

# SECURITIES AND EXCHANGE COMMISSION

## FORM 497

Definitive materials filed under paragraph (a), (b), (c), (d), (e) or (f) of Securities Act Rule 497

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### FILER

#### KEMPER PORTFOLIOS

CIK: **701638** | IRS No.: **363534358** | State of Incorporation: **MA** | Fiscal Year End: **0731**  
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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  
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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  
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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  
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KEMPER INCOME FUNDS

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