

New Alternatives Fund, Inc.

Statement of Additional Information

April 30, 2009

New Alternatives Fund, Inc.
150 Broadhollow Road, Suite PH2
Melville, New York 11747
(631) 423-7373 or (800) 423-8383

This Statement of Additional Information (“SAI”) is not a prospectus and it should be read in conjunction with the Prospectus of New Alternatives Fund, Inc. (the “Fund”) dated April 30, 2009. A copy of the Prospectus may be obtained at no charge by writing to the Fund at the address above, by calling toll-free (800) 423-8383 or by visiting www.newalternativesfund.com. The Fund’s most recent Annual Report to Shareholders for the fiscal year ended December 31, 2008, including the report of the Independent Registered Certified Public Accounting Firm is incorporated by reference into this SAI. Copies of the Fund’s Annual and Semi-Annual Reports to Shareholders are available upon request by calling (800) 423-8383, by writing to the Fund at the address above, or by visiting www.newalternativesfund.com.

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HISTORY OF THE FUND

The Certificate of Incorporation of the Fund was filed in New York on January 17, 1978. The Fund was an inactive corporation until it commenced its activities as a mutual fund on September 3, 1982. The original name of the corporation was The Solar Fund, Inc. The Fund changed to its present name on August 6, 1982.

DESCRIPTION OF THE FUND AND ITS INVESTMENTS AND RISKS

Classification

The Fund is an open-end management investment company or mutual fund. The Fund is diversified which means that, with respect to 75% of its total assets, the Fund will not invest more than 5% of its assets in the securities of any single issuer nor will it own more than 10% of the outstanding voting securities of any one issuer. The Fund has a special interest in Alternative Energy and concentrates at least 25% of its total assets in common shares of companies which have an interest in alternative energy.

Investment Objectives and Risks

The Fund seeks long-term capital appreciation by investing in common stocks in a wide range of industries that are oriented to a clean and sustainable environment with a special interest in Alternative Energy.

Equity Securities. The Fund will invest in equity securities. Equity securities represent an ownership position in a company. Equity securities are subject to the risks that stock prices both individually and market-wide will fall over short or extended periods of time, and prices of the Fund's equity securities may fluctuate from day-to-day.

Small-Cap Equity Securities. The Fund may invest in stocks of smaller companies. Investing in smaller capitalization stocks can involve greater risk than is customarily associated with investing in stocks of larger, more established companies. Securities of smaller companies may be thinly traded (and therefore have to be sold at a discount from current prices or sold in small lots over an extended period of time), may be followed by fewer investment research analysts and may be subject to wider fluctuations in price thus creating a greater chance of loss than securities of larger capitalization companies.

Fund Policies and Investment Restrictions

Concentration. The Fund has a special interest in Alternative Energy and concentrates at least 25% of its total assets in common shares of companies which have an interest in alternative energy. Alternative energy may be defined differently by various authorities but the Fund's definition is disclosed in the Prospectus.

Investment Restrictions. The following investment restrictions are deemed to be fundamental policies of the Fund. As such, the following restrictions may not be changed without the affirmative vote of a majority of the Fund's outstanding voting securities, as defined in the Investment Company Act of 1940, as amended (the "1940 Act"). Under the 1940 Act, the vote of the holders of a "majority" of a fund's outstanding voting securities means the vote, at the annual or a special meeting, of the holders of the lesser of (a) 67% of the shares of the fund represented at a meeting at which the holders of more than 50% of its outstanding shares are represented, or (b) more than 50% of the outstanding shares.

Except as noted, the Fund may not:

1. Borrow money, except from banks for temporary or emergency purposes in an amount not in excess of five percent (5%) of the market value of its total assets (not including the amount borrowed). The Fund will not invest in portfolio securities while outstanding borrowing exceeds five percent (5%) of the market value of its assets. The Fund does not seek to borrow at all.
2. Purchase on margin or sell short or write or purchase put call or call options.
3. Pledge any of its assets except that up to ten percent (10%) of the market value of its total assets may be pledged in borrowing permitted by (1) above. The Fund does not seek to pledge any of its assets.
4. Lend any of its assets other than through the purchase of a portion of publicly distributed notes, bonds, negotiable certificates of deposit or other debt securities.

5. Underwrite or participate in any underwriting of securities, except to the extent that, in connection with the disposition of portfolio investments, the Fund may be deemed to be an underwriter under the federal securities law.
6. Buy more than ten percent (10%) of the outstanding voting securities of any one issuer.
7. Buy securities of any company (including its predecessors or controlling persons) that has not been in the business for at least three continuous years if such investment at the time of purchase would cause more than ten percent (10%) of the total assets of the Fund (at market value) to be invested in securities of such companies.
8. With respect to seventy-five percent (75%) of its assets (at market value), invest more than five percent (5%) of such assets in securities of any one issuer, other than the U.S. Government, its agencies or instrumentalities.
9. Buy or hold securities of any issuer if, to the knowledge of the Fund, any Officer, Director or ten percent (10%) shareowner of the Advisor owns individually one-half (1/2) of one percent (1%) of a class of securities of such issuer and such persons owning one-half (1/2) of one percent (1%) of such class together own beneficially more than five percent (5%) of such securities.
10. Purchase securities of any other investment company, except as part of a merger, consolidation or other reorganization.
11. Participate, on a joint or joint and several basis, in any trading account in securities.
12. Buy or sell any real estate, real estate mortgages, commodities or commodity contract.
13. Issue senior securities.
14. Invest more than ten percent (10%) of its total assets (at market value) in securities the disposition of which would be subject to legal restriction or securities for which there are no readily available market quotations. The Fund does not seek to invest in any restricted securities or securities for which there are not readily available market quotations.
15. Will not engage in arbitrage or trade for the control or management of another company.
16. Invest more than twenty-five percent (25%) of the Fund's assets in any single industry; excepting the solar and alternative energy industries as described in the "Fund Definition of Alternative Energy" and "Alternative Energy: The Area of Special Interest" sections of the Prospectus in which the Fund will invest more than twenty-five percent (25%) of its assets, except during defensive periods.

When computing compliance with the percentage restrictions recited in items (2) through (16), changes in the values of the Fund's assets due to market action, which cause such value to be in excess of percentage limitations stated above, will not be considered violations of these restrictions.

Temporary Defensive Position. For temporary defensive purposes - which may include a lack of adequate purchase candidates or an unfavorable market environment - the Fund may invest up to 100% of its assets in cash or cash equivalents. Cash equivalents include instruments such as U.S. Government and agency obligations, certificates of deposit and time deposits. The Fund generally invests in U.S. Treasury Bills and certificates of deposit of socially-concerned, federally insured banks that are committed to serving community needs. When the Fund takes a temporary defensive position, the Fund may not achieve its investment objective.

Portfolio Turnover. There was no significant variation in the portfolio turnover rate during the past two years. Portfolio turnover was 25.67% and 14.24% for fiscal years ended 2008 and 2007, respectively.

Disclosure of Portfolio Holdings. The Fund's policies and procedures with respect to disclosure of the Fund's portfolio:

The Advisor is always aware of the Fund's portfolio holdings as well as those who provide the Fund's custodian and accounting/pricing services. The brokers the Fund uses to execute purchases or sales of portfolio holdings are aware of the trades they execute and are aware of many of the companies the Fund follows and in which the portfolio managers are interested. Each of the outside entities and their personnel are required and expected to keep knowledge of the Fund's holdings confidential. The Fund's Independent Directors are not informed of daily portfolio transactions.

The Fund prepares a list of its holdings shortly after the end of each quarter. This quarterly list of portfolio holdings is made available to shareholders or prospective investors and to entities which report on fund holdings such as Morningstar and Lipper Analytical. To the extent convenient, based on the time and cost, the quarterly list of holdings is placed on the Fund's website. The Fund's portfolio holdings are also included in the Fund's annual and semi-annual financial reports which are filed with the Securities and Exchange Commission ("SEC") on Form N-CSR within 60 days after December 31 and June 30, as well as on Form N-Q which is filed with the SEC within 60 days after the first and third fiscal quarters. There are no arrangements to provide portfolio holdings to anyone for compensation or other

consideration.

The Fund and Advisor's staff is very small. The listing of the portfolio holdings is available first to the Advisor's staff and Chief Compliance Officer. The authority to establish policies with respect to disclosure of Fund holdings resides with the Fund's Board of Directors. The Fund's code of ethics addresses potential conflicts of interest between the Fund and the staff of its Advisor.

Website. The Fund may periodically disclose its holdings on its website: <http://www.newalternativesfund.com>.

MANAGEMENT OF THE FUND

Directors and Officers

The business and affairs of the Fund are under the direction of the Board of Directors. Information pertaining to the Directors and Officers of the Fund is provided in the table below. The Interested Directors serve without direct compensation from the Fund. The President, Vice President, Secretary and Treasurer serve without direct compensation from the Fund. The mailing address for the Directors and Officers of the Fund is c/o New Alternatives Fund, Inc., 150 Broadhollow Road, Suite PH2, Melville, New York 11747.

<u>Name, Address and Birth Date</u>	<u>Position(s) Held with the Fund</u>	<u>Term of Office and Length of Time Served¹</u>	<u>Principal Occupation(s) During the Past Five Years</u>	<u>Number of Portfolios in Fund Complex To Be Overseen by Director²</u>	<u>Other Directorships Held by Director³</u>
Interested Directors					
Maurice L. Schoenwald* DOB: 3/30/1920	Founder, Director, Vice President and Secretary	1982 to present	Founder, Secretary and Vice President, Accrued Equities, Inc.**; Formerly, Chairperson of the Board of the Fund (1982-2008).	1	None
David J. Schoenwald* DOB: 9/2/1949	Founder, Director, President, Treasurer and Chairperson of the Board	1982 to present; Chairperson of the Board 2008 to present	President, Accrued Equities, Inc.**	1	None
Murray D. Rosenblith* DOB: 3/6/1951	Director	2003 to present	Administrator, Accrued Equities, Inc. (2008 to present); Formerly, Executive Director, A.J. Muste Memorial Institute, an organization concerned with exploration of the link between non-violence and social change (1985 to 2008).	1	None

<u>Name, Address and Birth Date</u>	<u>Position(s) Held with the Fund</u>	<u>Term of Office and Length of Time Served</u> ¹	<u>Principal Occupation(s) During the Past Five Years</u>	<u>Number of Portfolios in Fund Complex To Be Overseen by Director</u> ²	<u>Other Directorships Held by Director</u> ³
Independent Directors					
Sharon Reier DOB: 11/21/1946	Director and Vice-Chairperson of the Board	Director 1982 to present; Vice-Chairperson 2008 to present	Financial journalist, International Herald Tribune since 1995; former contributor to Business Week International; former regional editor, Financial World; former editor, Boardroom Reports; former contributing editor, Institutional Investor; former staff, Forbes and American Banker.	1	None
Preston V. Pumphrey DOB: 2/25/1935	Director and Audit Committee Chairperson	2003 to present	Registered Principal, C.E. Gaye & Sons Securities, Ltd. (July 2008 to present); FINRA Dispute Resolution Board of Arbitrators (June 2002 to present); Formerly, Adjunct Professor of Finance, C.W. Post College.	1	None
Susan Hickey DOB: 4/4/1952	Director and Audit Committee Member	2005 to present	Accounting Software Developer, Accountants World (formerly Micro Vision Software, Inc.); Former IRS Tax Return Auditor; BA International Affairs, Stonehill College, North Easton, MA.	1	None
Jonathan D. Beard DOB: 1/4/1948	Director	2005 to present	Self-employed Freelance Journalist for various American and European Science Magazines; Lifetime Member, Sierra Club and New York-New Jersey Trails Conference; Graduate of Columbia University 1970.	1	None

Officers of the Fund who are not Directors

Name, Address and Birth Date	Position(s) Held with the Fund	Term of Office and Length of Time Served	Principal Occupation(s) During the Past Five Years	Number of Portfolios in Fund Complex To Be Overseen by Director²	Other Directorships Held by Director³
Joseph A. Don Angelo DOB: 7/12/1948	Chief Compliance Officer	2007 to present	Accountant and Owner, Don Angelo and Associates, CPAs P.C. (1984 to present).	N/A	N/A

¹ Each Director holds office until the next annual meeting of shareholders at which Directors are elected following his or her election or appointment and until his or her successor has been elected and qualified.

² Currently, there is only one portfolio and no fund complex.

³ Includes directorships of companies required to report to the SEC under the Securities Exchange Act of 1934, as amended (i.e., “public companies”), or other investment companies registered under the 1940 Act.

* “Interested person”, as defined in section 2(a)(19) of the 1940 Act. Maurice L. Schoenwald is Secretary and Vice President and minority shareholder of Accrued Equities, Inc., the Fund’s investment adviser. David J. Schoenwald is majority shareholder and President of Accrued Equities, Inc. Maurice L. Schoenwald and David J. Schoenwald are father and son. Murray D. Rosenblith is considered an “interested person” as a result of his employment with Accrued Equities, Inc.

** Maurice L. Schoenwald and David J. Schoenwald have no present enterprise, employment, position or commercial investment activity except for their positions with Accrued Equities, Inc., the Fund’s investment adviser and Sub-Distributor. At the present time, Accrued Equities, Inc. provides services only to the Fund. David J. Schoenwald is licensed to practice law in New York and is President and sole shareholder of Schoenwald and Schoenwald, P.C.

Board of Directors and Committees

The Board of Directors has established an Audit Committee, Executive Committee and Nominating Committee. The full Board met 4 times during the fiscal year ended December 31, 2008. Each Director attended 75% or more of the respective meetings of the full Board and of any committees of which he/she was a member that were held during the fiscal year ended December 31, 2008. The Independent Directors act as a committee of the whole and supervise the Fund. They authorize policy changes, nominate new independent board members and review agreements with the Advisor and underwriter, financial information and reports, shareholder correspondence, agreements and performance and ethical compliance.

Audit Committee. The Audit Committee members are Ms. Hickey and Mr. Pumphrey. Mr. Pumphrey is the Audit Committee Chairperson and has been designated as an Audit Committee Financial Expert as defined by Form N-CSR and disclosed under Section 407 of the Sarbanes-Oxley Act of 2002. The Audit Committee generally oversees the Fund’s accounting and financial reporting process and operates pursuant to its adopted Audit Committee Charter. Among its responsibilities, the Audit Committee annually determines the engagement and compensation of the Fund’s Independent Registered Certified Public Accounting Firm, reviews and approves the audit and non-audit services performed by the Independent Registered Certified Public Accounting Firm, evaluates the adequacy of the Fund’s internal financial and disclosure controls, oversees the audit process and reviews with the auditors the scope and results of the audit of the Fund’s financial statements. The Audit Committee held 2 formal meetings during the fiscal year ended December 31, 2008.

Nominating Committee. The Nominating Committee is primarily responsible for the identification and recommendation of individuals for Board membership. The current members of the Nominating Committee are the four Independent Directors. The Nominating Committee has not established a formal charter. When evaluating individuals for recommendation for Board membership, the Nominating Committee considers the candidate's knowledge of the mutual fund industry, educational background and experience and the extent to which such experience and background would complement the Board's existing mix of skills and qualifications. The Nominating Committee also considers the candidates reputation for high ethical standards and the ability to contribute to ongoing functions of the Board, including the candidates ability and commitment to attend board meetings and work collaboratively with other members of the Board. A candidate's interest in the environment and alternate energy will also be considered. The Board of Directors has not established formal policies with respect to shareholder nominations to the Board of Directors. Recommendations for consideration by the Independent Directors should be sent to the Secretary of the Fund in writing together with the appropriate biographical information concerning each such proposed nominee; submissions must be received by the Secretary at the principal executive office of the Fund. The Nominating Committee did not meet formally during the fiscal year ended December 31, 2008.

Executive Committee. The Executive Committee, consisting of Maurice L. Schoenwald and David Schoenwald, informally consults with the Directors and manages administrative matters. There is no formal Executive Committee Charter. The Executive Committee did not meet formally during the fiscal year ended December 31, 2008.

The Fund does not have a standing Compensation Committee. Considerations pertaining to compensation are discussed among the entire Board during regularly scheduled meetings, when applicable.

Independent Director Compensation

Effective January 1, 2008, each Independent Director receives an annual fee of \$3,500 for their services as Independent Directors of the Fund. Each member of the Audit Committee receives an additional \$500 annual fee and Mr. Pumphrey, the Audit Committee Chairperson, receives an additional fee of \$500. As Vice-Chairperson, Ms. Reier receives an additional fee of \$1,000. The Independent Directors also receive reimbursement of "coach" travel expenses to attend Board Meetings. The Interested Directors of the Fund do not receive compensation from the Fund for their services. Interested Directors of the Fund are paid for their services by the Advisor. The only Independent Directors who received reimbursement of travel expenses in 2008 were Ms. Reier and Mr. Beard.

The table below shows, for each Director entitled to receive compensation from the Fund, the compensation earned from the Fund for the fiscal year ended December 31, 2008.

<u>Independent Director</u>	<u>Aggregate Compensation from the Fund</u>	<u>Pension or Retirement Benefits Accrued as Part of the Fund's Expenses</u>	<u>Estimated Annual Benefits Upon Retirement</u>	<u>Total Compensation from the Fund</u>
Sharon Reier	\$4,500	0	0	\$4,500
Preston V. Pumphrey	\$4,500	0	0	\$4,500
Murray D. Rosenblith*	\$4,000	0	0	\$4,000
Susan Hickey	\$4,000	0	0	\$4,000
Jonathan D. Beard	\$3,500	0	0	\$3,500

* Mr. Rosenblith was an Independent Director and received compensation from the Fund during the fiscal year ended December 31, 2008. Mr. Rosenblith is currently considered an "interested person" as a result of his employment with Accrued Equities, Inc. and is no longer entitled to receive compensation from the Fund.

Director Ownership of Fund Shares

The following table shows the dollar range of equity securities beneficially owned in the Fund by each Director as of December 31, 2008.

<u>Name of Director</u>	<u>Dollar Range of Equity Securities in the Fund</u>	<u>Aggregate Dollar Range of Equity Securities in all Funds Overseen by the Director</u>
Sharon Reier	\$1 - \$10,000	\$1 - \$10,000
Preston V. Pumphrey	\$10,001 - \$50,000	\$10,001 - \$50,000
Murray D. Rosenblith	\$10,001 - \$50,000	\$10,001 - \$50,000
Susan Hickey	\$1 - \$10,000	\$1 - \$10,000
Jonathan D. Beard	\$50,001 - \$100,000	\$50,001 - \$100,000
Maurice L. Schoenwald	Over \$100,000	Over \$100,000
David J. Schoenwald	Over \$100,000	Over \$100,000

As of December 31, 2008, none of the Directors, other than Maurice and David Schoenwald, nor any of their immediate family members, owned beneficially or of record, any securities in Accrued Equities, Inc., or any securities in a person (other than a registered investment company) directly or indirectly controlling, controlled by or under common control with Accrued Equities, Inc. The Directors and officers as a group owned beneficially less than 1% of the outstanding shares of the Fund as of December 31, 2008.

CODE OF ETHICS

The Fund and the Advisor have adopted a joint Code of Ethics pursuant to Rule 17j-1 under the 1940 Act and Rule 204A-1 under the Investment Advisers Act of 1940 (the "Advisers Act"). This Code of Ethics applies to the personal investing activities of directors, officers and certain employees ("access persons") of the Fund and the Advisor. Rule 17j-1 and the Code of Ethics is designed to prevent unlawful practices in connection with the purchase or sale of securities by access persons. Under the Code of Ethics, access persons are permitted to engage in personal securities transactions, but are required to report their personal securities transactions for monitoring purposes. In addition, the Fund's portfolio managers and members of their immediate family are prohibited from purchasing securities issued in an initial public or limited offering, unless such acquisition is approved by the Code Compliance Officer. A copy of the Code of Ethics is on file with the SEC, and is available to the public at www.sec.gov.

CONTROL PERSONS AND PRINCIPAL HOLDERS OF SECURITIES

Listed in the table below are shareholders deemed to be control persons or principal owners of the Fund, as defined in the 1940 Act. Control persons are presumed to control the Fund for purposes of voting on matters submitted to a vote of shareholders due to their beneficial ownership of 25% or more of the outstanding voting securities of the Fund. Principal holders own of record or beneficially 5% or more of the Fund's outstanding voting securities. As of April 1, 2009, the following persons owned beneficially more than 5% of the outstanding voting shares of the Fund:

<u>Shareholder</u>	<u># of Shares</u>	<u>% of Fund</u>
Donaldson Lufkin Jenrette Securities Corporation Mutual Funds 5 th Floor PO Box 2052 Jersey City NJ 07303-2052	802,577.245	13.42%

INVESTMENT ADVISOR AND OTHER SERVICES

Investment Advisor

The investment advisor is Accrued Equities, Inc. (the "Advisor"). The Advisor, located at 150 Broadhollow Road, Suite PH2, Melville NY 11747, is a registered investment adviser and broker-dealer organized as a New York corporation in 1954. The Advisor can be reached at (631) 423-7373. The Advisor had a sister corporation called Resale Accrued Equities with which it merged, and the surviving corporation, Resale Accrued Equities, Inc., subsequently changed its name to Accrued Equities, Inc. The original investment clients of Accrued Equities, Inc. were limited to legal clients of Maurice Schoenwald. Since 1966 the company has offered investments to the public.

The controlling stockholder and President of the Advisor is David J. Schoenwald. David J. Schoenwald is presently serving as legal counsel to Accrued Equities, Inc. He is also serving as Chairperson of the Board, President and Treasurer of the Fund. David J. Schoenwald is President and sole shareholder of the law firm of Schoenwald & Schoenwald P.C.

Maurice L. Schoenwald is Secretary and Vice President of the Advisor. He is a minority stockholder of Accrued Equities, Inc. He is also serving as the Vice President and Secretary of the Fund.

Murray D. Rosenblith is the Administrator of the Advisor. He is also serving as a Director of the Fund.

Under the Investment Management Agreement, the Advisor provides the Fund with investment advisory services. As compensation for these services, the Fund pays the Advisor fees at the following annual rates based on the average net assets of the Fund at the end of each month:

<u>Annual Rate</u>	<u>Assets</u>
1.00%	First \$10 million
0.75%	Amounts over \$10 million
0.50%	Amounts over \$30 million
0.45%	Amounts over \$100 million

For the fiscal years ended December 31 2006, 2007 and 2008, the amounts of the investment advisory fees earned by the Advisor were \$558,395, \$1,099,396 and \$1,289,612, respectively. At present, the Advisor is paying a portion of certain expenses which would normally be charged to the Fund.

In addition to the investment advisory fee, the Fund pays other operating expenses including, among others, taxes, brokerage commissions, fees of Directors who are not affiliated with the Advisor, securities registration fees, charges for custodians, shareholder services, regulatory administration services and transfer agent services, blue sky filing fees, dividend disbursing and reinvestment expenses, auditing and legal expenses, the fees for filing and printing prospectuses sent to existing shareholders and the fees for filing and printing shareholder reports. The cost of printing prospectuses for distribution to prospective investors is paid for by Accrued Equities, Inc. in its capacity as a broker-dealer and the Sub-Distributor of the Fund.

The Advisor, at the expense of the Fund, may lease office space and provide office furnishings, facilities and equipment as may be reasonably required for managing and administering the operations of the Fund. Other Fund expenses include supplies and customary clerical and professional services.

The Investment Management Agreement was last approved by the Fund's Board of Directors (including a majority of Independent Directors) on June 13, 2008. Information regarding the material factors the Board considered in approving the Management Agreement is included in the Semi-Annual Report to Shareholders dated June 30, 2008.

The Investment Management Agreement must be approved each year by (a) a vote of the Board of Directors of the Fund, or (b) a vote of the shareowners, and in either case, by a majority of the Independent Directors. Any changes in the terms of the Investment Management Agreement must be approved by the shareowners. The Investment Management Agreement automatically terminates upon its assignment. In addition, the Investment Management Agreement is terminable at any time without penalty by the Board of Directors of the Fund or by a vote of the holders of a majority of the Fund's outstanding shares (as defined above) on sixty (60) days notice to the Advisor and by the Advisor on sixty (60)

days notice to the Fund.

Portfolio Managers. Maurice Schoenwald and David Schoenwald serve as portfolio managers in their capacity as such with the Advisor. Maurice Schoenwald and David Schoenwald do not receive a salary from the Fund. They are the principal owners of the Advisor and benefit from any profits of the Advisor. Maurice Schoenwald and David Schoenwald do not presently manage the portfolio of any other accounts including any other registered investment company, other pooled investment vehicles or other accounts. The portfolio managers only manage the assets of the Fund.

Ownership of Securities. The following table sets forth the dollar range of equity securities beneficially owned by each portfolio manager in the Fund as of December 31, 2008.

Portfolio Manager	Dollar Range of Fund Shares Beneficially Owned
Maurice Schoenwald	\$100,001 to \$500,000
David Schoenwald	\$100,001 to \$500,000

Principal Underwriter and Sub-Distributor

PFPC Distributors, Inc. (the “Underwriter”), located at 760 Moore Road, King of Prussia, Pennsylvania 19406, is the principal underwriter of the Fund’s shares. The Underwriter is a broker-dealer affiliated with the administrator and acts as the Fund’s principal underwriter in a continuous public offering of the Fund’s shares pursuant to an Underwriting Agreement. The Underwriter is obligated to sell shares of the Fund on a best efforts basis only against purchase orders for the shares. Accrued Equities, Inc. serves as an underwriter (but not a principal underwriter) of the shares of the Fund pursuant to a Sub-Distribution Agreement with the Underwriter.

The Underwriting Agreement has an initial two year term and after this term will continue in effect for periods not exceeding one year if approved at least annually by (i) the Board of Directors or the vote of a majority of the outstanding shares of the Fund (as defined in the 1940 Act) and (ii) a majority of the Independent Directors, in each case cast in person at a meeting called for the purpose of voting on such agreement. The Underwriting Agreement may be terminated without penalty by the parties thereto upon 60 days’ written notice, and it is automatically terminated in the event of its assignment as defined in the 1940 Act.

The aggregate underwriter commissions on all sales of Fund shares during the fiscal year ended December 31, 2008 were \$724,934, and the amount retained by Accrued Equities, Inc. and the Underwriter was \$576,732 and \$148,202, respectively. For the year ended December 31, 2007, aggregate underwriter commissions were \$1,025,334, and the amount retained by Accrued Equities, Inc. and the Underwriter was \$804,114 and \$221,220, respectively. For the year ended December 31, 2006, aggregate underwriter commissions were \$207,675, and the amount retained by Accrued Equities Inc. and the Underwriter was \$178,988 and \$28,687, respectively.

Other Services

Custodian. The Custodian of the Fund is PFPC Trust Company, 8800 Tincum Blvd. 3rd Floor, Suite 200, Philadelphia, PA 19153. The Fund’s cash and securities are kept with the Custodian. PFPC Trust Company’s subcustodian for foreign custody is Citibank NA. The Fund pays the Custodian pursuant to a regular schedule of charges based on a schedule agreed on from time to time by the Fund and the Custodian. The Custodian attends to the collection of proceeds of securities sold by the Fund and the collection and deposit of dividends and disbursements for the cost of securities.

Transfer Agent and Dividend Paying Agent. PNC Global Investment Servicing, 760 Moore Road, King of Prussia, PA 19406 serves as the Fund’s transfer agent (“Transfer Agent” or “PNC”). In addition to maintaining shareholder records and processing shareholder transactions, the Transfer Agent assists the Fund in meeting provisions of the anti-money laundering regulations.

Administration and Accounting Services. Pursuant to Amended and Restated Administration and Accounting Services Agreements between the Advisor and PNC dated October 24, 2005 and July 1, 2006, PNC serves as the Accounting Agent and Administrator to the Fund. PNC provides certain accounting and administrative services for the Fund including portfolio and general ledger accounting, daily valuation of all portfolio securities and net asset value

calculation. PNC also keeps all books and records with respect to the Fund as it is required to maintain pursuant to Rule 31a-1 of the 1940 Act, monitors the Fund's status as a regulated investment company under Sub-Chapter M of the Internal Revenue Code of 1986, as amended, calculates required tax distributions and prepares updates to the Fund's registration statement. Effective July 1, 2006, PNC's services were expanded to include regulatory administration services and additional accounting and administration services. The amount of administrative and accounting services fees paid by the Fund for the last three fiscal years is as follows:

2006	2007	2008
\$170,619	\$239,391	\$251,867

Independent Registered Certified Public Accounting Firm. The accounting firm of Briggs, Bunting & Dougherty, LLP was designated as the independent registered certified public accounting firm for the Fund for the fiscal year ended December 31, 2009.

Outside Legal Counsel. Montgomery, McCracken, Walker & Rhoads, LLP, 123 South Broad Street, Philadelphia, PA 19109.

BROKERAGE, ALLOCATION AND OTHER PRACTICES

The primary consideration in all portfolio securities transactions is prompt and reliable execution of orders at the most favorable net price. During the past three years, the aggregate amount of brokerage commissions paid for purchases and sales of portfolio securities was \$138,416, \$198,745 and \$386,386, in the fiscal years 2006, 2007 and 2008, respectively. The difference in the brokerage commissions paid reflects increased portfolio activity due to a significant increase in total assets in the Fund.

Accrued Equities, Inc. is a registered broker/dealer, but it will not engage in brokerage or equity securities of the type which would be included in the Fund's portfolio. No officer or Director of the Fund or Accrued Equities, Inc. is associated with any firm having an economic interest in general stock brokerage activities.

The choice of a broker will be made by the Advisor without benefit to any Director or controlling person. Allocation of brokerage transactions, including their frequency, will be made in the best judgment of the Advisor and in a manner deemed fair and reasonable to the shareholders, rather than by any formula. However, as long as the primary consideration is satisfied, the Advisor may give consideration in the selection of broker/dealers to the research provided (including analysis and reports concerning issuers, industries, securities, economic factors and trends) by such firms, and payment may be made of a fee higher than that charged by another broker/dealer if the Advisor deems such allocation of brokerage to be fair and reasonable to the shareholders. The Fund does not have any holdings of securities of its regular broker-dealers as of December 31, 2008.

The Board of Directors periodically reviews the Advisor's performance of its responsibilities in connection with the placement of portfolio transactions on behalf of the Fund.

DESCRIPTION OF SHARES

The Fund's authorized capital is forty million (40,000,000) common shares of \$0.01 par value. There is only one class of shares.

Each share entitles the holder to one vote. Fractional shares have no rights. Shareowners may vote for the election of Directors and all other appropriate and customary matters and participate proportionately in dividends of capital and net assets of the Fund on liquidation.

The common shares are fully paid and non-assessable when issued, are redeemable in accordance with the provisions set forth under the heading "Redemption of Shares", and have no preference, pre-emptive or conversion rights. Fractional shares entitle the holder to the same redemption, dividend, distribution and other rights, excepting voting, as whole shares on a pro rata basis. No certificates are issued for fractional shares of the Fund.

The Fund will not ordinarily issue certificates for common shares purchased. Certificates are generally unnecessary because (1) ownership of shares is evidenced by a confirmation advice after each purchase or redemption,

indicating the amount invested and the purchase price per share or the amount redeemed and the redemption price per share, and the number of shares owned immediately after such transactions; and (2) redemptions and transfers may be transacted without the issuance of certificates.

Shares certificates are issued only upon the specific request of the shareowner made in writing. The Transfer Agent charges the shareowner a fee to replace a lost share certificate. A fee may also be charged if the shareowner is redeeming their entire account and the shareowner has lost their share certificate.

Shares may not be transferred without written permission of the Advisor, which is in the discretion of the Advisor and is generally limited to estates and gifts within a family.

The common shares have non-cumulative voting rights so that the holders of more than fifty percent (50%) of the shares voting for the election of Directors can elect all the Directors and in such event the holders of the remaining shares voting for the election of the Directors will not be to elect any person or persons to the Board of Directors. The election of Directors requires the affirmative vote of a plurality of the votes cast at a shareholder meeting, in person or by proxy. A simple majority of those shares voted in person or by proxy participating in any duly called meeting on proper notice shall be sufficient to pass any resolutions, excepting as otherwise required by the 1940 Act.

DISTRIBUTIONS

Any dividends paid by the Fund from net investment income on its portfolio and any distributions of net realized capital gains will automatically be reinvested in whole or fractional shares of the Fund at net asset value on the record date unless a shareowner makes a written request for payments in cash or selects the cash option on their application.

If a shareholder makes a specific written request for dividends or capital gains distribution, such income or distribution payments, if any, will be paid in cash at least annually.

PURCHASE, REDEMPTION AND PRICING OF SHARES

How to Purchase Shares

Shares of the Fund may be purchased by sending a completed and signed Application Form and check to New Alternatives Fund, Inc., c/o PNC Global Investment Servicing, PO Box 9794, Providence, RI 02940 or, for overnight mail services, New Alternatives Fund, Inc., c/o PNC Global Investment Servicing, 101 Sabin Street, Pawtucket, RI 02860. The Application Form is contained in the Prospectus. Sales charges are the same irrespective of where or through whom you purchase shares of the Fund. Social security numbers or tax identification numbers are required on the Application Form.

The Fund and the Advisor reserve the right to reject any purchase order for any reason, and reserve the right to redeem shares for any reasonable purposes, such as government requirements, or if the value of an account is less than \$1,000 as a result of redemptions and not market fluctuations.

Qualified Investment Accounts. Shares of the Fund may be purchased directly by existing retirement plans, which allow such investments. In addition, qualified individuals may establish (with any provider of such accounts) an Individual Retirement Account ("IRA") or Roth IRA to be funded with shares of the Fund. The Fund has made arrangements with PFPC Trust Company, to act as Custodian for any IRAs thus created.

Automatic Investment Plan. Shareholders meeting the investment minimum may establish an automatic investment plan wherein periodic drafts from a checking or savings account are automatically invested in the Fund, subject to the sales charge described in the Prospectus. Such plan may be cancelled by the Fund or the investor by contacting the Transfer Agent by written notice or by calling (610) 382-7819 or (800) 441-6580 no later than 5 business days prior to a scheduled debit date.

The Fund does not have any arrangements with any person to permit frequent purchases and redemptions of Fund shares or any agreements to maintain assets in the Fund.

Sales Load

Purchase orders for shares of the Fund that are received by the Transfer Agent in proper form (i.e., a completed application and the correct minimum investment) by the close of the New York Stock Exchange, on any day that the NYSE is open for trading, will be purchased at the Fund's next determined NAV (plus any applicable sales charge). Orders for Fund shares received after 4:00 p.m. Eastern Time will be purchased at the NAV (plus any applicable sales charge) determined on the following business day. The details of the sales charge are described below:

<u>Purchase Amount</u>	<u>Sales Commission as a Percentage of Offering Price</u>	<u>Dealer Reallowance as a Percentage of Offering Price</u>	<u>Sales Commission as a Percentage of Net Amount Invested</u>
Up to \$24,999.99	4.75%	4.00%	4.987%
\$25,000 to \$99,999.99	3.85%	3.00%	4.00%
\$100,000 or more	2.91%	2.00%	3.00%

Waiver of Sales Load. Certain categories of investors or institutions may invest in the Fund without paying a sales charge. These include current and retired Directors, officers and employees of the Fund or the Advisor and their families. Share ownership by Directors increases their interest in the Fund's well being and may inspire shareholders as a result thereof.

Other categories of investors or institutions who may invest without paying a sales charge are: registered representatives of brokers distributing the Fund's shares who are purchasing for their own personal account and will not transfer their shares; Non-Profit or Charitable Organizations (as defined in Section 501 (c)(3) of the Internal Revenue Code) investing \$25,000 or more; clients of an investment professional (e.g., investment advisors, financial planners, banks, trust departments, sponsors of "wrap-fee" programs, etc.) if the client is charged a fee by the investment professional for such portfolio management or brokerage services; and institutional retirement and deferred compensation plans and trusts used to fund those plans, including, but not limited to, those defined in Sections 401(a), 401(k), 403(b), 457 or 408 of the Internal Revenue Code and "rabbi trusts." Persons in the above categories must make their status as such known to the Fund's Transfer Agent at the time the account is opened by indicating such status on the account application.

How to Redeem Shares

There is no redemption charge. Fund shares are redeemed upon tender of the written request of any shareholder, accompanied by surrender of share certificates, if issued. All certificates and/or requests for redemption tendered must be signed or endorsed by the shareholder or shareholders in whose name or names the shares are registered.

The Fund's Transfer Agent may require a signature guarantee under the Medallion Signature Guarantee Program. Please consult the Prospectus regarding Medallion Signature Guarantee Requirements. Most financial institutions can provide this signature guarantee service for their customers. Financial institutions, including commercial banks, savings banks, securities brokers, savings and loan associations, and many credit unions offer this service. The signature guarantee requirement may be waived under certain circumstances at the discretion of the Fund.

Tender shall be made to PNC Global Investment Servicing, P.O. Box 9794, Providence, RI 02940, or overnight mail to PNC Global Investment Servicing, 101 Sabin Street, Pawtucket, RI 02860. The Transfer Agent's phone number is (610) 382-7819 or (800) 441-6580.

The redemption price will be the net asset value of the Fund's shares next computed after the tender is received in proper form by the Fund's Transfer Agent. Payment of the redemption price will be made by a check drawn and issued in the U.S. within seven (7) days after receipt of the written request and certificates as described above, or if payment for the purchase of the shares to be redeemed has not been cleared by that time, the mailing of the redemption check may be postponed until proceeds of any check for the purchase price of the shares has been collected. This may take up to 15 business days. If payment for shares are dishonored the Fund may cancel the purchase.

The Fund may suspend the right of redemption or postpone the date of payment for more than seven days during any period when (i) trading on the NYSE is restricted or the NYSE is closed for other than customary weekends and holidays, (ii) the SEC has by order permitted such suspension for the protection of the Fund's shareholders, or (iii) an emergency exists making disposal of portfolio securities or valuation of net assets of the Fund not reasonably practicable.

For further information, an interested person should call the Fund at (631) 423-7373 or (800) 423-8383.

How Net Asset Value and Offering Price is Determined

Net Asset Value. The net asset value of the Fund's shares is calculated as of the close of business of the New York Stock Exchange each day that the exchange is open for trading. The net asset value is determined by totaling the value of all portfolio securities, cash and other assets held by the Fund, and subtracting from that total all liabilities, including accrued expenses. The total net asset value is divided by the total number of shares outstanding to determine the net asset value of each share. Securities in the portfolio are priced based on the official closing price of, or the last reported sale price on, the exchange or market on which such securities are traded, as of the close of business on the day the securities are being valued. That is normally 4:00 p.m. Eastern time. Non-U.S. equity securities are valued based on their most recent closing market prices on their primary market and are translated from the local currency into U.S. dollars using current exchange rates on the day of valuation.

If the market price of a security held by the Fund is unavailable at the time the Fund prices its shares at 4:00 p.m. Eastern time, the Fund will use the "fair value" of such security as determined in good faith by the Advisor under methods established by and under the general supervision of the Fund's Board of Directors. The Fund may use fair value pricing if the value of a security it holds has been materially affected by events occurring before the Fund's pricing time but after the close of the primary markets or exchange on which the security is traded. This most commonly occurs with foreign securities, but may occur in other cases as well. The Fund does not invest in unlisted securities.

The daily calculation of net asset value is performed by PNC, which also serves as Transfer Agent.

Offering Price. The price you pay for shares, the offering price, is based on the net asset value per share, calculated once daily at the close of regular trading (currently 4:00 p.m., Eastern Time) each day the New York Stock Exchange is open, plus the applicable sales charge.

TAXATION OF THE FUND

The following summarizes certain additional tax considerations generally affecting the Fund and its shareholders that are not described in the Prospectus. No attempt is made to present a detailed explanation of the tax treatment of the Fund or its shareholders, and the discussion here and in the Prospectus is not intended as a substitute for careful tax planning. Potential investors should consult their tax advisors with specific reference to their own tax situation.

The Fund intends to qualify as a "regulated investment company" under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). In order to so qualify, the Fund must, among other things, (i) derive at least 90% of its gross income from dividends, interest, payments with respect to certain securities loans, gains from the sale of securities or foreign currencies, or other income (including but not limited to gains from options, futures or forward contracts) derived with respect to its business of investing in such stock, securities or currencies; (ii) distribute at least 90% of its dividend, interest and certain other taxable income each year; and (iii) at the end of each fiscal quarter maintain at least 50% of the value of its total assets in cash, government securities, securities of other regulated investment companies and other securities of issuers which represent, with respect to each issuer, no more than 5% of the value of the Fund's total assets and 10% of the outstanding voting securities of such issuer, and with no more than 25% of its assets invested in the securities (other than those of the government or other regulated investment companies) of any one issuer or of two or more issuers which the Fund controls and which are engaged in the same, similar or related trades and businesses.

Provided that the Fund qualifies for treatment as a regulated investment company, it will not be subject to federal income tax on income and net capital gains paid to shareholders in the form of dividends or capital gains distributions.

An excise tax at the rate of 4% will be imposed on the excess, if any, of the Fund's "required distributions" over actual distributions in any calendar year. Generally, the "required distribution" is 98% of the Fund's ordinary income for the calendar year, plus 98% of its capital gain net income recognized during the one-year period ending on October 31, plus undistributed amounts from prior years. The Fund intends to make distributions sufficient to avoid imposition of the excise tax. Distributions declared by the Fund during October, November or December to shareholders of record during such month and paid by January 31 of the following year will be taxable to shareholders in the calendar year in which they are declared, rather than the calendar year in which they are received.

Gains or losses attributable to fluctuations in exchange rates which occur between the time the Fund accrues interest or other receivables or accrues expenses or liabilities denominated in a foreign currency and the time the Fund actually collects such receivables, or pays such liabilities, are generally treated as ordinary income or loss. Similarly, a portion of the gains or losses realized on disposition of debt securities denominated in a foreign currency may also be treated as ordinary gain or loss. These gains, referred to under the Code as “Section 988” gains or losses, may increase or decrease the amount of the Fund’s investment company taxable income to be distributed to its shareholders, rather than increasing or decreasing the amount of the Fund’s capital gains or losses.

Dividends eligible for designation under the dividends received deduction and paid by the Fund will qualify in part for the 70% dividends received deduction for corporations; provided, that, the Fund shares have been held for at least 45 days. However, dividends received by a corporate shareholder and deducted by it pursuant to the dividends received deduction are generally subject indirectly to the federal alternative minimum tax.

The Fund will notify shareholders each year of the amount of dividends and distributions, including the amount of any distribution of long-term capital gains and the portion of its dividends which may qualify for the 70% deduction.

The Fund’s net realized capital gains from securities transactions will be distributed only after reducing such gains by the amount of any available capital loss carry forwards. Capital losses may be carried forward to offset any capital gains for eight years, after which any capital loss remaining is lost as a deduction. As of December 31, 2008, the Fund had a capital loss carry forward of \$20,468,433 available to offset future capital gains through December 31, 2016.

The foregoing is a general and abbreviated summary of the applicable provisions of the Code and Treasury regulations currently in effect. For the complete provisions, reference should be made to the pertinent Code sections and regulations. The Code and regulations are subject to change by legislative or administrative action at any time and retroactively.

Shareholders are urged to consult their tax advisors regarding specific questions as to federal, state and local taxes as well as the application of the foreign tax credit.

The foregoing discussion relates solely to U.S. federal income tax law. Non-U.S. investors should consult their tax advisors concerning the tax consequences of ownership of shares of the Fund, including the possibility that distributions may be subject to a 30% United States withholding tax (or a reduced rate of withholding provided by treaty).

CALCULATION OF RETURN

Calculation of Return

Total Return is a measure of the change in value of an investment in the Fund over the period covered, which assumes any dividends or capital gains distributions are reinvested immediately rather than paid to the investor in cash. The formula for Total Return used herein includes four steps: (1) adding to the total number of shares purchased by a hypothetical \$1,000 investment in the Fund all additional shares which would have been purchased if all dividends and distributions paid or distributed during the period had been immediately reinvested; (2) calculating the value of the hypothetical initial investment of \$1,000 as of the end of the period by multiplying the total number of shares owned at the end of the period by the net asset value per share on the last trading day of the period; (3) assuming redemption at the end of the period; and (4) dividing this account value for the hypothetical investor by the initial \$1,000 investment.

Total return gives the investment performance of the Fund. Overall return does not take into account payment of the sales charge. This return figure should be used for comparative purposes such as comparing the Fund’s performance to published returns in newspapers and magazines.

Average annual total return is the average annual compounded rate of return for periods of one year, five years and ten years, all ended on the last day of a recent calendar quarter. Average annual total return quotations reflect changes in the price of the Fund’s shares and assume that all dividends and capital gains distributions during the respective periods were reinvested in Fund shares. Average annual total return (before taxes) is calculated by computing the average annual compounded rates of return of a hypothetical investment over such periods, according to the following formula (average annual total return is then expressed as a percentage):

$$P(1+T)^n = ERV$$

Where:

- T = average annual total return
- P = a hypothetical initial payment of \$1,000
- n = number of years
- ERV = ending redeemable value of a hypothetical \$1,000 payment made at the beginning of the designated time period.

It should be noted that average annual total return is based on historical performance and is not intended to indicate future performance. Average annual total return for the Fund will vary based on changes in market conditions and the level of the Fund's expenses.

The average annual total return (after taxes on distributions) will be calculated according to the following formula:

$$P(1 + T)^n = ATV_D$$

Where:

- P = a hypothetical initial payment of \$1,000,
- T = average annual total return (after taxes on distributions),
- n = number of years, and
- ATV_D = the ending value of a hypothetical \$1,000 payment made at the beginning of the designated time period, after taxes on fund distributions but not after taxes on redemption.

The average annual total return (after taxes on distributions and redemptions) will be calculated according to the following formula:

$$P(1+T)^n = ATV_{DR}$$

Where:

- P = a hypothetical initial payment of \$1,000,
- T = average annual total return (after taxes on distributions and redemption),
- n = number of years, and
- ATV_{DR} = the ending value of a hypothetical \$1,000 payment made at the beginning of the designated time period, after taxes on distributions and redemption.

PROXY VOTING POLICY

The SEC has adopted rules requiring investment companies to disclose the policies and procedures that they use to determine how to vote proxies relating to portfolio securities, and to file with the SEC and make available to their shareholders the specific proxy votes they cast. Funds are required to disclose their proxy voting policy in the Statement of Additional Information.

A. It is the Fund's policy to vote proxies it receives from companies in its portfolio.

B. The Fund votes for proxy items it perceives to be in the best interest of the Fund and the Fund's objectives.

Priorities are:

- i) the perceived well-being of the Fund;
- ii) fair corporate governance;
- iii) matters which promote clean energy and a clean environment;
- iv) non-discriminatory treatment of employees;
- v) oppose stock options for officers and directors.

C. A file has been created where copies of ballots and votes are maintained. The Fund annually files its proxy voting record with the SEC on Form N-PX. Shareholders may obtain, on request, a copy of the annual proxy voting filing showing votes cast by the Fund during the last 12 month period ended June 30.

D. David Schoenwald, with the advice of Maurice Schoenwald will be in charge of the program. In connection with the program, David Schoenwald advises that he will make his best efforts to vote proxies for the benefit of the shareholders and will do his best for the Fund's interests.

E. The Fund is unaware of any potential conflicts of interests it might have in connection with the proxy voting.

PATRIOT ACT AND PRIVACY INFORMATION
(Anti-money Laundering Laws)

Patriot Act. We are and shall continue enforcing the anti-terror regulations, money laundering regulations, certification regulations. The Fund retains PNC to provide services in these areas.

Consumer Privacy Information: The Fund has a policy of protecting shareholder information. This Fund has never participated in revealing information about its shareholders, except at the request of a shareholder or government requirements. For example, if the shareholder is applying for a mortgage and lists his assets and then requests that a confirmation be sent to the bank.

Of course the Fund will comply with giving information as may be required by law. An example is a subpoena from a court or other proper government agency. Tax information is disclosed as required by law to the tax authorities. The Fund also has an anti-money laundering program which requires responding to inquiries from government authorities. The Fund uses an outside transfer agent who keeps shareholder records. The Transfer Agent has been instructed to carry out the Fund policy.

The Fund and its Advisor have no relationship with any bank, insurance company or brokerage house, except the brokerage houses with which it buys and sells securities for the Fund's portfolio and the brokerage houses which sell Fund shares. No personal information is given by the Fund to any of those entities.

FINANCIAL STATEMENTS

The audited financial statements for the Fund for the year ended December 31, 2008, including notes thereto and the report of Briggs, Bunting & Dougherty, LLP, are included in the Fund's Annual Report to Shareholders and were filed with the SEC on March 6, 2009 on Form N-CSR and are incorporated by reference into this Statement of Additional Information. The financial statements and related notes have been incorporated herein in reliance upon such report given upon the authority of such firm as experts in accounting and auditing. No other parts of the Fund's Annual Report to Shareholders are incorporated herein. You may obtain a free copy of the Annual Report to Shareholders by contacting the Fund at the address or telephone number appearing on the cover of this SAI.

The audited financial statements for fiscal year ends prior to December 31, 2007 were independently audited by Joseph A. Don Angelo, CPA, who now serves as Chief Compliance Officer of the Fund.