

Spirit of America ENERGY FUND

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

The Board of the Fund has set a fixed distribution policy of \$3.06 per year payable in twelve (12) payments of \$0.255 consisting of: two (2) payments in January and one (1) payment in each of the months of February through November.

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

Payments to make the fixed distributions are from the Fund’s net investment income, capital gains, return of capital distributions from the Fund’s holdings and, if needed to fund the fixed distribution amount, the return of investor’s capital.

All or a significant portion of the Energy Fund’s distribution each month will include a return of capital. Shareholders should be aware that any portion of the Energy Fund’s distributions that are classified as a return of capital are not tied to the Energy Fund’s investment income or capital gains and do not represent yield or investment return on the Energy Fund’s portfolio.

