasing it at the market price at the time of replacement. The price at such time may be more or less than the price at which the security was sold by the Series. Until the security is replaced, the Series is required to pay to the lender amounts equal to any interest which accrues during the period of the loan. To borrow the security, the Series also may be required to pay a premium, which would increase the cost of the security sold. The proceeds of the short sale will be retained by the broker, to the extent necessary to meet margin requirements, until the short position is closed out.

Until the Series replaces a borrowed security in connection with a short sale, the Fund will: (a) maintain daily a segregated account, containing cash or U.S. Government securities, at such a level that (i) the amount deposited in the account plus the amount deposited with the broker as collateral will equal the current value of the security sold short and (ii) the amount deposited in the segregated account plus the amount deposited with the broker as collateral will not be less than the market value of the security at the time it was sold short; or (b) otherwise cover the Series' short position.

The Series will incur a loss as a result of the short sale if the price of the security increases between the date of the short sale and the date on which the Series replaces the borrowed security. The Series will realize a gain if the security declines in price between those dates. This result is the opposite of what one would expect from a cash purchase of a long position in a security. The amount of any gain will be decreased, and the amount of any loss increased, by the amount of any premium or amounts in lieu of interest the Series may be required to pay in connection with a short sale.

The Series may purchase call options to provide a hedge against an increase in the price of a security sold short by the Series. When the Series purchases a call option it has to pay a premium to the person writing the option and a commission to the broker selling the option. If the option is exercised by the Series, the premium and the commission paid may be more than the amount of the brokerage commission charged if the security were to be purchased directly. See "Call and Put Options on Specific Securities" below.

The Fund anticipates that the frequency of short sales will vary substantially in different periods, and it does not intend that any specified portion of the Series' assets, as a matter of practice, will be invested in short sales. However, no securities will be sold short if, after effect is given to any such short sale, the total market value of all securities sold short would exceed 25% of the value of the Series' net assets. The Series may not sell short the securities of any single issuer listed on a national securities exchange to the extent of more than 5% of the value of the Series' net assets. The Series may not sell short the securities of any class of an issuer to the extent, at the time of the transaction, of more than 5% of the outstanding securities of that class.

In addition to the short sales discussed above, the Series may make short sales "against the box," a transaction in which the Series enters into a short sale of a security which the Fund owns. The proceeds of the short sale will be held by a broker until the settlement date at which time the Series delivers the security to close the short position. The Series receives the net proceeds from the short sale. The Series at no time will have more than 15% of the value of its net assets in deposits on short sales against the box. It currently is anticipated that the Series will make short sales against the box for purposes of protecting the value of the Series' net assets.

Call and Put Options on Specific Securities-The Series may invest up to 5% of its assets, represented by the premium paid, in the purchase of call and put options in respect of specific securities in which the Series may invest. The Series may write covered call and put option contracts to the extent of 20% of the value of its net assets at the time such option contracts are written. A call option gives the purchaser of the option the right to buy, and obligates the writer to sell, the underlying security at the exercise price at any time during the option period. Conversely, a put option gives the purchaser of the option the right to sell, and obligates the writer to buy, the underlying security at the exercise price at any time during the option period. A covered call option sold by the Series, which is a call option with respect to which the Series owns the underlying security, exposes the Series during the term of the option to possible loss of opportunity to realize appreciation in the market price of the underlying security or to possible continued holding of a security which might otherwise have been sold to protect against depreciation in the market price of the security. A covered put option sold by the Series exposes the Series during the term of the option to a decline in price of the underlying security. A put option sold by the Series is covered when, among other things, cash or liquid securities are placed in a segregated account with the Fund's custodian to fulfill the obligation undertaken.

To close out a position when writing covered options, the Series may make a "closing purchase transaction," which involves purchasing an option on the same security with the same exercise price and expiration date as the option which it has previously written on the security. To close out a position as a purchaser of an option, the Series may make a "closing sale transaction," which involves liquidating the Series' position by selling the option previously purchased. The Series will realize a profit or loss from a closing purchase or sale transaction depending upon the difference between the amount paid to purchase an option and the amount received from the sale thereof.

The Fund intends to treat options in respect of specific securities that are not traded on a national securities exchange and the securities underlying covered call options written by the Series as illiquid securities.

The Series will purchase options only to the extent permitted by the policies of state securities authorities in states where shares of the Series are qualified for offer and sale.

Futures Transactions-In General-The Fund will not be a commodity pool. However, as an adjunct to its securities activities, the Series may engage, to the extent permitted by applicable regulations, in futures and options on futures transactions, as described below.

The Series' commodities transactions must constitute bona fide hedging or other permissible transactions pursuant to regulations promulgated by the Commodity Futures Trading Commission (the "CFTC"). In addition, the Series may not engage in such transactions if the sum of the amount of initial margin deposits and premiums paid for unexpired commodity options, other than for bona fide hedging transactions, would exceed 5% of the liquidation value of the Series' assets, after taking into account unrealized profits and unrealized losses on such contracts it has entered into; provided, however, that in the case of an option that is in-the-money at the time of purchase, the in-the-money amount may be excluded in calculating the 5%. Pursuant to regulations and/or published positions of the Securities and Exchange Commission, the Series may be required to segregate cash in connection with the Series' commodities transactions in an amount generally equal to the value of the underlying commodity. The segregation of such assets will have the effect of limiting the Series' ability to otherwise invest those assets.

Initially, when purchasing or selling futures contracts the Series will be required to deposit with its custodian in the broker's name an amount of cash or cash equivalents up to approximately 10% of the contract amount. This amount is subject to change by the exchange or board of trade on which the contract is traded and members of such exchange or board of trade may impose their own higher requirements. This amount is known as "initial margin" and is in the nature of a performance bond or good faith deposit on the contract which is returned to the Series upon termination of the futures position, assuming all contractual obligations have been satisfied. Subsequent payments, known as "variation margin," to and from the broker will be made daily as the price of the securities underlying the futures contract fluctuates, making the long and short positions in the futures contract more or less valuable, a process known as "marking-to-market." At any time prior to the expiration of a futures contract, the Series may elect to close the position by taking an opposite position, at the then prevailing price, which will operate to terminate the Series' existing position in the contract.

Although the Series intends to purchase or sell futures contracts only if there is an active market for such contracts, no assurance can be given that a liquid market will exist for any particular contract at any particular time. Many futures exchanges and boards of trade limit the amount of fluctuation permitted in futures contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit or trading may be suspended for specified periods during the trading day. Futures contract prices could move to the limit for several consecutive trading days with little or no trading, thereby preventing prompt liquidation of futures positions and potentially subjecting the Series to substantial losses. If it is not possible, or the Series determines not, to close a futures position in anticipation of adverse price movements, the Series will be required to make daily cash payments of variation margin. In such circumstances, an increase in the value of the portion of the portfolio being hedged, if any, may offset partially or completely losses on the futures contract. However, no assurances can be given that the price of the securities being hedged will correlate with the price movements in a futures contract and thus provide an offset to losses on the futures contract.

In addition, due to the risk of an imperfect correlation between securities in the Series' portfolio that are the subject of a hedging transaction and the futures contract used as a hedging device, it is possible that the hedge will not be fully effective in that, for example, losses on the portfolio securities may be in excess of gains on the futures contract or losses on the futures contract may be in excess of gains on the portfolio securities that were the subject of the hedge. In an effort to compensate for the imperfect correlation of movements in the price of the securities being hedged and movements in the price of futures contracts, the Series may buy or sell futures contracts in a greater or lesser dollar amount than the dollar amount of the securities being hedged if the historical volatility of the futures contract has been less or greater than that of the securities. Such "over hedging" or "under hedging" may adversely affect the Series' net investment results if market movements are not as anticipated when the hedge is established.

Successful use of futures by the Series also is subject to the Manager's ability to predict correctly movements in the direction of the market or interest rates. For example, if the Fund has hedged against the possibility of a decline in the market adversely affecting the value of securities held in its portfolio and prices increase instead, the Series will lose part or all of the benefit of the increased value of securities which it has hedged because it will have offsetting losses in its futures positions. In addition, in such situations, if the Series has insufficient cash, it may have to sell securities to meet daily variation margin requirements. Such sales of securities may, but will not necessarily, be at increased prices which reflect the rising market. The Series may have to sell securities at a time when it may be disadvantageous to do so.

An option on a futures contract gives the purchaser the right, in return for the premium paid, to assume a position in a futures contract (a long position if the option is a call and a short position if the option is a put) at a specified exercise price at any time during the option exercise period. The writer of the option is required upon exercise to assume an offsetting futures position (a short position if the option is a call and a long position if the option is a put). Upon exercise of the option, the assumption of offsetting futures positions by the writer and holder of the option will be accompanied by delivery of the accumulated cash balance in the writer's futures margin account which represents the amount by which the market price of the futures contract, at exercise, exceeds, in the case of a call, or is less than, in the case of a put, the exercise price of the option on the futures contract.

Call options sold by the Series with respect to futures contracts will be covered by, among other things, entering into a long position in the same contract at a price no higher than the strike price of the call option, or by ownership of the instruments underlying, or instruments the prices of which are expected to move relatively consistently with, the instruments underlying the futures contract. Put options sold by the Series with respect to futures contracts will be covered in the same manner as put options on specific securities as described above.

Interest Rate Futures Contracts and Options on Interest Rate Futures Contracts-The Series may invest in interest rate futures contracts and options on interest rate futures contracts.

The Series may purchase call options on interest rate futures contracts to hedge against a decline in interest rates and may purchase put options on interest rate futures contracts to hedge its portfolio securities against the risk of rising interest rates.

The Series may sell call options on interest rate futures contracts to partially hedge against declining prices of portfolio securities. If the futures price at expiration of the option is below the exercise price, the Series will retain the full amount of the option premium which provides a partial hedge against any decline that may have occurred in the Series' portfolio holdings. The Series may sell put options on interest rate futures contracts to hedge against increasing prices of the securities which are deliverable upon exercise of the futures contracts. If the futures price at expiration of the option is higher than the exercise price, the Series will retain the full amount of the option premium which provides a partial hedge against any increase in the price of securities which the Series intends to purchase. If a put or call option sold by the Series is exercised, the Series will incur a loss which will be reduced by the amount of the premium it receives. Depending on the degree of correlation between changes in the value of its portfolio securities and changes in the value of its futures positions, the Series' losses from existing options on futures may to some extent be reduced or increased by changes in the value of its portfolio securities.

The Series also may sell options on interest rate futures contracts as part of closing purchase transactions to terminate its options positions. No assurance can be given that such closing transactions can be effected or that there will be correlation between price movements in the options on interest rate futures and price movements in the Series' portfolio securities which are the subject of the hedge. In addition, the Series' purchase of such options will be based upon predictions as to anticipated interest rate trends, which could prove to be inaccurate.

Future Developments-The Series may take advantage of opportunities in the area of options and futures contracts and options on futures contracts and any other derivative investment which are not presently contemplated for use by the Series or which are not currently available but which may be developed, to the extent such opportunities are both consistent with the Series' investment objective and legally permissible for the Series. Before entering into such transactions or making any such investment, the Fund will provide appropriate disclosure in its prospectus.

Lending Portfolio Securities-From time to time, the Series may lend securities from its portfolio to brokers, dealers and other financial institutions needing to borrow securities to complete certain transactions. Such loans may not exceed 33-1/3% of the value of the Series' total assets. In connection with such loans, the Series will receive collateral consisting of cash or U.S. Government securities which will be maintained at all times in an amount equal to at least 100% of the current market value of the loaned securities. The Series can increase its income through the investment of such collateral. The Series continues to be entitled to payments in amounts equal to the interest or other distributions payable on the loaned security and receives interest on the amount of the loan. Such loans will be terminable at any time upon specified notice. The Series might experience risk of loss if the institution with which it has engaged in a portfolio loan transaction breaches its agreement with the Series.

Forward Commitments-The Series may purchase securities on a when issued or forward commitment basis, which means that the price is fixed at the time of commitment, but delivery and payment ordinarily take place a number of days after the date of the commitment to purchase. The Series will make commitments to purchase such securities only with the intention of actually acquiring the securities, but the Series may sell these securities before the settlement date if it is deemed advisable. The Series will not accrue income in respect of a security purchased on a forward commitment basis prior to its stated delivery date.

Securities purchased on a when-issued or forward commitment basis and certain other securities held in the Series' portfolio are subject to changes in value (both generally changing in the same way, i.e., appreciating when interest rates decline and depreciating when interest rates rise) based upon the public's perception of the creditworthiness of the issuer and changes, real or anticipated, in the level of interest rates. Securities purchased on a when-issued or forward commitment basis may expose the Series to risk because they may experience such fluctuations prior to their actual delivery. Purchasing securities on a when-issued or forward commitment basis can involve the additional risk that the yield available in the market when the delivery takes place actually may be higher than that obtained in the transaction itself. A segregated account of the Series consisting of cash or U.S. Government securities at least equal at all times to the amount of the when-issued or forward commitments will be established and maintained at the Series' custodian bank. Purchasing securities on a forward commitment basis when the Series is fully or almost fully invested may result in greater potential fluctuation in the value of the Series' net assets and its net asset value per share.

FIRST PRAIRIE U.S. GOVERNMENT INCOME FUND
CLASS A, CLASS B and CLASS F SHARES
PART B
(STATEMENT OF ADDITIONAL INFORMATION)
____ __, 1994

This Statement of Additional Information, which is not a prospectus, supplements and should be read in conjunction with the current Prospectus of the Intermediate Series (the "Series") of First Prairie U.S. Government Income Fund (the "Fund"), dated ____ __, 1994, as it may be revised from time to time. To obtain a copy of the Fund's Prospectus, please write to the Fund at 144 Glenn Curtiss Boulevard, Uniondale, New York 11556-0144, or call toll free 1-800-346-3621.

The First National Bank of Chicago (the "Manager") serves as the Fund's investment adviser.

Dreyfus Service Corporation (the "Distributor"), a wholly-owned subsidiary of The Dreyfus Corporation ("Dreyfus"), is the distributor of the Fund's shares.

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INVESTMENT OBJECTIVE AND MANAGEMENT POLICIES

THE FOLLOWING INFORMATION SUPPLEMENTS AND SHOULD BE READ IN CONJUNCTION WITH THE SECTION IN THE FUND'S PROSPECTUS ENTITLED "DESCRIPTION OF THE FUND."

Management Policies

The Series engages in the following practices in furtherance of its objective.

Options Transactions. The Series may engage in options transactions, such as purchasing or writing covered call or put options. The principal reason for writing covered call options is to realize, through the receipt of premiums, a greater return than would be realized on the Series' portfolio securities alone. In return for a premium, the writer of a covered call option forfeits the right to any appreciation in the value of the underlying security above the strike price for the life of the option (or until a closing purchase transaction can be effected). Nevertheless, the call writer retains the risk of a decline in the price of the underlying security. Similarly, the principal reason for writing covered put options is to realize income in the form of premiums. The writer of a covered put option accepts the risk of a decline in the price of the underlying security. The size of the premiums that the Series may receive may be adversely affected as new or existing institutions, including other investment companies, engage in or increase their option-writing activities.

Options written ordinarily will have expiration dates between one and nine months from the date written. The exercise price of the options may be below, equal to or above the market values of the underlying securities at the time the options are written. In the case of call options, these exercise prices are referred to as "in-the-money," "at-the-money" and "out-of-the-money," respectively. The Series may write (a) in-the-money call options when the Manager expects that the price of the underlying security will remain stable or decline moderately during the option period, (b) at-the-money call options when the Manager expects that the price of the underlying security will remain stable or advance moderately during the option period and (c) out-of-the-money call options when the Manager expects that the premiums received from writing the call option plus the appreciation in market price of the underlying security up to the exercise price will be greater than the appreciation in the price of the underlying security alone. In these circumstances, if the market price of the underlying security declines and the security is sold at this lower price, the amount of any realized loss will be offset wholly or in part by the premium received. Out-of-the-money, at-the-money and in-the-money put options (the reverse of call options as to the relation of exercise price to market price) may be utilized in the same market environments that such call options are used in equivalent transactions.

So long as the Series' obligation as the writer of an option continues, the Series may be assigned an exercise notice by the broker-dealer through which the option was sold, requiring the Series to deliver, in the case of a call, or take delivery of, in the case of a put, the underlying security against payment of the exercise price. This obligation terminates when the option expires or the Series effects a closing purchase transaction. The Series can no longer effect a closing purchase transaction with respect to an option once it has been assigned an exercise notice.

While it may choose to do otherwise, the Series generally will purchase or write only those options for which the Manager believes there is an active secondary market so as to facilitate closing transactions. There is no assurance that sufficient trading interest to create a liquid secondary market on a securities exchange will exist for any particular option or at any particular time, and for some options no such secondary market may exist. A liquid secondary market in an option may cease to exist for a variety of reasons. In the past, for example, higher than anticipated trading activity or order flow, or other unforeseen events, at times have rendered certain clearing facilities inadequate and resulted in the institution of special procedures, such as trading rotations, restrictions on certain types of orders or trading halts or suspensions in one or more options. There can be no assurance that similar events, or events that may otherwise interfere with the timely execution of customers' orders, will not recur. In such event, it might not be possible to effect closing transactions in particular options. If as a covered call option writer the Series is unable to effect a closing purchase transaction in a secondary market, it will not be able to sell the underlying security until the option expires or it delivers the underlying security upon exercise or it otherwise covers its position.

Futures Contracts and Options on Futures Contracts. Upon exercise of an option, the writer of the option delivers to the holder of the option the futures position and the accumulated balance in the writer's futures margin account, which represents the amount by which the market price of the futures contract exceeds, in the case of a call, or is less than, in the case of a put, the exercise price of the option on the futures contract. The potential loss related to the purchase of options on futures contracts is limited to the premium paid for the option (plus transaction costs). Because the value of the option is fixed at the time of sale, there are no daily cash payments to reflect changes in the value of the underlying contract; however, the value of the option does change daily and that change would be reflected in the net asset value of the Fund.

Lending Portfolio Securities. To a limited extent, the Series may lend its portfolio securities to brokers, dealers and other financial institutions, provided it receives cash collateral which at all times is maintained in an amount equal to at least 100% of the current market value of the securities loaned. By lending its portfolio securities, the Series can increase its income through the investment of the cash collateral. For purposes of this policy, the Series considers collateral consisting of U.S. Government securities to be the equivalent of cash. Such loans may not exceed 33-1/3% of the Series' total assets. From time to time, the Series may return to the borrower or a third party which is unaffiliated with the Series, and which is acting as a "placing broker," a part of the interest earned from the investment of collateral received for securities loaned.

The Securities and Exchange Commission currently requires that the following conditions must be met whenever portfolio securities are loaned: (1) the Series must receive at least 100% cash collateral from the borrower; (2) the borrower must increase such collateral whenever the market value of the securities rises above the level of such collateral; (3) the Series must be able to terminate the loan at any time; (4) the Series must receive reasonable interest on the loan, as well as any interest or other distributions payable on the loaned securities, and any increase in market value; and (5) the Series may pay only reasonable custodian fees in connection with the loan. These conditions may be subject to future modification.

Investment Restrictions. The Series has adopted investment restrictions numbered 1 through 7 as fundamental policies. These restrictions cannot be changed without approval by the holders of a majority (as defined in the Investment Company Act of 1940, as amended (the "Act")) of the Series' outstanding voting shares. Investment restrictions numbered 8 through 11 are not fundamental policies and may be changed by vote of a majority of the Board of Trustees at any time. The Series may not:

1. Invest in commodities, except that the Series may purchase and sell options, forward contracts, futures contracts, including those relating to indexes, and options on futures contracts or indexes.

2. Purchase, hold or deal in real estate, real estate limited partnership interests, or oil, gas or other mineral leases or exploration or development programs, but the Series may purchase and sell securities that are secured by real estate and may purchase and sell securities issued by companies that invest or deal in real estate.

3. Borrow money, except to the extent permitted under the Act. For purposes of this investment restriction, the entry into options, forward contracts, futures contracts, including those relating to indexes, and options on futures contracts shall not constitute borrowing.

4. Make loans to others, except through the purchase of debt obligations and the entry into repurchase agreements.

However, the Series may lend its portfolio securities in an amount not to exceed 33-1/3% of the value of its total assets. Any loans of portfolio securities will be made according to guidelines established by the Securities and Exchange Commission and the Fund's Board of Trustees.

5. Act as an underwriter of securities of other issuers.

6. Invest more than 25% of its assets in the securities of issuers in any single industry, provided that there shall be no limitation on the purchase of obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities.

7. Issue any senior security (as such term is defined in Section 18(f) of the Act), except to the extent the activities permitted in Investment Restriction Nos. 1, 3, 8 and 9 may be deemed to give rise to a senior security.

8. Pledge, mortgage or hypothecate its assets, except to the extent necessary to secure permitted borrowings and to the extent related to the deposit of assets in escrow in connection with writing covered put and call options and the purchase of securities on a when-issued or delayed-delivery basis and collateral and initial or variation margin arrangements with respect to options, forward contracts, futures contracts, including those related to indexes, and options on futures contracts or indexes.

9. Purchase, sell or write puts, calls or combinations thereof, except as described in the Fund's Prospectus and this Statement of Additional Information.

10. Enter into repurchase agreements providing for settlement in more than seven days after notice or purchase securities which are illiquid, if, in the aggregate, more than 15% of the value of the Series' net assets would be so invested.

11. Purchase securities of other investment companies, except to the extent permitted under the Act.

If a percentage restriction is adhered to at the time of investment, a later increase or decrease in percentage resulting from a change in values or assets will not constitute a violation of such restriction.

The Fund may make commitments more restrictive than the restrictions listed above so as to permit the sale of Series shares in certain states. Should the Fund determine that a commitment is no longer in the best interests of the Series and its shareholders, the Fund reserves the right to revoke the commitment by terminating the sale of Series shares in the state involved.

MANAGEMENT OF THE FUND

Trustees and officers of the Fund, together with information as to their principal business occupations during at least the last five years, are shown below. The Trustee who is deemed to be an "interested person" of the Fund, as defined in the Act, is indicated by an asterisk.

Trustees and Officers of the Fund

*JOSEPH S. DiMARTINO, President and Trustee. President, Chief Operating Officer and a Director of Dreyfus, Executive Vice President and a Director of the Distributor and an officer, director or trustee of other investment companies advised or administered by Dreyfus. He is also a Director of Noel Group, Inc., Director and Corporate Member of The Muscular Dystrophy Association and a Trustee of Bucknell University. His address is 200 Park Avenue, New York, New York 10166.

JOHN P. GOULD, Trustee. Distinguished Service Professor of Economics, and from 1983 to June 1993 Dean, of the University of Chicago Graduate School of Business. Since 1988, a Director of Vulcan Materials Company, a chemicals manufacturer and producer of construction aggregates. Since 1986, Director of Argonne-Chicago Development Corporation, an affiliate of, and the entity responsible for commercializing the technology of, both the University of Chicago and Argonne National Laboratory. Since 1986, Dean Gould also has served as a Director of DFA Investment Dimensions Group, a series mutual fund. His address is 1101 East 58th Street, Chicago, Illinois 60637.

RAYMOND D. ODDI, Trustee. Private Consultant. A Director of Caremark International, Inc. and Medisense, Inc., companies in the health care industry, and Baxter Credit Union. From 1978 to 1986, Senior Vice President of Baxter International, Inc., a company engaged in the production of medical care products. He also is a member of the Illinois Society of

Certified Public Accountants. His address is 1181 Loch Lane, Lake Forest, Illinois 60045.

Each of the "non-interested" Trustees also is a trustee of First Prairie Cash Management, First Prairie Diversified Asset Fund, First Prairie Money Market Fund, First Prairie Tax Exempt Money Market Fund and First Prairie U.S. Treasury Securities Cash Management and a director of First Prairie Tax Exempt Bond Fund, Inc.

The Fund does not pay any remuneration to its officers and Trustees other than fees and expenses to Trustees who are not officers, directors, employees or holders of 5% or more of the outstanding voting securities of the Manager or Dreyfus, or any affiliate of either of them, which totaled $_____ for the period from March 5, 1993 (commencement of operations) through August 31, 1993 for all such Trustees as a group.

For so long as the Fund's plans described in the section captioned "Distribution Plan and Shareholder Services Plan" remain in effect, the Trustees of the Fund who are not "interested persons" of the Fund, as defined in the Act, will be selected and nominated by the Trustees who are not "interested persons" of the Fund.

There ordinarily will be no meetings of shareholders for the purpose of electing Trustees unless and until such time as less than a majority of the Trustees holding office have been elected by shareholders, at which time the Trustees then in office will call a shareholders' meeting for the election of Trustees. Under the Act, shareholders of record of not less than two-thirds of the outstanding shares of the Fund may remove a Trustee through a declaration in writing or by vote cast in person or by proxy at a meeting called for that purpose. Under the Fund's Agreement and Declaration of Trust, the Trustees are required to call a meeting of shareholders for the purpose of voting upon the question of removal of any such Trustee when requested in writing to do so by the holders of record of not less than 10% of the Fund's outstanding shares.

Officers of the Fund Not Listed Above

DANIEL C. MACLEAN, Vice President. Vice President and General Counsel of Dreyfus, Secretary of the Distributor and an officer or director of other investment companies advised or administered by Dreyfus.

JEFFREY N. NACHMAN, Vice President and Treasurer. Vice President Mutual Fund Accounting of Dreyfus and an officer of other investment companies advised or administered by Dreyfus.

MARK N. JACOBS, Secretary. Secretary and Deputy General Counsel of Dreyfus and an officer of other investment companies advised or administered by Dreyfus.

JEAN FARLEY, Controller. Senior Accounting Manager of the Fund Accounting Department of Dreyfus and an officer of other investment companies advised or administered by Dreyfus.

ROBERT I. FRENKEL, Assistant Secretary. Senior Assistant General Counsel to Dreyfus and an officer of other investment companies advised or administered by Dreyfus.

CHRISTINE PAVALOS, Assistant Secretary. Assistant Secretary of Dreyfus and other investment companies advised or administered by Dreyfus.

The address of each officer of the Fund is 200 Park Avenue, New York, New York 10166.

Trustees and officers of the Fund, as a group, owned less than 1% of the Fund's shares of beneficial interest outstanding on January 12, 1994.

Donaldson Lufkin Jenrette Securities Corporation Inc., P.O. Box 2052, Jersey City, New Jersey 07303, beneficially owned 76% of the Fund's Class A shares outstanding on December 28, 1993 and, therefore, is deemed to be "control person" (as defined in the Act) of Class A. The Dreyfus Corporation, a New York corporation located at 200 Park Avenue, New York, New York 10166, beneficially owned 20% of the Fund's Class A shares outstanding on December 29, 1993.

Eagle & Co., c/o American National Bank, One North LaSalle Street, Chicago, Illinois 60602-3902, beneficially owned 98% of the Fund's Class F shares outstanding on December

28, 1993, and, therefore, is deemed to be a "control person" (as defined in the Act) of Class F.

MANAGEMENT AGREEMENT

THE FOLLOWING INFORMATION SUPPLEMENTS AND SHOULD BE READ IN CONJUNCTION WITH THE SECTION IN THE FUND'S PROSPECTUS ENTITLED "MANAGEMENT OF THE FUND."

Management Agreement. The Manager provides management services pursuant to the Management Agreement (the "Agreement") dated August 18, 1992, as revised, with the Fund, which is subject to annual approval by (i) the Fund's Board of Trustees or (ii) vote of a majority (as defined in the Act) of the outstanding voting securities of the Series, provided that in either event the continuance also is approved by a majority of the Trustees who are not "interested persons" (as defined in the Act) of the Fund or the Manager, by vote cast in person at a meeting called for the purpose of voting on such approval. The Agreement is terminable without penalty, on 60 days' notice, by the Fund's Board of Trustees or by vote of the holders of a majority of the Series' shares, or, on not less than 90 days' notice, by the Manager. The Agreement will terminate automatically in the event of its assignment (as defined in the Act).

The Manager is responsible for the Series' investment decisions and manages the Series' investment portfolio of investments in accordance with the stated policies of the Series, subject to the approval of the Fund's Board of Trustees. All purchases and sales are reported for the Trustees' review at the meeting subsequent to such transactions.

The Manager pays the salaries of all officers and employees employed by both it and the Fund. The Manager also may make such advertising and promotional expenditures, using its own resources, as it from time to time deems appropriate.

The Manager, from time to time, from its own funds, other than the management fee paid by the Fund, but including past profits, may make payments for shareholder servicing and distribution services to the Distributor. The Distributor in turn may pay part or all of such compensation to securities dealers or other persons for their servicing or distribution assistance.

As compensation for the Manager's services, the Fund has agreed to pay the Manager a monthly management fee at the annual rate of .60 of 1% of the value of the Fund's average daily net assets. For the period March 5, 1993 (commencement of operations) through August 31, 1993, no management fee was paid by the Fund due to an undertaking by the Manager.

The Manager has engaged Dreyfus to assist it in providing certain administrative services to the Fund. Pursuant to its agreement with the Manager, Dreyfus furnishes the Fund clerical help and accounting, data processing, bookkeeping, internal auditing and legal services and certain other services required by the Fund, prepares reports to the Fund's shareholders, tax returns, reports to and filings with the Securities and Exchange Commission and state Blue Sky authorities, calculates the net asset value of the Series' shares and generally assists the Manager in providing for all aspects of the Fund's operation, other than providing investment advice. The fees payable to Dreyfus for its services are paid by the Manager.

The Fund has agreed that the Manager will not be liable for any error of judgment or mistake of law or for any loss suffered by the Fund in connection with the matters to which the Manager's agreement with the Fund relates, except for a loss resulting from wilful misfeasance, bad faith or gross negligence on the part of the Manager in the performance of its obligations or from reckless disregard by it of its obligations and duties under its agreement with the Fund.

Expenses and Expense Information. All expenses incurred in the operation of the Fund are borne by the Fund, except to the extent specifically assumed by the Manager. The expenses borne by the Fund include: organizational costs, taxes, interest, loan commitment fees, interest paid on securities sold short, brokerage fees and commissions, if any, fees of Trustees who are not officers, directors, employees or holders of 5% or more of the outstanding voting securities of the Manager, Securities and Exchange Commission fees, state Blue Sky qualification fees, advisory fees, charges of custodians, transfer and dividend disbursing agents' fees, certain insurance premiums, industry association fees, outside auditing and legal expenses, costs of maintaining the Fund's existence, costs of independent pricing services, costs attributable to investor services (including, without limitation, telephone and personnel expenses), costs of shareholders' reports and meetings, costs of preparing and printing prospectuses and statements of additional information, and any extraordinary expenses. Class A and Class B shares are subject to an annual service fee for ongoing personal services relating to shareholder accounts and services related to the maintenance of shareholder accounts. In addition, Class B shares are subject to an annual distribution fee for advertising, marketing and distributing Class B shares pursuant to a distribution plan adopted in accordance with Rule 12b-1 under the Act. See "Distribution Plan and Shareholder Services Plan." Expenses attributable to a particular Series are charged against the assets of that Series; other expenses of the Fund are allocated between the Series on the basis determined by the Board of Trustees, including, but not limited to, proportionately in relation to the net assets of each Series. The Fund currently has one Series.

The Manager has agreed that if in any fiscal year the aggregate expenses of the Series, exclusive of taxes, brokerage, interest on borrowings and (with the prior written consent of the necessary state securities commissions) extraordinary expenses, but including the management fee, exceed the expense limitation of any state having jurisdiction over the Series, the Fund may deduct from the payment to be made to the Manager under the Management Agreement, or the Manager will bear, such excess expense to the extent required by state law. Such deduction or payment, if any, will be estimated daily, and reconciled and effected or paid, as the case may be, on a monthly basis.

The aggregate of the fees payable to the Manager is not subject to reduction as the value of the Series' net assets increases.

Glass-Steagall Act. For an additional discussion of the Glass-Steagall Act in connection with the Fund's operations, see the Fund's Prospectus.

From time to time, legislation has been introduced and may be reintroduced in Congress, which would permit a bank, a bank holding company or a subsidiary thereof to organize, sponsor, control and distribute shares of an investment company such as the Fund, notwithstanding present restrictions under the Glass-Steagall Act and the Federal Bank Holding Company Act of 1956. As described herein, the Fund is currently distributed by the Distributor, and Dreyfus, its parent, sponsors the Fund and provides it with administrative services. If current restrictions preventing a bank from legally sponsoring, organizing, controlling or distributing shares of an investment company were relaxed, the Fund expects that the Manager would consider the possibility of offering to perform some or all of the services now provided by Dreyfus or the Distributor. It is not possible, of course, to predict whether or in what form such legislation might be enacted or the terms upon which the Manager might offer to provide services.

PURCHASE OF FUND SHARES

THE FOLLOWING INFORMATION SUPPLEMENTS AND SHOULD BE READ IN CONJUNCTION WITH THE SECTION IN THE FUND'S PROSPECTUS ENTITLED "HOW TO BUY FUND SHARES."

The Distributor. The Distributor serves as the Fund's distributor pursuant to an agreement which is renewable annually. The Distributor also acts as distributor for the other funds in the First Prairie Family of Funds, funds in the Dreyfus Family of Funds and certain other investment companies.

TeleTransfer Privilege. TeleTransfer purchase orders for Class A and Class B shares may be made between the hours of 8:00 a.m. and 4:00 p.m., New York time, on any business day that The Shareholder Services Group, Inc., the Fund's transfer and dividend disbursing agent (the "Transfer Agent"), and the New York Stock Exchange are open, except Martin Luther King, Jr. Day, Columbus Day and Veterans Day. Such purchases will be credited to the shareholder's Fund account on the next bank business day. To qualify to use the TeleTransfer Privilege, the initial payment for purchase of Class A and Class B shares must be drawn on, and redemption proceeds paid to, the same bank and account as are designated in the Account Application or Optional Services Form on file. If the proceeds of a particular redemption are to be wired to an account at any other bank, the request must be in writing and signature-guaranteed. See "Redemption of Fund Shares--TeleTransfer Privilege."

Sales Loads--Class A. The scale of sales loads applies to purchases of Class A shares made by any "purchaser," which term includes an individual and/or spouse purchasing securities for his, her or their own account or for the account of any minor children, or a trustee or other fiduciary purchasing securities for a single trust estate or a single fiduciary account trust estate or a single fiduciary account (including a pension, profit-sharing or other employee benefit trust created pursuant to a plan qualified under Section 401 of the Internal Revenue Code of 1986, as amended (the "Code")) although more than one beneficiary is involved; or a group of accounts established by or on behalf of the employees of an employer or affiliated employers pursuant to an employee benefit plan or other program (including accounts established pursuant to Sections 403(b), 408(k), and 457 of the Code); or an organized group which has been in existence for more than six months, provided that it is not organized for the purpose of buying redeemable securities of a registered investment company and provided that the purchases are made through a central administration or a single dealer, or by other means which result in economy of sales effort or expense.

Reopening an Account. An investor in Class A or Class B may reopen an account with a minimum investment of $100 without filing a new Account Application during the calendar year the account is closed or during the following calendar year, provided the information on the old Account Application is still applicable.

DISTRIBUTION PLAN AND SHAREHOLDER SERVICES PLAN

THE FOLLOWING INFORMATION SUPPLEMENTS AND SHOULD BE READ IN CONJUNCTION WITH THE SECTION IN THE FUND'S PROSPECTUS ENTITLED "DISTRIBUTION PLAN AND SHAREHOLDER SERVICES PLAN."

Class A and Class B shares only are subject to a Shareholder Services Plan and Class B shares only are subject to a Distribution Plan.

Distribution Plan. Rule 12b-1 (the "Rule") adopted by the Securities and Exchange Commission under the Act provides, among other things, that an investment company may bear expenses of distributing its shares only pursuant to a plan adopted in accordance with the Rule. The Fund's Board of Trustees has adopted such a plan (the "Distribution Plan") with respect to Class B shares pursuant to which the Fund pays for advertising, marketing and distributing Class B shares. Under the Distribution Plan, the Fund may make payments to the Manager, its affiliates, including First Chicago Investment Services, Inc., the Distributor or certain securities dealers, financial institutions and other financial industry professionals (collectively, "Service Agents") in respect of these services. The Fund's Board of Trustees believes that there is a reasonable likelihood that the Distribution Plan will benefit the Series and holders of its Class B shares. In some states, certain financial institutions effecting transactions in Fund shares may be required to register as dealers pursuant to state law.

A quarterly report of the amounts expended under the Distribution Plan, and the purposes for which such expenditures were incurred, must be made to the Trustees for their review. In addition, the Distribution Plan provides that it may not be amended to increase materially the costs which holders of Class B shares may bear for distribution pursuant to the Distribution Plan without the approval of the holders of Class B shares and that other material amendments of the Distribution Plan must be approved by the Board of Trustees, and by the Trustees who are neither "interested persons" (as defined in the Act) of the Fund or the Manager nor have any direct or indirect financial interest in the operation of the Distribution Plan or in any agreements entered into in connection with the Distribution Plan, by vote cast in person at a meeting called for the purpose of considering such amendments. The Distribution Plan is subject to annual approval by such vote of the Trustees cast in person at a meeting called for the purpose of voting on the Distribution Plan. The Distribution Plan was approved by the Fund's Board of Trustees, including a majority of the Trustees who are not "interested persons," at a meeting held on October 1, 1993. The Distribution Plan is terminable at any time by vote of a majority of the Trustees who are not "interested persons" and have no direct or indirect financial interest in the operation of the Distribution Plan or in any agreements entered into in connection with the Distribution Plan, or by vote of the holders of a majority of Class B shares.

Shareholder Services Plan. The Fund has adopted a Shareholder Services Plan, pursuant to which the Fund pays the Distributor for the provision of certain services to the holders of Class A and Class B shares only.

A quarterly report of the amounts expended under the Shareholder Services Plan, and the purposes for which such expenditures were incurred, must be made to the Trustees for their review. In addition, the Shareholder Services Plan provides that it may not be amended without approval of the Board of Trustees, and by the Trustees who are neither "interested persons" (as defined in the Act) of the Fund nor have any direct or indirect financial interest in the operation of the Shareholder Services Plan or in any agreements entered into in connection with the Shareholder Services Plan, by vote cast in person at a meeting called for the purpose of considering such amendments. The Shareholder Services Plan is subject to annual approval by such vote of the Trustees cast in person at a meeting called for the purpose of voting on the Shareholder Services Plan. The Shareholder Services Plan was so approved on October 1, 1993. The Shareholder Services Plan is terminable at any time by vote of a majority of the Trustees who are not "interested persons" and who have no direct or indirect financial interest in the operation of the Shareholder Services Plan or in any agreements entered into in connection with the Shareholder Services Plan.

Prior Rule 12b-1 Plan. As of _______, 1994, the Fund terminated its then existing Rule 12b-1 plan, which provided for payments to be made to Service Agents for advertising, marketing and/or distributing Class A shares and servicing holders of Class A shares. For the period March 5, 1993 (commencement of operations) through August 31, 1993, no payments were made under the prior Rule 12b-1 plan by the Series pursuant to various undertakings in effect.

REDEMPTION OF FUND SHARES

THE FOLLOWING INFORMATION SUPPLEMENTS AND SHOULD BE READ IN CONJUNCTION WITH THE SECTION IN THE FUND'S PROSPECTUS ENTITLED "HOW TO REDEEM FUND SHARES."

Redemption by Wire or Telephone--Class A and Class B Shares Only. By using this Privilege, the investor authorizes the Transfer Agent to act on wire or telephone redemption instructions from any person representing himself or herself to be the investor, or a representative of the investor's Service Agent, and reasonably believed by the Transfer Agent to be genuine. Ordinarily, the Fund will initiate payment for Class A or Class B shares redeemed pursuant to this Privilege on the next business day after receipt if the Transfer Agent receives the redemption request in proper form. Redemption proceeds will be transferred by Federal Reserve wire only to the commercial bank account specified by the investor on the Account Application or Optional Services Form. Redemption proceeds, if wired, must be in the amount of $1,000 or more and will be wired to the investor's account at the bank of record designated in the investor's file at the Transfer Agent, if the investor's bank is a member of the Federal Reserve System, or to a correspondent bank if the investor's bank is not a member. Fees ordinarily are imposed by such bank and usually are borne by the investor. Immediate notification by the correspondent bank to the investor's bank is necessary to avoid a delay in crediting the funds to the investor's bank account. Holders of jointly registered Fund or bank accounts may redeem by wire only up to $50,000 within any 30-day period. Proceeds of less than $1,000 will be paid by check and mailed to the investor's address.

Investors with access to telegraphic equipment may wire redemption requests for Class A and Class B shares to the Transfer Agent by employing the following transmittal code which may be used for domestic or overseas transmissions:

Transmittal Code	Transfer Agent's Answer Back Sign
144295	144295 TSSG PREP

Investors who do not have direct access to telegraphic equipment may have the wire transmitted by contacting a TRT Cables operator at 1-800-654-7171 toll free. Investors should advise the operator that the above transmittal code must be used and should also inform the operator of the Transfer Agent's answer back sign.

TO QUALIFY TO USE THIS PRIVILEGE, THE INITIAL PAYMENT FOR THE PURCHASE OF CLASS A OR CLASS B SHARES MUST BE DRAWN ON, AND REDEMPTION PROCEEDS PAID TO, THE SAME BANK AND ACCOUNT AS ARE DESIGNATED ON THE ACCOUNT APPLICATION OR THE OPTIONAL SERVICES FORM. IF THE PROCEEDS OF A PARTICULAR REDEMPTION ARE TO BE WIRED TO AN ACCOUNT WITH ANY OTHER BANK, THE REQUEST MUST BE IN WRITING AND SIGNATURE-GUARANTEED.

To change the commercial bank or account designated to receive redemption proceeds, a written request must be sent to the Transfer Agent. This request must be signed by each shareholder, with each signature guaranteed as described below under "Signatures--Class A and Class B Shares Only."

TeleTransfer Privilege--Class A and Class B Shares Only. Investors should be aware that if they have selected the TeleTransfer Privilege, any request for a wire redemption of Class A or Class B shares will be effected as a TeleTransfer transaction through the Automated Clearing House ("ACH") system unless more prompt transmittal specifically is requested. Redemption proceeds will be on deposit in the investor's account at an ACH member bank ordinarily two business days after receipt of the redemption request. See "Purchase of Fund Shares--TeleTransfer Privilege."

Signatures--Class A and Class B Shares Only. Written redemption requests must be signed by each shareholder, including each owner of a joint account, and each signature must be guaranteed. The Transfer Agent has adopted standards and procedures pursuant to which signature-guarantees in proper form generally will be accepted from domestic banks, brokers, dealers, credit unions, national securities exchanges, registered securities associations, clearing agencies and savings associations, as well as from participants in the New York Stock Exchange Medallion Signature Program, the Securities Transfer Agents Medallion Program ("STAMP") and the Stock Exchanges Medallion Program. Guarantees must be signed by an authorized signatory of the guarantor and "Signature-Guaranteed" must appear with the signature. The Transfer Agent may request additional documentation from corporations, executors, administrators, trustees or guardians, and may accept other suitable verification arrangements from foreign investors, such as consular verification. For more information with respect to signature-guarantees, please call the telephone number listed on the cover.

Redemption Commitment. The Fund has committed itself to pay in cash all redemption requests for the Series by any shareholder of record, limited in amount during any 90-day period to the lesser of $250,000 or 1% of the value of the Series' net assets at the beginning of such period. Such commitment is irrevocable without the prior approval of the Securities and Exchange Commission. In the case of requests for redemption in excess of such amount, the Board of Trustees reserves the right to make payments in whole or in part in securities or other assets in case of an emergency or any time a cash distribution would impair the liquidity of the Series to the detriment of the existing shareholders. In such event, the securities would be valued in the same manner as the Series' portfolio is valued. If the recipient sold such securities, brokerage charges would be incurred.

Suspension of Redemptions. The right of redemption may be suspended or the date of payment postponed (a) during any period when the New York Stock Exchange is closed (other than customary weekend and holiday closings), (b) when trading in the markets the Fund ordinarily utilizes is restricted, or when an emergency exists as determined by the Securities and Exchange Commission so that disposal of the Fund's investments or determination of its net asset value is not reasonably practicable, or (c) for such other periods as the Securities and Exchange Commission by order may permit to protect the Fund's shareholders.

SHAREHOLDER SERVICES

THE FOLLOWING INFORMATION SUPPLEMENTS AND SHOULD BE READ IN CONJUNCTION WITH THE SECTION IN THE FUND'S PROSPECTUS ENTITLED "SHAREHOLDER SERVICES."

Exchange Privilege. Class A, Class B and Class F shares of the Series may be exchanged for shares of the respective class of certain other funds advised by the Manager or Dreyfus. Shares of the same class of such other funds purchased by exchange will be purchased on the basis of relative net asset value per share as follows:

A. Class A shares of funds purchased without a sales load may be exchanged for Class A shares of other funds sold with a sales load, and the applicable sales load will be deducted.

B. Class A shares of funds purchased with or without a sales load and Class F shares of funds purchased without a sales load may be exchanged without a sales load for Class A and Class F shares, respectively, of other funds sold without a sales load.

C. Class A shares of funds purchased with a sales load, Class A shares of funds acquired by a previous exchange from Class A shares purchased with a sales load and additional Class A shares acquired through reinvestment of dividends or distributions of any such funds (collectively referred to herein as "Purchased Shares") may be exchanged for Class A shares of other funds sold with a sales load (referred to herein as "Offered Shares"), provided that, if the sales load applicable to the Offered Shares exceeds the maximum sales load that could have been imposed in connection with the Purchased Shares (at the time the Purchased Shares were acquired), without giving effect to any reduced loads, the difference will be deducted.

D. Class B shares of any fund may be exchanged for Class B shares of other funds without a sales load. Class B shares of any fund exchanged for Class B shares of another fund will be subject to the higher applicable contingent deferred sales charge ("CDSC") of the two funds and, for purposes of calculating CDSC rates and conversion periods, will be deemed to have been held since the date the Class B shares being exchanged were initially purchased.

To accomplish an exchange under item C above, an investor must notify the Transfer Agent of the investor's prior ownership of such Class A shares and the investor's account number.

To use this Privilege, an investor, or the investor's Service Agent acting on the investor's behalf, must give exchange instructions to the Transfer Agent in writing, by wire or by telephone, or in accordance with the instructions pertaining to the investor's account at the Manager or its affiliates. Telephone exchanges may be made only if the appropriate "YES" box has been checked on the Account Application, or a separate signed Optional Services Form is on file with the Transfer Agent. By using this Privilege, the investor authorizes the Transfer Agent to act on telephonic, telegraphic or written exchange instructions from any person representing himself or herself to be the investor, or a representative of the investor's Service Agent, and reasonably believed by the Transfer Agent to be genuine. Telephone exchanges may be subject to limitations as to the amount involved or the number of telephone exchanges permitted. Shares issued in certificate form are not eligible for telephone exchange.

Auto-Exchange Privilege. Auto-Exchange permits an investor to purchase, in exchange for Class A, Class B or Class F shares of the Series, shares of the same class of certain other funds in the First Prairie Family of Funds or certain funds advised by Dreyfus. This Privilege is available only for existing accounts. Shares will be exchanged on the basis of relative net asset value as described above under "Exchange Privilege." Enrollment in or modification or cancellation of this Privilege is effective three business days following notification by the investor. An investor will be notified if his account falls below the amount designated to be exchanged under this Privilege. In this case, an investor's account will fall to zero unless additional investments are made in excess of the designated amount prior to the next Auto-Exchange transaction. Shares held under IRA and other retirement plans are eligible for this Privilege. Exchanges of IRA shares may be made between IRA accounts and from regular accounts to IRA accounts, but not from IRA accounts to regular accounts. With respect to all other retirement accounts, exchanges may be made only among those accounts.

The Exchange Privilege and Auto-Exchange Privilege are available to shareholders resident in any state in which shares of the fund being acquired may legally be sold. Shares may be exchanged only between accounts having identical names and other identifying designations.

Optional Services Forms and prospectuses of the other funds may be obtained from the Distributor, 144 Glenn Curtiss Boulevard, Uniondale, New York 11556-0144. The Fund reserves the right to reject any exchange request in whole or in part. The Exchange Privilege or Auto-Exchange Privilege may be modified or terminated at any time upon notice to shareholders.

Automatic Withdrawal Plan--Class A and Class B Shares Only. Automatic Withdrawal permits an investor with a $5,000 minimum account to request withdrawal of a specified dollar amount (minimum of $50) on either a monthly or quarterly basis. Withdrawal payments are the proceeds from sales of Class A and Class B shares, not the yield on the shares. If withdrawal payments exceed reinvested dividends and distributions, the investor's Class A and Class B shares will be reduced and eventually may be depleted. An Automatic Withdrawal Plan may be established by completing the appropriate application available from the Distributor, the Manager, certain affiliates of the Manager or certain Service Agents. There is a service charge of $.50 for each withdrawal check. Automatic Withdrawal may be terminated at any time by the investor, the Fund or the Transfer Agent. Class B shares withdrawn pursuant to the Automatic Withdrawal Plan will be subject to any applicable CDSC.

Dividend Sweep Privilege--Class A and Class B Shares Only. The Dividend Sweep Privilege allows investors to invest on the payment date their dividends or dividends and capital gain distributions, if any, from Class A and Class B shares of the Fund in shares of the same Class of another fund in the First Prairie Family of Funds or certain funds advised or administered by Dreyfus of which the investor is a shareholder. Shares of the same Class of other funds purchased pursuant to this Privilege will be purchased on the basis of relative net asset value per share as follows:

A. Dividends and distributions paid with respect to Class A shares by a fund may be invested without imposition of a sales load in Class A shares of other funds that are offered without a sales load.

B. Dividends and distributions paid with respect to Class A shares by a fund which does not charge a sales load may be invested in Class A shares of other funds sold with a sales load, and the applicable sales load will be deducted.

C. Dividends and distributions paid with respect to Class A shares by a fund which charges a sales load may be invested in Class A shares of other funds sold with a sales load (referred to herein as "Offered Shares"), provided that, if the sales load applicable to the Offered Shares exceeds the maximum sales load charged by the fund from which dividends or distributions are being swept, without giving effect to any reduced loads, the difference will be deducted.

D. Dividends and distributions paid with respect to Class B shares by a fund may be invested without imposition of any applicable CDSC in Class B shares of other funds and the Class B shares of such other funds will be subject on redemption to any applicable CDSC.

DETERMINATION OF NET ASSET VALUE

THE FOLLOWING INFORMATION SUPPLEMENTS AND SHOULD BE READ IN CONJUNCTION WITH THE SECTION IN THE FUND'S PROSPECTUS ENTITLED "HOW TO BUY FUND SHARES."

Valuation of Portfolio Securities. The Series' investments are valued each business day using available market quotations or at fair value as determined by one or more independent pricing services (collectively, the "Service") approved by the Board of Trustees. The Service may use available market quotations, employ electronic data processing techniques and/or a matrix system to determine valuations. The Service's procedures are reviewed by the Fund's officers under the general supervision of the Board of Trustees. Expenses and fees, including the management fee and expenses under the Shareholder Services Plan, with respect to the Class A and Class B shares, and fees pursuant to the Distribution Plan, with respect to the Class B shares only, are accrued daily and are taken into account for the purpose of determining the net asset value of the relevant Class of Series' shares. Because of the difference in operating expenses incurred by each Class, the per share net asset value of each Class will differ.

New York Stock Exchange Closings. The holidays (as observed) on which the New York Stock Exchange is closed currently are: New Year's Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.

PORTFOLIO TRANSACTIONS

The Series' portfolio securities ordinarily are purchased from and sold to parties acting as either principal or agent. Newly-issued securities ordinarily are purchased directly from the issuer or from an underwriter; other purchases and sales usually are placed with those dealers from which it appears that the best price or execution can be obtained. Ordinarily, no brokerage commissions, as such, are paid by the Fund for such purchases and sales, although the price paid usually includes an undisclosed compensation to the dealer acting as agent. The prices paid to underwriters of newly-issued securities usually include a concession paid by the issuer to the underwriter, and purchases of after-market securities from dealers ordinarily are executed at a price between the bid and asked price. No brokerage commissions have been paid by the Fund to date.

Transactions are allocated to various dealers by the Fund's investment personnel in their best judgment. The primary consideration is prompt and effective execution of orders at the most favorable price. Subject to that primary consideration, dealers may be selected for research, statistical or other services to enable the Manager to supplement its own research and analysis with the views and information of other securities firms and may be selected based upon their sales of Fund shares.

Research services furnished by brokers through which the Fund effects securities transactions may be used by the Manager in advising other funds it advises and, conversely, research services furnished to the Manager by brokers in connection with other funds or accounts the Manager advises may be used by the Manager in advising the Fund. Although it is not possible to place a dollar value on these services, it is the opinion of the Manager that the receipt and study of such services should not reduce its overall research expenses.

DIVIDENDS, DISTRIBUTIONS AND TAXES

THE FOLLOWING INFORMATION SUPPLEMENTS AND SHOULD BE READ IN CONJUNCTION WITH THE SECTION IN THE FUND'S PROSPECTUS ENTITLED "DIVIDENDS, DISTRIBUTIONS AND TAXES."

The Series intends to qualify as a "regulated investment company" under the Code, so long as such qualification is in the best interests of its shareholders. To qualify as a regulated investment company, the Series must pay out to its shareholders at least 90% of its net income (consisting of net investment income from tax exempt obligations and net short-term capital gain), must derive less than 30% of its annual gross income from gain on the sale of securities held for less than three months, and must meet certain asset diversification and other requirements. Accordingly, the Series may be restricted in the selling of securities held for less than three months, and in the utilization of certain of the investment techniques described in the Prospectus. The Code, however, allows the Series to net certain offsetting positions making it easier for the Series to satisfy the 30% test. Qualification as a regulated investment company relieves the Series from any liability for Federal income taxes to the extent its earnings are distributed in accordance with the applicable provisions of the Code. The term "regulated investment company" does not imply the supervision of management or investment practices or policies by any government agency.

Any dividend or distribution paid shortly after an investor's purchase may have the effect of reducing the aggregate net asset value of his shares below the cost of his investment. Such a dividend or distribution would be a return on investment in an economic sense although taxable as stated in "Dividends, Distributions and Taxes" in the Prospectus. In addition, the Code provides that if a shareholder holds shares for six months or less and has received a capital gain distribution with respect to such shares, any loss incurred on the sale of such shares will be treated as a long-term capital loss to the extent of the capital gain distribution received.

All or a portion of the gain realized from the disposition of certain market discount bonds will be treated as ordinary income under Section 1276. In addition, all or a portion of the gain realized from engaging in "conversion transactions" may be treated as ordinary income under Section 1258. "Conversion transactions" are defined to include certain option and straddle transactions, transactions marketed or sold to produce capital gains, or transactions described in Treasury regulations to be issued in the future.

Under Section 1256 of the Code, gain or loss realized by the Series from certain financial futures and options transactions will be treated as 60% long-term capital gain or loss and 40% short-term capital gain or loss. Gain or loss will arise upon exercise or lapse of such futures and options as well as from closing transactions. In addition, any such futures or options remaining unexercised at the end of the Fund's taxable year will be treated as sold for their then fair market value, resulting in additional gain or loss to the Series characterized in the manner described above.

Offsetting positions held by the Series involving certain financial futures contracts or options transactions may be considered, for tax purposes, to constitute "straddles." "Straddles" are defined to include "offsetting positions" in actively traded personal property. The tax treatment of "straddles" is governed by Section 1092 of the Code, which, in certain circumstances, overrides or modifies the provisions of Section 1256. If the Series were treated as entering into "straddles" by reason of its engaging in financial futures contracts or options transactions, such "straddles" would be characterized as "mixed straddles" if the futures or options comprising a part of such "straddles" were governed by Section 1256. The Series may make one or more elections with respect to "mixed straddles." If no election is made, to the extent the straddle rules apply to positions established by the Series, losses realized by the Series will be deferred to the extent of unrealized gain in any offsetting positions. Moreover, as a result of the straddle rules, short-term capital loss on "straddle" positions may be recharacterized as long-term capital loss, and long-term capital gain may be recharacterized as short-term capital gain or ordinary income.

Investment by the Series in securities issued or acquired at a discount or providing for deferred interest or for payment of interest in the form of additional obligations could, under special tax rules, affect the amount, timing and character of distributions to shareholders. For example, the Series could be required to take into account annually a portion of the discount (or deemed discount) at which such securities were issued and to distribute such portion in order to maintain its qualification as a regulated investment company. In such case, the Series may have to dispose of securities which it might otherwise have continued to hold in order to generate cash to satisfy these distribution requirements.

PERFORMANCE INFORMATION

THE FOLLOWING INFORMATION SUPPLEMENTS AND SHOULD BE READ IN CONJUNCTION WITH THE SECTION IN THE FUND'S PROSPECTUS ENTITLED "PERFORMANCE INFORMATION."

Class B shares had not been offered as of the date of the financials and, accordingly, no performance data are available for Class B.

The current yield for the 30-day period ended August 31, 1993 was ____% for Class A and ____% for Class F, which reflect the absorption of certain expenses by the Manager and a waiver of the management fees without which the yield for the 30-day period ended August 31, 1993 would have been ____% for Class A and ____% for Class F. Current yield is computed pursuant to a formula which operates as follows: The amount of expenses accrued for the 30-day period (net of reimbursements) is subtracted from the amount of the dividends and interest earned (computed in accordance with regulatory requirements) by the Series during the period. That result is then divided by the product of: (a) the average daily number of shares outstanding during the period that were entitled to receive dividends, and (b) the maximum offering price, in the case of Class A, or net asset value, in the case of Class B or Class F, per share on the last day of the period less any undistributed earned income per share reasonably expected to be declared as a dividend shortly thereafter. The quotient is then added to 1, and that sum is raised to the 6th power, after which 1 is subtracted. The current yield is then arrived at by multiplying the result by 2.

The average annual total return for the ____ year period ended August 31, 1993 was ____% for Class A and ____% for Class F. Average annual total return is calculated by determining the ending redeemable value of an investment purchased with a hypothetical $1,000 payment made at the beginning of the period (assuming the reinvestment of dividends and distributions), dividing by the amount of the initial investment, taking the "n"the root of the quotient (where "n" is the number of years in the period) and subtracting 1 from the result. A Class's average annual total return figures calculated in accordance with such formula assume that in the case of Class A the maximum sales load has been deducted from the hypothetical initial investment at the time of purchase or in the case of Class B the maximum applicable CDSC has been paid upon redemption at the end of the period.

Total return is calculated by subtracting the amount of the maximum offering price, in the case of Class A, or net asset value, in the case of Class B or Class F, per share at the beginning of a stated period from the net asset value per share at the end of the period (after giving effect to the reinvestment of dividends and distributions during the period), and dividing the result by the maximum offering price, in the case of Class A, or net asset value, in the case of Class B or Class F, per share at the beginning of the period. Total return also may be calculated based on the net asset value per share at the beginning of the period for Class A shares or without giving effect to any applicable CDSC at the end of the period for Class B shares. In such cases, the calculation would not reflect the deduction of the sales load, which, if reflected, would reduce the performance quoted. The total return for the period March 5, 1993 (commencement of operations) through August 31, 1993 for Class A was ____%, based on maximum offering price per share, and ____%, based on net asset value per share, and for Class F was ____%.

INFORMATION ABOUT THE FUND

THE FOLLOWING INFORMATION SUPPLEMENTS AND SHOULD BE READ IN CONJUNCTION WITH THE SECTION IN THE FUND'S PROSPECTUS ENTITLED "GENERAL INFORMATION."

Each Series share has one vote and, when issued and paid for in accordance with the terms of the offering, is fully paid and non-assessable. Series shares have no preemptive or subscription rights and are freely transferable.

The Fund will send annual and semi-annual financial statements to all its shareholders.

COUNSEL AND INDEPENDENT AUDITORS

Stroock & Stroock & Lavan, 7 Hanover Square, New York, New York 10004-2696, as counsel for the Fund, has rendered its opinion as to certain legal matters regarding the due authorization and valid issuance of the shares of beneficial interest being sold pursuant to the Fund's Prospectus.

Ernst & Young, 787 Seventh Avenue, New York, New York

10019, independent auditors, have been selected as auditors of the Fund.

FINANCIAL STATEMENTS

[To Be Provided by Amendment]

FIRST PRAIRIE U.S. GOVERNMENT INCOME FUND

PART C. OTHER INFORMATION

Item 24. Financial Statements and Exhibits - List

(a) Financial Statements:

Included in Part A of the Registration Statement:

Condensed Financial Information*

Included in Part B of the Registration Statement:

Statement of Investments*

Statement of Assets and Liabilities*

Statement of Operations*

Statement of Changes in Net Assets*

Note to Financial Statements*

Report of Ernst & Young Independent Auditors*

Schedule Nos. I through VII and other financial statement information, for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission, are either omitted because they are not required under the related instructions, they are inapplicable, or the required information is presented in the financial statements or

notes
which are included in Part B to the Registration Statement.

____
* To be completed by amendment.

Item 24. Financial Statements and Exhibits - List

(b) Exhibits:

(1) (a) The Registrant's Agreement and Declaration of Trust and Articles of Amendment thereto, are incorporated by reference to Exhibit (1) of the Registration Statement on Form N-1A, filed on March 13, 1992.

(b) The Registrant's Amended and Restated Agreement and Declaration of Trust dated August 10, 1992 is incorporated by reference to Exhibit (1)(b) of Pre-Effective Amendment No. 2 to the Registration Statement on Form N-1A, filed on September 29, 1992.

(2) The Registrant's Amended and Restated By-Laws are incorporated by reference to Exhibit (2) of Pre-Effective Amendment No. 3 to the Registration Statement on Form N-1A, filed on January 27, 1993.

(5) The Management Agreement, as revised, is incorporated by reference to Exhibit (5) of Post-Effective Amendment No. 1 to the Registration Statement on Form N-1A, filed on July 14, 1993.

(6) (a) The Distribution Agreement, as revised, is incorporated by reference to Exhibit (6)(a) of Post-Effective

Amendment No.
1 to the Registration Statement on Form N-1A,
filed on July
14, 1993.

(b) Forms of Service Agreements are incorporated by
reference to
Exhibit (6)(b) of Pre-Effective Amendment No. 3 to
the
Registration Statement on Form N-1A, filed on
January 27,
1993.

(c) Form of Distribution Agreement, as revised.*

(8) (a) The Custody Agreement is incorporated by reference
to
Exhibit (8)(a) of Pre-Effective Amendment No. 3 to
the
Registration Statement on Form N-1A, filed on
January 27,
1993.

(9) (a) The Master Administration Agreement, as revised,
is
incorporated by reference to Exhibit (9) of
Post-Effective
Amendment No. 1 to the Registration Statement on
Form N-1A,
filed on July 14, 1993.

(b) Form of Shareholder Services Plan.*

(10) The opinion and consent of Registrant's counsel is
incorporated by reference to Exhibit (10) of
Pre-Effective
Amendment No. 3 to the Registration Statement on
Form N-1A,
filed on January 27, 1993.

(11) Consent of Independent Auditors.*

(15) (a) The Service Plan, as revised, is incorporated by
reference
to Exhibit (15) of Post-Effective Amendment No. 1
to the
Registration Statement on Form N-1A, filed on July
14, 1993.

(b) Form of Distribution Plan.

(16) Yield Computation Schedule, is incorporated by reference to Exhibit (16) of Post-Effective Amendment No. 1 to the Registration Statement on Form N-1A, filed on July 14, 1993.

Other Exhibits: Powers of Attorney are incorporated by reference to the Signature Page of Pre-Effective Amendment No. 2 to the Registration Statement on Form N-1A, filed on September 29, 1992. An additional Power of Attorney is included herein.

Registrant's Certificate of Secretary is incorporated by reference to Other Exhibit of Pre-Effective Amendment No. 3 to the Registration Statement on Form N-1A, filed on January 27, 1993.

Item 25. Persons Controlled by or Under Common Control with Registrant

Not Applicable

Item 26. Number of Holders of Securities

(1) Title of Class	(2) Number of Record Holders as of December 28, 1993
Class A-Shares of beneficial interest, par value $.001 per share	3
Class B-Shares of beneficial interest, par value $.001 per share	0
Class F-Shares of beneficial interest, par value $.001 per share	2

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* To be filed by Amendment.

Item 27. Indemnification

Reference is made to Article EIGHTH of the Registrant's Amended and Restated Agreement and Declaration of Trust incorporated by reference to Exhibit (1)(b) of Pre-Effective Amendment No. 2 to the Registration Statement filed under the Securities Act of 1933 on September 29, 1992. The application of these provisions is limited by Article 10 of the Registrant's Amended and Restated By-Laws incorporated by reference to Exhibit (2) of Pre-Effective Amendment No. 3 to the Registration Statement filed under the Securities Act of 1933 on January 27, 1993, and the following undertaking set forth in the rules promulgated by the Securities and Exchange Commission:

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to trustees, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in such Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a trustee, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such trustee, officer or controlling person in connection

with the
securities being registered, the registrant will, unless in the
opinion of its counsel the matter has been settled by controlling
precedent, submit to a court of appropriate jurisdiction the
question whether such indemnification by it is against public
policy as expressed in such Act and will be governed by the final
adjudication of such issue.

Reference is also made to the Distribution Agreement, as revised.

Item 28. Business and Other Connections of the Manager

Officers and Directors of the Manager:

The Manager is a commercial bank providing a wide range of banking and investment services.

To the knowledge of the Registrant, none of the directors or executive officers of the Manager, except those described below, are or have been, at any time during the past two years, engaged in any other business, profession, vocation or employment of a substantial nature, except that certain directors and executive officers of the Manager also hold or have held various positions with bank and non-bank affiliates of the Manager, including its parent, First Chicago Corporation.

Name	Position with the Manager	Principal Occupation or Other Employment of a Substantial Nature
Richard L. Thomas	Chairman of the Board, Chief Executive Officer and President	Also serves as Chairman of the Board, Chief Executive Officer and President of First Chicago Corporation

John H. Bryan	Director	Chairman of the Board and Chief Executive Officer, Sara Lee Corporation*
Dean L. Buntrock	Director	Chairman of the Board and Chief Executive Officer, Waste Management, Inc.*
Frank W. Considine	Director	Honorary Chairman of the Board and Chairman of the Executive Committee, American National Can Company*
James S. Crown	Director	General Partner, Henry Crown and Company (Not Incorporated)*
Donald P. Jacobs	Director	Dean of the J.L. Kellogg Graduate School of Management, Northwestern University*
Charles S. Locke	Director	Chairman of the Board and Chief Executive Officer, Morton International, Inc.*
Richard M. Morrow	Director	Retired Chairman and Chief Executive Officer, Amoco Corporation*
Leo F. Mullin	Director	Chairman and Chief Executive Officer, American National Corporation and Executive Vice President of First Chicago Corporation
Earl L. Neal	Director	Principal, Earl L. Neal & Associates, a Law firm
James J. O'Connor	Director	Chairman and Chief Executive Officer, Commonwealth Edison Company*
Jerry K. Pearlman	Director	Chairman, President and Chief Executive Officer, Zenith Electronics Corporation
Ernestine M.		

Raclin	Director	Chairman of the Board, 1st Source Corporation*
Jack F. Reichert	Director	Chairman of the Board, President and Chief Executive Officer, Brunswick Corporation
Patrick G. Ryan	Director	President and Chief Executive Officer, Aon Corporation*
George A. Shaefer	Director	Chairman of the Board, Retired, and Director, Caterpillar Inc.*
Adele Simmons	Director	President, John D. and Catherine T. MacArthur Foundation
Roger W. Stone	Director	Chairman of the Board, President and Chief Executive Officer, Stone Container Corporation*
David J. Vitale	Director and Executive Vice President	Executive Vice President of First Chicago Corporation*

* Serves as a Director of First Chicago Corporation.

Name	Position with the Manager
Marvin J. Alef, Jr.	Executive Vice President
John W. Ballantine	Executive Vice President
Jerry C. Bradshaw	Executive Vice President
John A. Canning, Jr.	Executive Vice President
Sherman I. Goldberg	Executive Vice President, General Counsel and Secretary
Donald R. Hollis	Executive Vice President
W. G. Jurgensen	Executive Vice President and Chief Financial Officer
Scott P. Marks, Jr.	Executive Vice President
J. Mikesell Thomas	Executive Vice President

Item 29. Principal Underwriters

(a) Other investment companies for which Registrant's principal underwriter (exclusive distributor) acts as principal underwriter or exclusive distributor:

1. Comstock Partners Strategy Fund, Inc.
2. Dreyfus A Bonds Plus, Inc.
3. Dreyfus Appreciation Fund, Inc.
4. Dreyfus Asset Allocation Fund, Inc.
5. Dreyfus Balanced Fund, Inc.
6. Dreyfus BASIC Money Market Fund, Inc.
7. Dreyfus BASIC Municipal Money Market Fund, Inc.
8. Dreyfus BASIC U.S. Government Money Market Fund
9. Dreyfus California Intermediate Municipal Bond Fund
10. Dreyfus California Tax Exempt Bond Fund, Inc.
11. Dreyfus California Tax Exempt Money Market Fund
12. Dreyfus Capital Value Fund, Inc.
13. Dreyfus Cash Management
14. Dreyfus Cash Management Plus, Inc.
15. Dreyfus Connecticut Intermediate Municipal Bond Fund
16. Dreyfus Connecticut Municipal Money Market Fund, Inc.
17. The Dreyfus Convertible Securities Fund, Inc.
18. Dreyfus Edison Electric Index Fund, Inc.
19. Dreyfus Florida Intermediate Municipal Bond Fund
20. The Dreyfus Fund Incorporated
21. Dreyfus Global Investing, Inc.
22. Dreyfus GNMA Fund, Inc.
23. Dreyfus Government Cash Management
24. Dreyfus Growth Allocation Fund, Inc.
25. Dreyfus Growth and Income Fund, Inc.
26. Dreyfus Growth Opportunity Fund, Inc.
27. Dreyfus Institutional Money Market Fund
28. Dreyfus Insured Municipal Bond Fund, Inc.
29. Dreyfus Intermediate Municipal Bond Fund, Inc.
30. Dreyfus International Equity Fund, Inc.
31. The Dreyfus Leverage Fund, Inc.
32. Dreyfus Life and Annuity Index Fund, Inc.
33. Dreyfus Liquid Assets, Inc.
34. Dreyfus Massachusetts Intermediate Municipal Bond Fund
35. Dreyfus Massachusetts Municipal Money Market Fund
36. Dreyfus Massachusetts Tax Exempt Bond Fund
37. Dreyfus Michigan Municipal Money Market Fund, Inc.
38. Dreyfus Money Market Instruments, Inc.
39. Dreyfus Municipal Bond Fund, Inc.

40. Dreyfus Municipal Cash Management Plus
41. Dreyfus Municipal Money Market Fund, Inc.
42. Dreyfus New Jersey Intermediate Municipal Bond Fund
43. Dreyfus New Jersey Municipal Bond Fund, Inc.
44. Dreyfus New Jersey Municipal Money Market Fund, Inc.
45. Dreyfus New Leaders Fund, Inc.
46. Dreyfus New York Insured Tax Exempt Bond Fund
47. Dreyfus New York Municipal Cash Management
48. Dreyfus New York Tax Exempt Bond Fund, Inc.
49. Dreyfus New York Tax Exempt Intermediate Bond Fund
50. Dreyfus New York Tax Exempt Money Market Fund
51. Dreyfus Ohio Municipal Money Market Fund, Inc.
52. Dreyfus 100% GNMA Fund, L.P.
53. Dreyfus 100% U.S. Treasury Intermediate Term Fund, L.P.
54. Dreyfus 100% U.S. Treasury Long Term Fund, L.P.
55. Dreyfus 100% U.S. Treasury Money Market Fund, L.P.
56. Dreyfus 100% U.S. Treasury Short Term Fund, L.P.
57. Dreyfus Pennsylvania Municipal Money Market Fund
58. Dreyfus Short-Intermediate Government Fund
59. Dreyfus Short-Intermediate Tax Exempt Bond Fund
60. Dreyfus Short-Term Income Fund, Inc.
61. Dreyfus Strategic Growth, L.P.
62. Dreyfus Strategic Income
63. Dreyfus Strategic Investing
64. Dreyfus Strategic World Investing, L.P.
65. Dreyfus Tax Exempt Cash Management
66. The Dreyfus Third Century Fund, Inc.
67. Dreyfus Treasury Cash Management
68. Dreyfus Treasury Prime Cash Management
69. Dreyfus Variable Investment Fund
70. Dreyfus-Wilshire Target Funds, Inc.
71. Dreyfus Worldwide Dollar Money Market Fund, Inc.
72. First Prairie Cash Management
73. First Prairie Diversified Asset Fund
74. First Prairie Money Market Fund
75. First Prairie Tax Exempt Bond Fund, Inc.
76. First Prairie Tax Exempt Money Market Fund
77. First Prairie U.S. Government Income Fund
78. First Prairie U.S. Treasury Securities Cash Management

79. FN Network Tax Free Money Market Fund, Inc.
80. General California Municipal Bond Fund, Inc.
81. General California Municipal Money Market Fund
82. General Government Securities Money Market Fund, Inc.
83. General Money Market Fund, Inc.
84. General Municipal Bond Fund, Inc.
85. General Municipal Money Market Fund, Inc.
86. General New York Municipal Bond Fund, Inc.
87. General New York Municipal Money Market Fund
88. Pacific American Fund
89. Peoples Index Fund, Inc.
90. Peoples S&P MidCap Index Fund, Inc.
91. Premier California Insured Municipal Bond Fund
92. Premier California Municipal Bond Fund
93. Premier GNMA Fund
94. Premier Growth Fund, Inc.
95. Premier Municipal Bond Fund
96. Premier New York Municipal Bond Fund
97. Premier State Municipal Bond Fund

(b)

Name and principal business address	Positions and offices with Dreyfus Service Corporation	Positions and offices with Registrant
Howard Stein*	Chairman of the Board	None
Robert H. Schmidt*	President and Director	None
Joseph S. DiMartino*	Executive Vice President and Director	Trustee and President
Lawrence M. Greene*	Executive Vice President and Director	None
Julian M. Smerling*	Executive Vice President and Director	None
Elie M. Genadry*	Executive Vice President	None
Donald A. Nanfeldt*	Executive Vice President	None
Kevin Flood*	Senior Vice President	None

Roy Gross*	Senior Vice President	None
Irene Papadoulis**	Senior Vice President	None
Diane M. Coffey*	Vice President	None
Walter V. Harris*	Vice President	None
William Harvey*	Vice President	None
William V. Healey*	Vice President/ Legal Counsel	None
Adwick Pinnock**	Vice President	None
George Pirrone*	Vice President/Trading	None
Karen Rubin Waldmann*	Vice President	None
Peter D. Schwab*	Vice President/New Products	None
Michael Anderson*	Assistant Vice President	None
Carolyn Sobering*	Assistant Vice President- Trading	None
Daniel C. Maclean*	Secretary	Vice President
Robert F. Dubuss*	Treasurer	None
Maurice Bendrihem*	Controller	None
Michael J. Dolitsky*	Assistant Controller	None
Susan Verbil Goldgraben*	Assistant Treasurer	None
Christine Pavalos*	Assistant Secretary	Assistant Secretary

Broker-Dealer Division of Dreyfus Service Corporation
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Name and principal business address	Positions and offices with Broker-Dealer Division of Dreyfus Service Corporation	Positions and offices with Registrant
Elie M. Genadry*	President	None

Craig E. Smith*	Executive Vice President	None
Peter S. Ferrentino San Francisco, CA	Regional Vice President	None
W. Richard Francis Palm Harbor, FL	Regional Vice President	None
Philip Jochem Warrington, PA	Regional Vice President	None
Fred Lanier Atlanta, GA	Regional Vice President	None
Robert F. Madaii La Jolla, CA	Regional Vice President	None
Joseph Reaves New Orleans, LA	Regional Vice President	None
Christian Renninger Germantown, MD	Regional Vice President	None
L. Allen Veach Colchester, VT	Regional Vice President	None
Kurt Wiessner Minneapolis, MN	Regional Vice President	None

Institutional Services Division of Dreyfus Service Corporation
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Name and principal business address	Positions and offices with Institutional Services Division of Dreyfus Service Corporation	Positions and offices with Registrant
Elie M. Genadry*	President	None
Donald A. Nanfeldt*	Executive Vice President	None
Stacey Alexander*	Vice President	None
Eric Almquist*	Vice President	None
James E. Baskin+++++++	Vice President	None
Stephen Burke*	Vice President	None
Laurel A. Diedrick Burrows***	Vice President	None

Charles Cardona**	Vice President	None
Daniel L. Clawson++++	Vice President	None
William E. Findley****	Vice President	None
Mary Genet*****	Vice President	None
Melinda Miller Gordon*	Vice President	None
Christina Haydt++	Vice President-Institutional Sales	None
Carol Anne Kelty*	Vice President-Institutional Sales	None
Gertrude F. Laidig+++++	Vice President	None
Kathleen McIntyre Lewis++	Vice President	None
Susan M. O'Connor*	Vice President-Institutional Seminars	None
Andrew Pearson+++	Vice President-Institutional Sales	None
Jean Heitzman Penny*****	Vice President-Institutional Sales	None
Dwight Pierce+	Vice President	None
Emil Samman*	Vice President-Institutional Marketing	None
Edward Sands*	Vice President-Institutional Operations	None
Sue Ann Seefeld++++	Vice President-Institutional Sales	None
Judy Ulrich***	Vice President	None
Elizabeth Biordi Wieland*	Vice President-Institutional Administration	None
Roberta Hall*****	Assistant Vice President-Institutional Servicing	None
Eva Machek*****	Assistant Vice President-Institutional Sales	None

Debra Masterpalo*	Assistant Vice President	None
James Nieland*	Assistant Vice President	None
Lois Paterson*	Assistant Vice President-Institutional Operations	None
William Schalda*	Assistant Vice President	None
Karen Markovic Shpall++++++	Assistant Vice President	None
Emilie Tongalson**	Assistant Vice President-Institutional Servicing	None
Tonda Watson****	Assistant Vice President-Institutional Sales	None

Group Retirement Plans Division of Dreyfus Service Corporation
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Name and principal business address	Positions and offices with Group Retirement Plans Division of Dreyfus Service Corporation	Positions and offices with Registrant
Elie M. Genadry*	President	None
Robert W. Stone*	Executive Vice President	None
Paul Allen*	Senior Vice President-National Sales	None
George Anastasakos*	Vice President	None
William Gallagher*	Vice President-Sales	None
Brent Glading*	Vice President-Sales	None
Gerald Goz*	Vice President-Sales	None
Cherith Harrison*	Vice President-Sales	None
Leonard Larrabee*	Vice President and Senior Counsel	None
Samuel Mancino**	Vice President-Installation	None
Joanna Morris*	Vice President-Sales	None
Scott Zeleznyk*	Vice President-Sales	None

Alana Zion* Vice President-Sales None

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* The address of the offices so indicated is 200 Park Avenue, New York, New York 10166.

** The address of the offices so indicated is 144 Glenn Curtiss Boulevard, Uniondale, New York 11556-0144.

*** The address of the offices so indicated is 580 California Street, San Francisco, California 94104.

**** The address of the offices so indicated is 3384 Peachtree Road, Suite 100, Atlanta, Georgia 30326-1106.

***** The address of the offices so indicated is 190 South LaSalle Street, Suite 2850, Chicago, Illinois 60603.

\+ The address of the offices so indicated is P.O. Box 1657, Duxbury, Massachusetts 02331.

++ The address of the offices so indicated is 800 West Sixth Street, Suite 1000, Los Angeles, California 90017.

+++ The address of the offices so indicated is 11 Berwick Lane, Edgewood, Rhode Island 02905.

++++ The address of the offices so indicated is 1700 Lincoln Street, Suite 3940, Denver, Colorado 80203.

+++++ The address of the offices so indicated is 6767 Forest Hill Avenue, Richmond, Virginia 23225.

++++++ The address of the offices so indicated is 2117 Diamond Street, San Diego, California 92109.

+++++++ The address of the offices so indicated is P.O. Box 757, Holliston, Massachusetts 01746.

Item 30. Location of Accounts and Records

1. The Shareholder Services Group, Inc.,
a subsidiary of First Data
Corporation
P.O. Box 9671
Providence, Rhode Island 02940-9671

2. The Bank of New York
110 Washington Street
New York, New York 10286

3. The Dreyfus Corporation
200 Park Avenue
New York, New York 10166

Item 31. Management Services

Not Applicable

Item 32. Undertakings

Registrant hereby undertakes

(1) to call a meeting of shareholders for the purpose of voting upon the question of removal of a trustee or trustees when requested in writing to do so by the holders of at least 10% of the Registrant's outstanding shares of beneficial interest and in connection with such meeting to comply with the provisions of Section 16(c) of the Investment Company Act of 1940 relating to shareholder communications.

(2) to furnish each person to whom a prospectus is delivered with a copy of its latest annual report to shareholders, upon request and without charge, beginning with the annual report to shareholders for the fiscal year ending

January 31, 1994.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant has duly caused this Amendment to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, and State of New York on the 30th day of December, 1993.

FIRST PRAIRIE U.S. GOVERNMENT
INCOME FUND

BY: /s/Joseph S. DiMartino
JOSEPH S. DIMARTINO, PRESIDENT

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, this Amendment to the Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Signatures	Title	Date
s/Joseph S. DiMartino* Joseph S. DiMartino	President (Principal Executive Officer) and Trustee	12/30/93
/s/Jeffrey Nachman* Jeffrey Nachman	Vice P President and Treasurer (Principal Financial Officer)	12/30/93
/s/Jean Farley* Jean Farley	Controller (Principal Accounting Officer)	12/30/93
/s/John P. Gould* John P. Gould	Trustee	12/30/93
/s/Raymond D. Oddi* Raymond D. Oddi	Trustee	12/30/93

*BY: /s/ Robert I. Frenkel
Robert I. Frenkel
Attorney-in-Fact