

SECURITIES AND EXCHANGE COMMISSION

FORM 497

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FILER

KEMPER ADJUSTABLE RATE U S GOVERNMENT FUND

CIK: **814955** | IRS No.: **363528556** | State of Incorporation: **MA** | Fiscal Year End: **0831**
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KEMPER INCOME FUNDS

Kemper High Yield Fund
Kemper High Yield
Opportunity Fund
Kemper Income And Capital
Preservation Fund
Kemper Short-Term U.S.
Government Fund
Kemper Strategic Income Fund
Kemper U.S. Government
Securities Fund
Kemper U.S. Mortgage Fund
SUPPLEMENT TO PROSPECTUS
DATED JANUARY 1, 1999,
AS REVISED FEBRUARY 8, 1999

KEMPER TAX-FREE INCOME FUNDS

Kemper Municipal Bond Fund
Kemper Intermediate
Municipal Bond Fund
Kemper California Tax-Free
Income Fund
Kemper Florida Tax-Free
Income Fund
Kemper New York Tax-Free
Income Fund
Kemper Ohio Tax-Free Income
Fund
SUPPLEMENT TO PROSPECTUS
DATED JANUARY 1, 1999

KEMPER INCOME FUNDS

Kemper Adjustable Rate
U.S. Government Fund*
Kemper Short-Intermediate
Government Fund
Kemper Diversified Income
Fund**
Kemper U.S. Government
Securities Fund
Kemper High Yield Fund
Kemper High Yield
Opportunity Fund
Kemper Income And Capital
Preservation Fund
Kemper U.S. Mortgage Fund
SUPPLEMENT TO PROSPECTUS
DATED JANUARY 1, 1999

KEMPER INCOME FUNDS

Kemper High Yield Fund II
SUPPLEMENT TO PROSPECTUS
DATED NOVEMBER 30, 1998

* On February 5, 1999, Kemper Short-Intermediate Government Fund was reorganized into Kemper Adjustable Rate U.S. Government Fund. Kemper Adjustable Rate U.S. Government Fund was then renamed Kemper Short-Term U.S. Government Fund, and its objective and policies were changed accordingly.

** Currently known as Kemper Strategic Income Fund

The following disclosure supplements the disclosure in the "Special Features -- Exchange Privilege -- General" section of the prospectus for all funds:

Effective June 1, 1999, in addition to the current limits on exchanges of shares with a value over \$1,000,000, shares of a Kemper Fund with a value of \$1,000,000

or less (except Kemper Cash Reserves Fund) acquired by exchange from another Kemper Fund, or from a Money Market Fund, may

March 29, 1999

not be exchanged thereafter until they have been owned for 15 days if, in the investment manager's judgement, the exchange activity may have an adverse effect on the fund. In particular, a pattern of exchanges that coincides with a "market timing" strategy may be disruptive to the Fund and therefore may be subject to the 15-Day Hold Policy.

For Kemper Income And Capital Preservation Fund, the following disclosure replaces the relevant paragraph in the "Principal strategies and investments" section on page 36 of the prospectus dated January 1, 1999:

While the fund has the ability to invest up to 20% of its assets in high yield securities, the fund normally invests predominantly in corporate debt securities which are rated in the four highest grades by a nationally recognized statistical rating service such as Standard and Poor's Corporation or Moody's Investors Service, Inc. and Mortgage Backed Securities.

For Kemper Income And Capital Preservation Fund, the following disclosure supplements the "Additional information about principal risks" section on page 36 of the prospectus dated January 1, 1999:

High Yield Fixed Income Securities. Investments in high yield fixed-income securities (often referred to as "junk bonds") are more likely to be affected by negative developments relating to their issuer or industry, and entail relatively greater risk of loss of income and principal than investments in higher rated securities. Market prices of high yield securities may fluctuate more than market prices of higher rated securities.