

Baby Boom Economy PortfoliosSM

*Capitalize on the potential of
demographic trends, innovative technology
and progressing globalization...*



At Defined Asset Funds®, we believe that the market trends created by the Baby Boomers and their influence on technology and globalization, will continue at an accelerating pace — well into the twenty-first century. We have designed an investment that capitalizes on these opportunities...

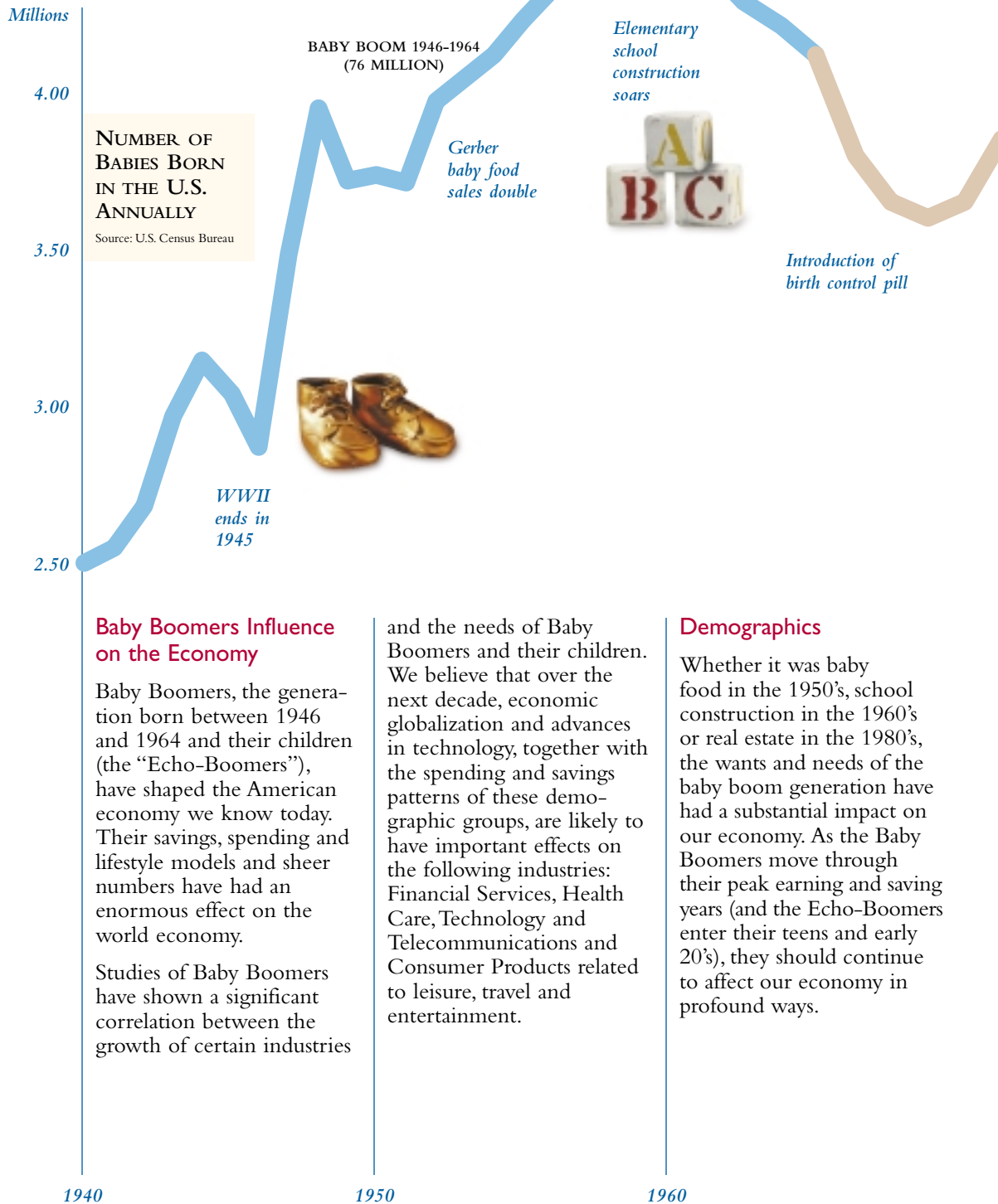
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The baby boom has been one of the most significant social and economic phenomena of the twentieth century.

This demographic group has set popular trends, shaped new ideas and driven economies — creating market trends and investment opportunities for people of all generations around the world. Beyond demographics, there are two major economic forces that we think will influence the economy over the next decade.

■ *The technology revolution is clearly in progress with great force; many believe it is still in its infancy.*

■ *Global economic integration, or “globalization,” has been under way for several decades.*



Baby Boomers Influence on the Economy

Baby Boomers, the generation born between 1946 and 1964 and their children (the “Echo-Boomers”), have shaped the American economy we know today. Their savings, spending and lifestyle models and sheer numbers have had an enormous effect on the world economy.

Studies of Baby Boomers have shown a significant correlation between the growth of certain industries

and the needs of Baby Boomers and their children. We believe that over the next decade, economic globalization and advances in technology, together with the spending and savings patterns of these demographic groups, are likely to have important effects on the following industries: Financial Services, Health Care, Technology and Telecommunications and Consumer Products related to leisure, travel and entertainment.

Demographics

Whether it was baby food in the 1950’s, school construction in the 1960’s or real estate in the 1980’s, the wants and needs of the baby boom generation have had a substantial impact on our economy. As the Baby Boomers move through their peak earning and saving years (and the Echo-Boomers enter their teens and early 20’s), they should continue to affect our economy in profound ways.

Defined Asset Funds — Our Philosophy

At Defined Asset Funds, we believe that knowledge and discipline are essential to sound investment planning. For this reason, our unit investment trusts provide the information to help you invest appropriately, and the discipline to help you stay on course.

We've found that diversity and drive can be key to uncovering compelling investments. To this end, our experienced team of research analysts and securities traders searches Wall Street and beyond, creating portfolios for strong potential. Our equity funds seek to capitalize on vibrant economic sectors, innovative quantitative strategies and thorough fundamental analysis. Our fixed-income funds offer the regular income and stability to help balance and diversify your investment assets.

At Defined Asset Funds, we set the foundation for each of our portfolios in this way, because we have a very important goal in mind — yours.



Technology

The digital communications revolution, still in its infancy, is taking hold with new technologies penetrating the market faster than ever before. The rapid evolution of wireless communications, broadband and e-commerce technologies has led to increased spending for products and services worldwide, and we believe the prospects for this sector will remain strong.

Globalization

Emerging markets continue to rebound from downturns in the late 1990's, and we expect the global economy to continue its growth while inflation remains low — creating a broad array of investment opportunities. Trade barriers are coming down around the world, giving investors access to previously restricted markets. We believe that foreign markets overall will continue to perform well through 2000.

The Portfolios

Our two Baby Boom Economy Portfolios seek total return through capital appreciation, or a mixture of capital appreciation and current income. The Growth Portfolio invests in 75 common stocks and the Growth and Income Portfolio invests in 75 common stocks and a measure of bonds for about one year. At that time, you can choose to either redeem your investment, or roll your proceeds into the next Portfolio, if available, at a reduced sales charge.

Our Portfolio Consultants

Wall Street veterans William Sterling and Stephen Waite, authors of the book "Boomer-nomics," are authorities on the trends of baby boomers. Sterling and Waite, together with their team of financial professionals, selected securities for these Portfolios, which they believe are likely to benefit from future baby boomer trends.

THE STOCKS SELECTED FOR THE PORTFOLIOS

| Company | Country |
|--|----------------------|
| Advertising | |
| Omnicom Group, Inc. Omnicom is the world's largest advertising and marketing services company. This holding company owns three of the top ten global advertising agencies. | United States |
| Communications | |
| Charter Communications, Inc.* This cable television systems operator offers traditional and digital cable services to customers in the U.S. | United States |
| Consumer Products | |
| Best Buy Company, Inc.* Operating throughout the U.S., Best Buy is a retailer of consumer electronics, home office equipment, entertainment software and appliances. | United States |
| The Home Depot, Inc. Operating in North and South America, Home Depot sells building materials and home improvement products. | United States |
| Lowe's Companies, Inc. Lowe's Companies distributes lumber, home decorations, lights, kitchen and bath items. | United States |
| Nintendo Company Ltd.† This company manufactures and markets home-use games and software including Game Boy. Its Super Nintendo and Nintendo Entertainment Systems connect to televisions for home video game play. | Japan |
| SONY Corporation† SONY develops and manufactures consumer and industrial electronic equipment. | Japan |
| Wal-Mart Stores, Inc. Operating discount stores and Supercenters as well as Sam's Clubs, Wal-Mart offers merchandise in the U.S., Canada, Argentina, Brazil, Germany, Mexico and Puerto Rico. | United States |
| Diversified Operations | |
| General Electric Company General Electric develops, manufactures and markets products for the generation, distribution and utilization of electricity. Through General Electric Capital Services, it offers a variety of financial services. It also owns the National Broadcasting Company (NBC). | United States |
| Energy | |
| Ballard Power Systems, Inc.*† This company develops, manufactures and markets zero-emission proton exchange membrane (PEM) fuel cells for use in transportation, electricity generation and portable products. | Canada |
| Capstone Turbine Corporation* This company designs, assembles and sells Capstone™ MicroTurbines for the hybrid electric vehicle and distributed power generation markets worldwide. | United States |
| Enron Corporation This company delivers both physical commodities and financial and risk management services to customers. Enron produces electricity and natural gas and develops, constructs and operates energy facilities worldwide. | United States |
| FuelCell Energy, Inc.* FuelCell Energy develops and commercializes fuel cell power plants for electric power generation and has contracts to develop its fuel cells for alternative fuels and marine transportation applications. | United States |
| Financial Services | |
| American International Group, Inc. Through its subsidiaries, American International Group writes property/casualty and life insurance and provides financial services throughout the world. | United States |
| Axa† Axa provides insurance, reinsurance, financial and real estate services in Europe, Asia, Africa and North America. | France |
| The Bank of New York Company, Inc. Bank of New York, through its subsidiaries, provides a wide range of banking and financial services to corporations and individuals throughout the world. | United States |
| The Charles Schwab Corporation This company provides financial services to individual investors, independent investment managers, retirement plans and institutions through the Internet, branch offices and multilingual technologies. | United States |
| The Chase Manhattan Corporation This bank holding company conducts domestic and international financial services through various bank and non-bank subsidiaries. | United States |

| Company | Country |
|---|-----------------------|
| The Goldman Sachs Group, Inc. This global firm specializes in investment banking, trading and principal investments, asset management and securities services for corporations, financial institutions, governments and high-net worth individuals. | United States |
| ING Groep N.V.† Offering financial services to individuals, corporations and other institutions worldwide, this company's services include commercial, savings and investment banking. | Netherlands |
| Julius Baer Holding Ltd.† This parent company of Julius Baer Group provides private banking, institutional asset management, mutual funds, trading, brokerage and corporate finance internationally. | Switzerland |
| Northern Trust Corporation This holding company for Northern Trust Company attracts deposits and offers commercial and residential real estate, consumer and leasing loans. | United States |
| Skandia Forsakrings AB† Skandia Forsakrings offers financial services and insurance and provides long-term savings vehicles, life and property/casualty insurance and loan and advisory services. | Sweden |
| Svenska Handelsbanken AB† Providing services for corporate and private customers, this bank has 500 branches in Sweden. It is active elsewhere in Scandinavia, Europe, Asia, Australia and the U.S. | Sweden |
| Medical | |
| Abgenix, Inc.* This biopharmaceutical company develops antibody therapeutic products for the treatment of transplant-related diseases, inflammatory and autoimmune disorders and cancer. | United States |
| American Home Products Corporation American Home Products discovers, develops, manufactures, distributes and sells branded and generic ethical pharmaceuticals, biologicals, nutritionals and crop and pest control products. | United States |
| Bristol-Myers Squibb Company This world-wide health and personal care company's products include consumer medicines, orthopedic devices, ostomy care, wound management, nutritional supplements, infant formulas and hair and skin products. | United States |
| Chiron Corporation* Chiron's products include <i>Proleukin</i> , which is marketed as a treatment for metastatic renal cell carcinoma and metastatic melanoma. Other products treat cardiovascular and infectious diseases. | United States |
| CuraGen Corporation* CuraGen's fully-integrated genomics technologies, processes and information systems generate information about gene expression, biological pathways and the potential drugs that affect these pathways. | United States |
| Eli Lilly and Company This company discovers, develops, manufactures and sells pharmaceutical products such as <i>Prozac</i> and <i>Darvon</i> , anti-infectives such as <i>Ceclor</i> , cardiovascular agents, oncology and animal health products around the world. | United States |
| Genentech, Inc.* Genentech markets biotechnology products in the U.S., and is involved in the discovery, development, manufacturing and marketing of human pharmaceuticals. | United States |
| Glaxo Wellcome PLC† Glaxo Wellcome researches, develops, manufactures and markets pharmaceuticals worldwide. | United Kingdom |
| Human Genome Sciences, Inc.* This company's products predict, prevent, detect, treat and cure diseases based on the discovery of human and microbial genes. | United States |
| ImClone Systems, Inc.* This biopharmaceutical company develops international therapeutics, cancer vaccines and blood cell growth factors for the treatment of cancer and related disorders. | United States |
| Immunex Corporation* Immunex's products are used to treat human diseases, including cancer, infectious diseases and immunological disorders. Its products are sold worldwide. | United States |
| Johnson & Johnson Manufacturing health-care products sold worldwide, Johnson & Johnson's principal consumer products include BAND-AID adhesive bandages, TYLENOL acetaminophen products, JOHNSON'S baby products and STAYFREE sanitary products. | United States |

THE STOCKS SELECTED FOR THE PORTFOLIOS

| Company | Country |
|---|-----------------------|
| MedImmune, Inc.* This company develops and markets products for infectious diseases, transplantation medicine, autoimmune diseases and cancer. | United States |
| Millennium Pharmaceuticals, Inc.* Millennium Pharmaceuticals is a drug discovery and development company that incorporates large-scale genetics, genomics, high throughput screening and informatics in an integrated life science and technology platform. | United States |
| Novartis AG† Novartis produces treatments for hypertension, fungal infections, skin conditions, arthritis, cancer, cardiovascular diseases, arteriosclerosis and other conditions, as well as crop protection, animal health products, baby food and clinical nutrition products. | Switzerland |
| Pfizer, Inc. This research-based global pharmaceutical company discovers, develops, manufactures and markets medicines for humans and animals. | United States |
| Pharmacia Corporation Pharmacia researches, manufactures and sells pharmaceuticals worldwide. | United States |
| Phonak Holding AG† This company designs and produces wireless analog and digital in-the-ear and behind-the ear hearing aids and miniaturized voice communication systems worldwide. | Switzerland |
| Roche Holding AG† Roche Holding, through its subsidiaries, develops pharmaceuticals, drugs, fine chemicals, vitamins, fragrances, flavors and diagnostic equipment. Its products are distributed throughout Europe, the U.S., Asia and Latin America. | Switzerland |
| Schering-Plough Corporation This world-wide pharmaceutical company's core product groups include allergy/respiratory, anti-infective/anticancer, dermatologicals, cardiovasculars and an animal health business. | United States |
| Sepracor, Inc.* Sepracor develops and commercializes potentially improved versions of widely prescribed drugs. Its ICE pharmaceuticals are being developed as proprietary versions of these drugs. | United States |
| SmithKline Beecham PLC† This company discovers, develops, manufactures and markets pharmaceuticals, vaccines, over-the-counter medicines and health-related consumer products worldwide. | United Kingdom |
| Sonic Innovations, Inc.* This company designs, manufactures and markets digital hearing aids and developed a patented digital signal process for small chips installed in hearing aids. | United States |
| MultiMedia | |
| Viacom Inc. – Class B* Viacom, a world-wide entertainment and publishing company, merged with CBS Corporation. The company's operations include Blockbuster Video, MTV Networks, Showtime Networks, Paramount Pictures, Paramount Television, Simon & Schuster Publishers and television stations in various countries. | United States |
| Technology | |
| America Online, Inc.* This company provides interactive communications and services through its world-wide Internet online services. | United States |
| Apple Computer, Inc.* Apple designs, manufactures and markets personal computers and related communicating solutions. Its products include the Apple Macintosh line of computers and related software and peripherals. | United States |
| ARM Holdings PLC*† ARM Holdings licenses and sells its technology and products to international electronics companies, which in turn manufacture, market and sell micro-processors and application specific integrated circuits and related products. | United Kingdom |
| Broadcom Corporation* This company's integrated silicon solutions enable broadband digital data transmission of voice, data and video contents to homes and businesses. | United States |
| Brocade Communications Systems, Inc.* This company enables customers to manage growth of their data storage requirements, improve their data transfer performance and increase the size of their storage area networks. | United States |
| Cisco Systems, Inc.* Cisco Systems products include routers, LAN switches, frame relay/ATM and remote access concentrators, which are used by utilities, corporations, universities, governments and small- to medium-size businesses worldwide. | United States |

| Company | Country |
|---|-----------------------|
| Dell Computer Corporation* This company's systems include desktop and notebook computers, workstations, network server and storage products. | United States |
| EMC Corporation* EMC's products store, retrieve, manage, protect and share information from all major computing environments and are used around the world. | United States |
| Intel Corporation Intel's major products include microprocessors, graphics, network and communications products, systems management software, conferencing and digital imaging products. | United States |
| JDS Uniphase Corporation* This company's products include semiconductor lasers, high-speed external modulators and transmitters. | United States |
| Juniper Networks, Inc.* This company provides Internet infrastructure solutions for Internet service providers and other telecommunications service providers. | United States |
| KEYENCE Corporation† This company develops, manufactures and sells factory automation sensors, optical electronic equipment and high technology hobby products. | Japan |
| Microsoft Corporation* Microsoft develops, manufactures, licenses, sells and supports software products. It also develops the MSN network of Internet products and services. | United States |
| Network Appliance, Inc.* Providing network storage and data access solutions, this company's network file servers and Web caching solutions deliver fast access. | United States |
| PMC-Sierra, Inc.* PMC-Sierra designs, develops, markets and supports semiconductor-networking solutions. Its products are used in high-speed transmission and networking systems. | United States |
| VERITAS Software Corporation* With over 60 of the world's leading services and operating systems integrating its software, VERITAS Software is a leading enterprise-class application storage management software provider. | United States |
| Xilinx, Inc.* This company designs, develops and markets complete programmable logic solutions, including advanced integrated circuits, software design tools and field engineering support. | United States |
| Telecommunications / Equipment | |
| COLT Telecom Group PLC*† COLT Telecom Group provides local telecommunications services in various locations throughout Germany, Switzerland, Amsterdam, France and the U.K. | United Kingdom |
| NTT Data Corporation† This company provides a variety of data communications and system development services to enterprises, private sectors and government entities. | Japan |
| NTT DoCoMo, Inc.† NTT DoCoMo provides various types of telecommunications services including cellular phones, paging and satellite mobile communications. | Japan |
| Nokia Oyj† Nokia develops and manufactures mobile phones, networks and systems for cellular and fixed networks worldwide. | Finland |
| Nortel Networks Corporation† Providing telephony, data, wireless and wireline products and services for the Internet, Nortel Networks serves customers worldwide. | Canada |
| Sonera Oyj† Sonera offers telecommunications services including fixed line and mobile telephone, data communications and networked multimedia services. | Finland |
| Sycamore Networks, Inc.* Sycamore Networks develops and markets software-based optical networking products for its telephone carrier and Internet service provider customers. | United States |
| Telefonaktiebolaget LM Ericsson AB† This company develops and produces advanced systems and products for wired and mobile communications worldwide. | Sweden |
| Vodafone Group PLC† This company provides mobile services throughout the world. | United Kingdom |
| WorldCom, Inc.* This company provides a broad range of communications, outsourcing and managed network services worldwide. | United States |

* This stock currently does not pay dividends.

† This issuer is a foreign corporation; dividends, if any, may be subject to withholding taxes.

QUANTITATIVE RESEARCH & INDEX

- Institutional Holdings Portfolio
- S&P Market Cap Plus Portfolio
- S&P 500 Trust
- S&P MidCap Trust
- Select S&P Industrial Portfolio
- Select Growth Portfolio
- Select Large-Cap Growth Portfolio
- Select Ten Portfolio (DJIA)
- Standard & Poor's Industry Turnaround Portfolio
- Standard & Poor's Intrinsic Value Portfolio
- United Kingdom Portfolio (Financial Times Index)

SECTOR

- Biotechnology Portfolio
- Broadband Portfolio
- Energy Portfolio
- Financial Services Portfolio
- Health Care Trust
- Internet Portfolio
- Media Portfolio
- Real Estate Income Fund
- Tele-Global Trust
- Utility Portfolio

FUNDAMENTAL RESEARCH

- Baby Boom Economy PortfoliosSM
- Earnings Growth Consistency Portfolio
- European Growth Portfolio
- Premier American Portfolio
- Premier World Portfolio
- Western Premier Portfolio

FIXED INCOME

- Corporate Funds
- Government Funds
- Municipal Funds

Defining Your Risks

Please keep in mind the following factors when considering these investments. Your financial professional will be happy to answer any questions you may have.

- There can be no assurance that either Portfolio will meet its objective. These Portfolios are designed for investors who can assume the risks associated with equity investments, and may not be appropriate for investors seeking capital preservation or current income.
- The value of your investment will fluctuate with the prices of the underlying stocks. Stock prices can be volatile. Interest rate increases could also adversely affect the value of these Portfolios.
- A substantial portion of the stocks in each Portfolio are of foreign issuers and can involve special risks including higher price volatility and currency fluctuations.
- These Portfolios are concentrated in stocks in the technology sector, which may involve special risks.

Tax Efficiency

By holding these Funds for more than one year, individuals may be eligible for favorable federal tax rates on net long-term capital gains (currently no more than 20%). Your taxable income is expected to include foreign withholding taxes. However, subject to limitations on the Growth Portfolio, you may be able to credit these taxes against your U.S. federal income taxes. Generally dividends and any net capital gains will be subject to tax each year, whether or not reinvested. However, on rollovers to future Growth Portfolios (not on Growth & Income Portfolio), if available, investors may defer recognition of gains and losses on stocks that are transferred to the new Portfolio. Please consult your tax advisor concerning state and local taxation.

Capitalize on Baby Boom Trends Today!

You can get started in either Baby Boom Economy Portfolio with \$250. Call your financial professional to learn how the Baby Boom Economy Portfolios may help to meet your personal investment goals and how they may be appropriate for your IRA account. You may request a free prospectus on either Portfolio, containing more complete information, including sales charges, expenses and risks. You may also download a prospectus from our Web site address listed above. *Please read it carefully before you invest or send money.*

The information in this brochure is not complete and may be changed. We may not sell the securities of the next Portfolio until the registration statement filed with the Securities and Exchange Commission is effective. This brochure is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where their offer or sale is not permitted.

Defining Your Costs

You will pay an initial sales charge of about 1% the first time you buy. In addition, you'll pay a deferred sales charge of \$15.00 per 1,000 units, about 1.50%.

| | As a % of Public Offering Price | Amount Per 1,000 Units |
|---|----------------------------------|---|
| Initial Sales Charge | 1.00% | \$10.00 |
| Deferred Sales Charge | 1.50% | \$15.00 |
| <i>Maximum Sales Charge</i> | 2.50% | \$25.00 |
| Creation and Development Fee (as a % of net assets) | 0.250% | \$2.48 |
| | Estimated Annual Expenses | Estimated Organization Costs Per 1,000 Units |
| Growth Portfolio | \$4.12 | \$0.88 |
| Growth and Income Portfolio | \$4.03 | \$0.97 |

You can exchange between the two Baby Boom Economy Portfolios at any time during the year with no additional sales charge. If you sell your units before termination, the remaining balance of your deferred sales charge will be deducted, along with the estimated costs of selling Portfolio securities, from the proceeds you receive. If you roll over to a successor Portfolio, if available, the initial sales charge will be waived. You will only pay the deferred sales charge.

Volume Purchase Discounts

For larger purchases, the overall sales charges are reduced to put more of your investment dollars to work for you.

| If You Invest: | Your Maximum Sales Charge (as a % of your investment) Will Be: |
|------------------------|--|
| Less than \$50,000 | 2.50% |
| \$50,000 to \$99,999 | 2.25 |
| \$100,000 to \$249,999 | 1.75 |
| \$250,000 to \$999,999 | 1.50 |
| \$1,000,000 or more | 0.75 |

