

Spirit of America INCOME FUND

Important Notice to Investors in the Spirit of America Income Fund (the “Income Fund”)

Section 19 of the Investment Company Act of 1940, in general, requires funds to provide shareholders with a written notice disclosing the source of any distribution made by the fund if the distribution is from any source other than net income or accumulated undistributed net profits from the sale of securities, such as a return of capital.

The Income Fund’s holdings, which include preferred shares of Real Estate Investment Trusts (REITs) and units of Master Limited Partnerships (MLPs), typically have some component of return of capital in their dividend distributions paid to the Income Fund throughout the year. The tax characterization of these dividend distributions are not determined by the underlying portfolio companies and reported to the Income Fund until the early portion of the following year in which the dividend distributions are paid. The Income Fund’s own tax characterization of its distributions must be determined before it can send Forms 1099-DIV to shareholders after year-end.

A portion of the Income Fund’s distribution each month will include a return of capital.

Shareholders should be aware that any portion of the Income Fund’s distributions that are reclassified as a return of capital are not tied to the Income Fund’s investment income or capital gains and do not represent yield or investment return on the Income Fund’s portfolio.