New Alternatives Fund, Inc.

A SOCIALLY RESPONSIBLE MUTUAL FUND EMPHASIZING
ALTERNATIVE ENERGY AND THE ENVIRONMENT

ANNUAL
FINANCIAL REPORT

DECEMBER 31, 2008

This report is submitted for the general information of the shareholders of the Fund. It is not authorized for distribution unless preceded or accompanied by a prospectus for the Fund.

THE FUND	150 Broadhollow Road	Melville, New York 11747	(800) 423-8383	(631) 423-7373
Shareholder's Services (PNC)	PO Box 9794	Providence, RI 02940	(800) 441-6580	(610) 382-7819
Overnight Address	101 Sabin Street	Pawtucket, RI 02860		
PFPC Distributors, Inc.	760 Moore Road	King of Prussia, PA 19406		

Recycled Paper

NEW ALTERNATIVES FUND, INC.
MANAGEMENT'S DISCUSSION OF FINANCIAL PERFORMANCE
FOR THE YEAR 2008

Fund Performance: The Fund declined 44.85% for the year ended December 31, 2008. The Net Asset Value started at $57.28 on January 1, 2008 and went down to $31.41 by year end. A dividend of $0.18 was paid to shareholders during the year and there were no capital gain distributions. The Fund's net assets declined from approximately $302 million at the beginning of the year to approximately $184 million by year end. However, the number of shares outstanding increased during the year from 5,266,358 to 5,866,871 for a total increase of just over 11%.

Factors Affecting the Fund: Most of the factors which contributed to the Fund's strong growth for the last two years rapidly reversed direction in 2008 as a result of the market turmoil in both the U.S. and abroad. The price of oil started out at $95.98 per barrel at the beginning of the year, peaked near $150 and then plunged to $41.76 at year end. During 2007 and the first six months of 2008, the Euro gained value against the dollar, going from $1.30 in January 2007 to $1.57 by July 2008. A number of the Fund's European stocks are valued in Euros and this helped fuel the increase in the Fund's value during that period. The exchange rate changed direction after July and by December 2008 the Euro was worth $1.35. This decline in value, along with the falling prices of many of these companies, compounded the Fund's losses for the year.

The year started with a degree of optimism about the growth prospects for alternate energy companies, tempered by concern about what proved to be the elevated valuation of alternate energy stock prices. It ended with generally depressed stock valuations, concern about the sustainability of earnings in light of a recession and a credit crisis. However, in response to the emerging economic crisis, Congress finally passed the Investment Tax Credit legislation that extended and expanded financial support for alternate energy installations. The incoming Obama administration is seen as being more supportive of clean energy and environmental issues than the Bush administration. These events gave the alternative energy sector a small boost at the end of 2008.

Portfolio Holdings and Changes: At year end, approximately 64% of the Fund's net assets were invested in foreign companies and approximately 3.7% of net assets were held in cash and cash equivalents.

The largest concentration of the Fund's holdings was in companies whose business related to the production of electricity from wind. The next largest areas of concentration were energy conservation and the distribution of clean water.

Alternate Energy:

Wind/Hydro Power: The Fund's wind turbine holdings include Vestas Wind Systems (Denmark), Gamesa Corporacion Tecnologica (Spain) and Acciona (Spain). The market for wind turbines appeared to be strong globally until late in the year. Then, in October, turbine manufacturer Gamesa announced it would temporarily close some of its factories because of uncertain demand. Weeks later, Florida Power & Light (not a Fund holding), a nuclear utility with substantial presence in the U.S. wind industry, announced it would develop fewer wind projects than had been anticipated due to the credit crisis.

The share prices of companies which generate electricity using renewables were mixed, but generally stronger than shares of companies which manufactured equipment for renewable power generation. At year end, a reasonably large portion of the Fund's portfolio was invested in shares of renewable energy power producers including Iberdrola Renovables (Spain), EDP Renovaveis SA (Spain), EDF Energies Nouvelles SA (France), Acciona, Brookfield Asset Management (Canada), TrustPower Ltd. (New Zealand), Hafslund ASA (Norway) and Canadian Hydro Developers (Canada).

Solar: There was an abysmal performance by most pure play solar energy companies in 2008. By year end, we had reduced the Fund's investments in solar photovoltaic (PV) cell related investments. We sold our holdings in Orkla ASA (Norway), Q-Cells (Germany) and Renewable Energy Corporation AS (Norway).

We kept both Kyocera (Japan) and equipment provider Applied Materials. We added shares of First Solar, an American producer of thin film solar panels. Particularly disappointing, beyond general solar industry and credit crisis concerns, was the revelation that one of the Fund's holdings, Sharp Corporation (Japan), had been involved in a price fixing scheme involving LCD television screens and will be required to pay a substantial fine for their activity. We sold our holdings of Sharp.

Our investments in companies developing solar thermal energy facilities — Solar Millennium (Germany), Abengoa (Spain), and Acciona — fared better than the PV companies, but not by much. This year Abengoa resumed plans to build one of the world's largest solar thermal plants (280 megawatts) at Gila Bend, Arizona. Abengoa also began work on two smaller industrial solar thermal installations in the United States. One, on the Navajo Indian reservation in Arizona, will be operated by the U.S. Department of Energy to treat ground water contaminated by uranium mining. The second is a small demonstration project at the Steinway & Sons piano factory in Queens, New York to provide humidity control and cooling important for the manufacture of the company's renowned pianos.

Geothermal: The Fund's two geothermal energy related holdings, Ormat Technologies and WFI Industries (Canada) held up reasonably well, although each was down for the year.

Bio-Fuel: Abengoa is the only company in the Fund's portfolio at year end in the difficult biofuel and ethanol market. This profitable company is also involved in developing solar thermal projects and international water projects. The company's solar thermal projects have been slowed down by the general difficulties in credit markets, and Abengoa's efforts to develop cellulosic ethanol (to supplement conventional crop-based feed stocks) do not yet appear commercial.

Earlier in 2008, we sold our shares of SunOpta, which is developing apparatus for utilizing cellulosic material for ethanol. The company, which is also involved in the natural foods business, was named in several shareholder class action lawsuits and lost a lawsuit involving Abengoa related to the cellulosic ethanol equipment.

Fuel Cells and Hydrogen: The Fund owns shares of one pure play fuel cell company, FuelCell Energy (stationery fuel cells for distributed energy). Although the company is not yet profitable, the firm appears to be the most promising survivor among those in this industry.

Hybrid Automobile Components: The Fund's portfolio includes three companies involved in the production of hybrid autos. The companies are Denso Corporation (Japan) and Panasonic (Japan), which manufacture components, including batteries, for the Toyota Prius, and Johnson Controls. Johnson Controls is a U.S. company which manufactures energy control equipment and is also manufacturing Lithium-ion batteries for use in hybrid or plug-in electric autos. Shares of all these companies declined in 2008 from the impact of the depressed automotive industry. In December, Panasonic arranged to buy competing electronics manufacturer Sanyo and strengthen its position in the production of rechargeable batteries and solar panels.

Ocean & Marine Energy: Several of the Fund's portfolio companies advanced the development of marine energy sources. Ocean Power Technologies and Renewable Energy Holdings (United Kingdom) are development state companies with systems to harness the power of waves. Iberdrola Renovables is using an apparatus developed by Ocean Power Technologies, while EDF Energies is also using a system developed by Renewable Energy Holdings. In addition, EDF Energies has a separate tidal demonstration project with a private firm called OpenHydro. EDP Renovaveis is working with a wave device called Pelamis, which was developed by a private Scottish company called Ocean Power Delivery.

Energy Conservation: The Fund owns shares of twelve companies (approximately 18.3% of net assets) which have roles in conserving energy. Owens Corning manufactures insulation as well as fiberglass used in windmill blades. The decline in construction activity is a headwind for companies whose products are geared toward saving energy in buildings and factories. Owens Corning has also launched a program involving German and Belgian companies to help communities in the U.S. and abroad reduce energy use in residential and commercial buildings.

Two companies in the Fund's portfolio, Schneider Electric SA (France) and Johnson Controls, manufacture control systems to conserve electric power use. Koninklijke Phillips Electronics (Netherlands) manufactures compact florescent bulbs and LEDs (Light Emitting Diodes-highly energy efficient lighting) which are becoming more widely used for energy conservation. The Fund's other energy conservation-related holdings included: Baldor Electric, which makes efficient electric motors; Stantec (Canada), an architectural services firm which designs energy-saving buildings; Telvent GIT (Spain), which makes computer systems for energy use and transportation flow efficiency; Itron, Inc., which makes metering systems for water, gas and electrical distribution; and Eaga PLC (England), which installs energy efficiency and insulation systems in homes and coordinates a government sponsored program that helps people reduce their energy bills through conservation measures.

We sold Saint Gobain (France), one of our holdings in the conservation segment. Saint Gobain manufactures insulation and glass products, primarily in the building industry. The Company agreed to pay substantial fines and penalties after it was determined that it was involved in a price-fixing scheme involving its automobile glass division. We believe the company's products are good, but their business behavior and the impact of the required payment of financial penalties during the present credit crisis was too damaging.

Natural Gas Utilities: We increased our shares of the Fund's holdings of two natural gas utilities. Northwest Natural Gas and South Jersey Industries are both in jurisdictions where regulators support energy conservation. These utilities provide income and stability to the portfolio. South Jersey Industries has a division which taps gas from landfills and another which uses cogeneration to produce electricity.

Water: The Fund continued to own shares of six companies providing their customers with water or water related apparatus. American Water Works is the largest public U.S. water utility. CIA SaneamentoBasico (Brazil) is one of the largest water and sewage service providers in the world. These utilities provide the Fund with relatively stable income. The water-related equipment manufacturers include Badger Meter, Gorman-Rupp, a producer of water pumping systems and equipment, Befesa (Spain), and Hyflux (Singapore), a company providing water purification equipment and services in China and Southeast Asia.

Natural Food: The Fund's sole natural food investment is the retailer Whole Foods Markets. The share price performance of Whole Foods was poor in the fourth quarter.

Cash and Treasury Holdings: We ended the year with approximately 3.4% of net assets in cash. We owned no short-term U.S. Treasury Bills because the interest rates were nominal.

Income from Dividends and Interest/Expenses: Investment dividend income increased while interest income decreased substantially. Interest income decreased by $1,156,209 or 78.77%, and dividend income (net of any foreign taxes) increased by $1,612,599 or 71.54%. The Fund's net ordinary investment income dividend decreased from $0.34 to $0.18 per share this year.

On the expense side, the Fund's cost of operations increased considerably. Amounts paid to the investment advisor, Accrued Equities Inc. (the "Advisor"), and PNC Global Investment Servicing ("PNC") (the Fund's accounting agent, transfer agent, custodian and administrator) are largely based on net assets. While the Fund's net asset value decreased precipitously in the last four months of 2008, the overall level of net assets was higher, on average, for the entire year. In the case of PNC in its role as transfer agent, costs increased based on the additional number of shareholder accounts established during the year. The amount paid to independent counsel and to independent directors also increased. Total Fund expenses increased by $783,980 or 39.5%. The Fund's operating expense ratio increased from 0.95% in 2007 to 1.09% in 2008.

Realized and Unrealized Capital Gain/Loss: The Fund did not distribute any net realized capital gains during 2008. The Fund distributed capital gains of $1.02 per share in the prior year. The Fund ended the year with net unrealized losses of approximately $62.3 million.

Corporate Governance and Regulatory: The Fund's Directors re-approved the investment advisory agreement with the Advisor at the annual Directors meeting on June 13, 2008. The factors considered by the Directors included the Advisor's independent and purchased research, familiarity and experience with the Fund's area of concentration and the Fund's reasonable expense ratio given its small size. Also considered were the Advisor's efforts in coordinating relationships with outside service providers in the areas of transfer agency, fund accounting, custodial services and auditing, as well as efforts to obtain reasonable rates for commissions on trading of the Fund's portfolio securities. The Directors also considered the Advisor's efforts to maintain good relations and communications with Fund shareholders and its efforts to comply with changing securities regulations.

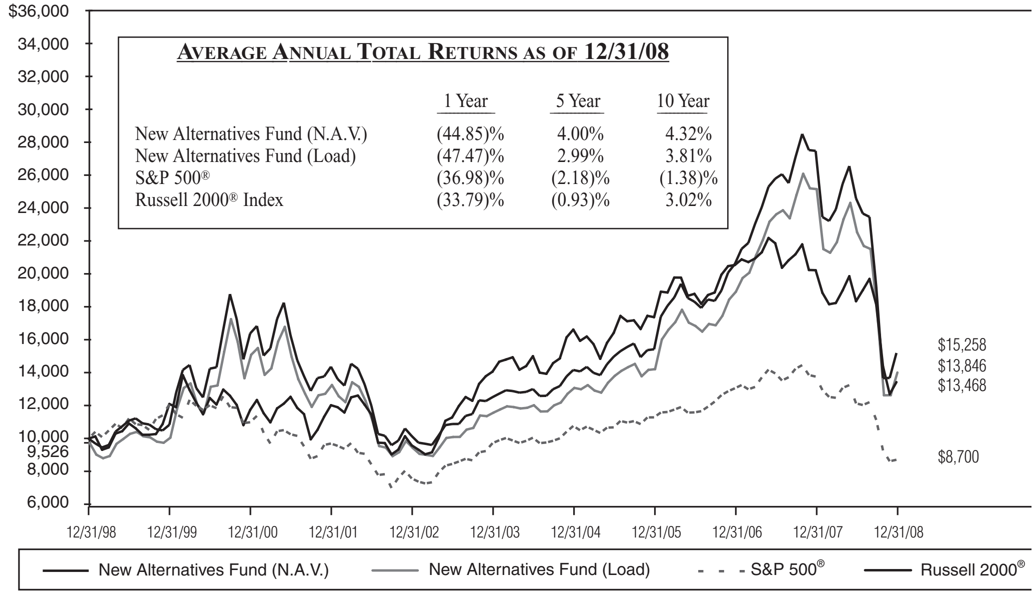
The Fund's seven Directors (four of whom are considered "Independent") were elected by shareholders at a Special Shareholder Meeting held on April 18, 2008. At the June 13, 2008 Board of Directors meeting, Maurice Schoenwald resigned as Chairperson of the Board. He will remain a Fund Director and will continue to work for the Advisor. Vice Chairperson Sharon Reier will serve as acting Chairperson until a new Chairperson is elected by the Board (David Schoenwald was elected Chairperson of the Board at the January 30, 2009 Directors meeting).

In October of 2008, independent Fund Director Murray Rosenblith joined the staff of the Advisor and thus became an "Interested" Director. As such, he will continue on the Board but must resign from the Audit Committee (Murray Rosenblith resigned from the Audit Committee at the January 30, 2009 Directors meeting). Murray comes to the Fund's management with over thirty years of experience as an activist, administrator, fund raiser and financial manager in the peace, social justice and environmental movements. He has worked with a number of organizations including the War Resisters League, the Hudson River Sloop Clearwater, the Clamshell Alliance, the Stop Shoreham Campaign, the Riverside Church Disarmament Program, National Mobilization for Survival and the National Network of Grantmakers. For the last 24 years he was the Executive Director of the A.J. Muste Memorial Institute in New York, a publicly supported foundation promoting nonviolence as the means to achieve progressive social change.

Following a shareholder vote of approval at the Special Shareholder Meeting on April 18, 2008, the Fund's Certificate of Incorporation was amended to increase the number of shares of capital stock authorized from eight million to forty million and reduce the par value of the shares from $1.00 to $0.01.

Strategy: The Fund's strategy continues to seek long-term appreciation by investing in clean energy, energy conservation, alternate or renewable energy and environmentally oriented companies — with concern for socially responsible behavior in the U.S. and globally.

New Alternatives Fund Growth of $10,000 vs. The S&P 500® Index and The Russell 2000® Index



Average Annual Total Returns as of 12/31/08

	1 Year	5 Year	10 Year
New Alternatives Fund (N.A.V.)	(44.85)%	4.00%	4.32%
New Alternatives Fund (Load)	(47.47)%	2.99%	3.81%
S&P 500®	(36.98)%	(2.18)%	(1.38)%
Russell 2000® Index	(33.79)%	(0.93)%	3.02%

Performance quoted represents past performance and does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown here. Performance data current to the most recent month-end is available at www.newalternativesfund.com. The performance quoted reflects a deduction for the maximum front-end sales charge of 4.75%.

The Fund's gross annual operating expenses, as stated in the current prospectus is 0.95%.

The S&P 500® and the Russell 2000® indices are unmanaged stock market indices and do not reflect any asset-based charges for investment management or transaction expenses.

The accompanying notes are an integral part of these financial statements.

NEW ALTERNATIVES FUND, INC.
FUND EXPENSE EXAMPLE

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs and (2) ongoing costs, including management fees, and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of $1,000 invested at the beginning of the period and held for the entire six months ended December 31, 2008.

Actual Expenses

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expense that you paid over the period. Simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During Six Months Ended December 31, 2008” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Note: The Fund’s Transfer Agent, PNC Global Investment Servicing (U.S.), Inc. charges an annual IRA maintenance fee of $15 for IRA accounts. That fee is not reflected in the accompanying table.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if transactional costs were included, your costs would have been higher.

NEW ALTERNATIVES FUND, INC.

	Beginning Account Value July 1, 2008	Ending Account Value December 31, 2008	Expenses Paid During Six Months Ended December 31, 2008*
Actual	$1,000.00	$ 616.50	$4.55
Hypothetical (assumes 5% return before expenses)	$1,000.00	$1,019.44	$5.70

* Expenses are equal to the Fund’s annualized expense ratio for the six-month period (1.12%), multiplied by the average account value over the period, multiplied by the number of days (184) in the most recent fiscal half year, then divided by the days in the year (366) to reflect the half year period. The Fund’s ending account value on the first line in the table is based on its actual total return of (38.35%) for the six-month period of July 1, 2008 to December 31, 2008.

New Alternatives Fund, Inc.
Portfolio Holdings Summary
December 31, 2008
(Unaudited)

Sector Diversification	% of Net Assets	Value
Alternate Energy:		
Renewable Energy Power Producers & Developers	26.6%	$ 48,910,758
Wind Turbines	10.1	18,614,218
Wind & Hydro Power Producers	7.0	12,976,842
Geothermal	5.5	10,161,577
Solar	5.3	9,751,169
Wind Power Related	0.3	541,993
Ocean Energy/Waves	0.1	195,961
Fuel Cells	0.0	38,800
Energy Conservation	18.3	33,602,259
Water	11.5	21,238,528
Natural Gas Distribution	9.3	17,039,300
Recycling	1.1	2,093,707
Engineering & Construction	0.8	1,485,000
Natural Foods	0.6	1,180,000
Certificates of Deposit	0.3	500,000
Other Assets in Excess of Liabilities	3.2	5,927,362
	100.00%	$ 184,257,474

Top Ten Common Stock Portfolio Holdings
December 31, 2008
(Unaudited)

Name	% of Net Assets
Iberdrola Renovables (Spain)	5.75%
Acciona (Spain)	5.71
Vestas Wind Systems (Denmark)	5.54
South Jersey Industries, Inc.	5.41
EDP Renovaveis SA (Spain)	5.28
Schneider Electric SA (France)	5.20
EDF Energies Nouvelles SA (France)	4.95
American Water Works Co., Inc.	4.82
Ormat Technologies, Inc.	4.76
Gamesa Corporacion Tecnologica (Spain)	4.57
Total Top Ten	51.99%

NEW ALTERNATIVES FUND, INC.
SCHEDULE OF INVESTMENTS
December 31, 2008

	Shares	Value
COMMON STOCKS — 96.5%		
Alternate Energy — 54.9%		
Renewable Energy Power Producers & Developers — 26.6%		
Abengoa (Spain)	500,000	$ 8,201,279
Acciona (Spain)	85,000	10,515,708
EDF Energies Nouvelles SA (France)	260,000	9,125,660
EDP Renovaveis SA (Spain)*	1,400,000	9,736,169
Electrificaciones del Norte (Spain)	61,100	602,167
Iberdrola Renovables (Spain)*	2,500,000	10,599,110
Martifer SGPS SA (Portugal)*	25,000	130,665
		48,910,758
Wind Turbines — 10.1%		
Gamesa Corporacion Tecnologica (Spain)	475,000	8,411,871
Vestas Wind Systems (Denmark)*	180,000	10,202,347
		18,614,218
Wind & Hydro Power Producers — 7.0%		
Brookfield Asset Management, Inc., Class A (Canada)	375,000	5,726,250
Canadian Hydro Developers, Inc. (Canada)*	1,500,000	3,620,899
Hafslund ASA, Class A (Norway)	150,000	1,467,417
TrustPower Ltd. (New Zealand)	500,000	2,162,276
		12,976,842
Geothermal — 5.5%		
Ormat Technologies, Inc.	275,000	8,764,250
WFI Industries Ltd. (Canada)	75,000	1,397,327
		10,161,577
Solar — 5.3%		
Applied Materials, Inc.	125,000	1,266,250
First Solar, Inc.*	15,000	2,069,400
Kyocera Corp. (Japan) ADR	25,000	1,809,250
Solar Millennium (Germany)*	275,000	4,606,269
		9,751,169

The accompanying notes are an integral part of these financial statements.

NEW ALTERNATIVES FUND, INC.
SCHEDULE OF INVESTMENTS (Continued)
December 31, 2008

	Shares	Value
Wind Power Related — 0.3%		
Hansen Transmissions International (Belgium)*	225,000	$ 377,680
NGK Insulators Ltd. (Japan)	15,000	164,313
		541,993
Ocean Energy/Waves — 0.1%		
Ocean Power Technologies, Inc.*	15,000	100,350
Renewable Energy Holdings PLC (United Kingdom)*	175,000	95,611
		195,961
Fuel Cells — 0.0%		
FuelCell Energy, Inc.*	10,000	38,800
Total Alternate Energy		101,191,318
Energy Conservation — 18.3%		
Baldor Electric Co.	175,000	3,123,750
Denso Corp. (Japan)	50,000	810,811
Eaga PLC (United Kingdom)	175,000	363,572
Energy Recovery, Inc.*	15,000	113,700
Itron, Inc.*	25,000	1,593,500
Johnson Controls, Inc.	250,000	4,540,000
Koninklijke Philips Electronics (Netherlands)	250,000	4,967,500
Owens Corning, Inc.*	250,000	4,325,000
Panasonic Corp. (Japan) ADR	100,000	1,244,000
Schneider Electric SA (France)	130,000	9,577,426
Stantec, Inc. (Canada)*	60,000	1,482,000
Telvent GIT (Spain)	100,000	1,461,000
		33,602,259
Water — 11.5%		
American Water Works Co., Inc.	425,000	8,874,000
Badger Meter, Inc.	100,000	2,902,000
Befesa Medio Ambiente (Spain)*	30,200	503,333
CIA SaneamentoBasico (Brazil) ADR	275,000	6,657,750
Gorman-Rupp Co.	50,000	1,556,000
Hyflux Ltd. (Singapore)	600,000	745,445
		21,238,528

The accompanying notes are an integral part of these financial statements.

NEW ALTERNATIVES FUND, INC.
SCHEDULE OF INVESTMENTS (Continued)
December 31, 2008

	Shares	Value
Natural Gas Distribution — 9.3%		
Northwest Natural Gas Co.	160,000	$ 7,076,800
South Jersey Industries, Inc.	250,000	9,962,500
		17,039,300
Recycling — 1.1%		
Commercial Metals Co.	100,000	1,187,000
Sims Group Ltd. (Australia)	75,000	906,707
		2,093,707
Engineering & Construction — 0.8%		
Quanta Services, Inc.*	75,000	1,485,000
Natural Foods — 0.6%		
Whole Foods Market, Inc.	125,000	1,180,000
Total Common Stocks (Cost $240,094,014)		177,830,112

	Par	
CERTIFICATES OF DEPOSIT — 0.3%		
Socially Concerned Banks — 0.3%		
Alternatives Federal Credit Union		
0.34% due 01/31/09	$100,000	100,000
Carver Federal Savings Bank		
0.00% due 01/31/09	100,000	100,000
Chittenden Bank (Vermont National Bank)		
2.25% due 12/03/09	100,000	100,000
Self-Help Credit Union		
2.24% due 02/10/09	100,000	100,000
South Shore Bank		
1.80% due 01/11/09	100,000	100,000
Total Certificates of Deposit (Cost $500,000)		500,000

The accompanying notes are an integral part of these financial statements.

NEW ALTERNATIVES FUND, INC.
SCHEDULE OF INVESTMENTS (Concluded)
December 31, 2008

	Value
TOTAL INVESTMENTS (Cost $240,594,014) — 96.8%	$178,330,112
Other Assets in Excess of Liabilities — 3.2%	5,927,362
Net Assets — 100.0%	**$184,257,474**

* Non-income producing security
ADR–American Depositary Receipt
PLC–Public Limited Company

The accompanying notes are an integral part of these financial statements.

NEW ALTERNATIVES FUND, INC.
STATEMENT OF ASSETS AND LIABILITIES
December 31, 2008

ASSETS

Investment securities at fair value (cost: $240,094,014) (Notes 2A and 5)	$177,830,112
Certificates of Deposit at amortized cost	500,000
Cash	6,276,134
Receivables:	
Capital stock subscribed	1,255,910
Dividends	298,809
Interest	5,649
Prepaid insurance & registration fees	17,841
Total Assets	186,184,455

LIABILITIES

Payables:	
Investment securities purchased	23,562
Capital stock reacquired	1,303,493
Distributions	239,118
Management fees	79,039
Accrued expenses and other liabilities	281,769
Total Liabilities	1,926,981
Net Assets	**$184,257,474**

ANALYSIS OF NET ASSETS

Net capital paid in shares of capital stock	$267,002,053
Undistributed net investment income	43
Accumulated net realized loss on investments	(20,479,690)
Net unrealized depreciation of translation of other assets and liabilities in foreign currency	(1,030)
Net unrealized depreciation on investments	(62,263,902)
Net Assets	**$184,257,474**
Net asset value and redemption price per share ($184,257,474/5,866,871 shares of outstanding capital stock, 40 million shares authorized with a par value of $0.01 per share)	**$ 31.41**
Maximum offering price per share (100/95.25 of $31.41)	**$ 32.98**

The accompanying notes are an integral part of these financial statements.

NEW ALTERNATIVES FUND, INC.
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2008

Investment Income:	
Dividends (net of $421,205 foreign taxes withheld)	$ 3,866,739
Interest	311,654
Total Income	4,178,393
Expenses:	
Management fee (Note 4)	1,289,612
Transfer agent fees	482,100
Administration and accounting fees	251,867
Postage and printing fees	212,714
Custodian fees	168,536
Legal fees	167,751
Registration fees	96,939
Compliance service fees	36,879
Directors' fees	22,855
Audit fees	20,000
Insurance fees	10,465
Other expenses	7,786
Total Expenses	2,767,504
Net Investment Income	1,410,889
Net Realized and Unrealized Gain/(Loss) from Investments and Foreign Currency Related Transactions:	
Realized Gain/(Loss) from Investments and Foreign Currency Related Transactions (Notes 2B & 6):	
Net realized loss from investments	(19,296,272)
Net realized loss from foreign currency transactions	(354,649)
Net Realized Loss	(19,650,921)
Net Change in Unrealized Appreciation/(Depreciation) of Investments and Foreign Currency Related Transactions:	
Net change in unrealized appreciation/(depreciation) on investments	(134,757,340)
Net change in unrealized appreciation/(depreciation) on foreign currency translations	2,534
Net change in unrealized appreciation/(depreciation)	(134,754,806)
Net Realized and Unrealized Loss on Investments and Foreign Currency Related Transactions	(154,405,727)
Net Decrease in Net Assets Resulting from Operations	$(152,994,838)

The accompanying notes are an integral part of these financial statements.

NEW ALTERNATIVES FUND, INC.
STATEMENTS OF CHANGES IN NET ASSETS

	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007
Investment Activities:		
Net investment income	$ 1,410,889	$1,738,479
Net realized gain/(loss) from investments and foreign currency transactions	(19,650,921)	4,574,820
Net change in unrealized appreciation/(depreciation) on investments and foreign currency translations	(134,754,806)	45,586,314
Net increase/(decrease) in net assets derived from operations	(152,994,838)	51,899,613
Dividends and Distributions to Shareholders:		
Dividends from net investment income	(1,056,197)	(1,740,608)
Distributions from net realized capital gains	—	(5,226,102)
Total dividends and distributions to shareholders	(1,056,197)	(6,966,710)
Capital Share Transactions:		
Net increase from capital transactions (Note 3)	36,658,750	139,681,450
Total Increase/(Decrease) in Net Assets:	(117,392,285)	184,614,353
Net Assets:		
Beginning of the year	301,649,759	117,035,406
End of the Year*	$184,257,474	$301,649,759

* Includes undistributed net investment income of $43 and $0 for the years ended 12/31/08 and 12/31/07, respectively.

The accompanying notes are an integral part of these financial statements.

NEW ALTERNATIVES FUND, INC.
FINANCIAL HIGHLIGHTS
STATEMENT OF PER SHARE INCOME AND CAPITAL CHANGES
For a share of capital stock outstanding throughout each year

	For the Years Ended December 31,				
	2008	2007	2006	2005	2004
Net asset value at beginning of year	$ 57.28	$ 43.91	$ 34.46	$ 33.48	$ 29.69
Investment Operations					
Net investment income	0.24	0.34	0.18	0.18	0.17
Net realized & unrealized gain/(loss) on investments	(25.93)	14.39	11.47	2.81	3.79
Total from investment operations	(25.69)	14.73	11.65	2.99	3.96
Distributions					
From net investment income	(0.18)	(0.34)	(0.18)	(0.18)	(0.17)
From net realized gain on investments	—	(1.02)	(2.02)	(1.83)	—
Total distributions	(0.18)	(1.36)	(2.20)	(2.01)	(0.17)
Net asset value as of end of the year	$ 31.41	$ 57.28	$ 43.91	$ 34.46	$ 33.48
Total return (Sales load not reflected)	(44.85)%	33.53%	33.83%	8.94%	13.34%
Net assets, end of year (in thousands)	$184,257	$301,650	$117,035	$64,765	$52,615
Ratio of operating expenses to average net assets	1.09%	0.95%	1.25%	1.28%	1.32%
Ratio of net investment income to average net assets	0.56%	0.82%	0.51%	0.65%	0.65%
Portfolio turnover	25.67%	14.24%	39.83%	52.09%	50.05%
Number of shares outstanding at end of year	5,866,871	5,266,358	2,665,296	1,879,695	1,565,049

The accompanying notes are an integral part of these financial statements.

NEW ALTERNATIVES FUND, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2008

1) ORGANIZATION – New Alternatives Fund, Inc. (the "Fund") was incorporated under the laws of the State of New York on January 17, 1978 and is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company. The Fund commenced operations on September 3, 1982. The investment objective of the Fund is to seek long-term capital appreciation by investing in common stocks of companies that are oriented to a clean environment with a special interest in alternative energy. The Fund concentrates at least 25% of its total assets in common stocks of companies which have an interest in alternative energy. There is no limitation on the percentage of assets invested in the U.S. or abroad.

2) ACCOUNTING POLICIES – The following is a summary of significant accounting policies followed by the Fund.

A. PORTFOLIO VALUATION – The Fund's net asset value ("NAV") is calculated once daily at the close of regular trading hours on the New York Stock Exchange ("NYSE") (generally 4:00 p.m. Eastern time) on each day the NYSE is open. Securities held by the Fund are valued using the closing price or the last sale price on a national securities exchange or on the National Association of Securities Dealers Automatic Quotation System ("NASDAQ") market system where they are primarily traded. If there were no sales on that day or the securities are traded on other over-the-counter markets, the mean of the last bid and asked prices prior to the market close is used. Short-term debt securities having a remaining maturity of 60 days or less are amortized based on their cost.

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.

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 pursuant to procedures adopted by the Fund's Board of Directors (the "Board").

The Fund has adopted the provisions of Statement of Financial Accounting Standards No. 157 ("SFAS 157") as of the beginning of the current fiscal year. This standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, the Fund utilizes a fair value hierarchy which prioritizes the inputs to valuation techniques used to determine fair value into three broad levels.

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – prices determined using other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – prices determined using significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The following is a summary of the inputs used, as of December 31, 2008, in valuing the Fund's assets carried at fair value:

Valuation Inputs	*Investments in Securities*	*Other Financial Instruments*
Level 1 — Quoted Prices	$178,330,112	$ —
Level 2 — Other Significant Observable Inputs	—	—
Level 3 — Significant Unobservable Inputs	—	—
Total	$178,330,112	$ —

B. FOREIGN CURRENCY TRANSLATION – Investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. If foreign currency translations are not available, the foreign exchange rate(s) will be valued at fair market value using procedures approved by the Fund's Board.

The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments.

Reported net realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid.

Foreign Securities — There are certain risks resulting from investing in foreign securities in addition to the usual risks inherent in domestic investments. Such risks include future political, economic and currency exchange developments including investment restrictions and changes in foreign laws.

C. SECURITY TRANSACTIONS AND RELATED INVESTMENT INCOME – Security transactions are accounted for on the trade date (date order to buy or sell is executed). The cost of investments sold is determined by use of a first in, first out basis for both financial reporting and income tax purposes in determining realized gains and losses on investments.

D. INVESTMENT INCOME AND EXPENSE RECOGNITION – Dividend income is recorded as of the ex-dividend date. Interest income, including amortization/accretion of premium and discount, is accrued daily. Expenses are accrued on a daily basis.

E. DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS – Dividends from net investment income and distributions from net realized capital gains, if any, will be declared and paid at least annually to shareholders and recorded on ex-date. Income dividends and capital gain distributions are determined in accordance with U.S. federal income tax regulations which may differ from accounting principles generally accepted in the United States of America.

F. U.S. TAX STATUS – No provision is made for U.S. income taxes as it is the Fund's intention to qualify for and elect the tax treatment applicable to regulated investment companies under Subchapter M of the Internal Revenue Code of 1986, as amended, and make the requisite distributions to its shareholders which will be sufficient to relieve it from U.S. income and excise taxes.

G. USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

H. OTHER – In the normal course of business, the Fund may enter into contracts that provide general indemnifications. The Fund's maximum exposure under these arrangements is dependent on claims that may be made against the Fund in the future, and therefore, cannot be estimated; however, based on experience, the risk of material loss for such claims is considered remote.

3) CAPITAL STOCK – There are 40,000,000 shares of $0.01 par value capital stock authorized. On December 31, 2008, there were 5,866,871 shares outstanding. Aggregate paid-in capital including reinvestment of dividends was $267,002,053. Transactions in capital stock were as follows:

	For the Year Ended December 31, 2008		**For the Year Ended December 31, 2007**	
	Shares	Amount	Shares	Amount
Capital stock sold	2,474,760	$113,180,488	2,999,232	$161,162,985
Reinvestment of distributions	26,295	833,242	89,305	5,114,997
Redemptions	(1,900,542)	(77,354,980)	(487,475)	(26,596,532)
Net Increase	600,513	$ 36,658,750	2,601,062	$139,681,450

4) MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES – Accrued Equities, Inc. (the "Advisor"), a registered investment advisor and broker-dealer, serves as investment advisor to the Fund pursuant to an Investment Management and Advisory Agreement (the "Advisory Agreement"), as amended. The Fund pays the Advisor an annual management fee of 1.00% of the first $10 million of average net assets; 0.75% of the next $20 million; 0.50% of assets over $30 million and less than $100 million; and 0.45% of assets over $100 million. The annualized expense ratio for the year ended December 31, 2008 was 1.09%. The Fund pays no remuneration to its officers, David Schoenwald and Maurice Schoenwald, who are also Interested Directors of the Fund and officers of the Advisor. On July 1, 2006, the Fund entered into an Underwriting Agreement with PFPC Distributors, Inc. to serve as the principal underwriter and PFPC Distributors, Inc. entered into a Sub-Distribution Agreement with Accrued Equities, Inc. The Fund charges a maximum front-end sales charge of 4.75% on most new sales. The commission is shared with other brokers who actually sell new shares. Their share of the commission may vary. Accrued Equities, Inc. received $280,329 in sales charges for the year ended December 31, 2008. PFPC Distributors, Inc., the Fund's principal underwriter, and Accrued Equities, Inc., the Fund's co-distributor, received $148,202 and $296,403, respectively, in underwriting fees for the year ended December 31, 2008.

5) DIRECTORS' FEES – For the year ended December 31, 2008, the Fund paid directors' fees and out of pocket expenses of $22,855 to its Directors who are not "interested persons" of the Fund, as that term is defined in the 1940 Act (the "Independent Directors").

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, Chairperson of the Audit Committee, receives an additional $500. As Vice-Chairperson, Ms. Reier receives an additional fee of $1,000. The Independent Directors also receive reimbursement of "coach" travel expenses for travel in excess of 500 miles to attend Board Meetings. The Interested Directors and officers of the Fund, other than the Chief Compliance Officer, do not receive compensation from the Fund for their services. Interested Directors of the Fund are paid for their services by the Advisor.

6) PURCHASES AND SALES OF SECURITIES – For the year ended December 31, 2008, the aggregate cost of securities purchased totaled $129,629,242. Net realized gains (losses) were computed on a first in, first out basis. The amount realized on sales of securities for the year ended December 31, 2008 was $60,783,967.

7) FEDERAL INCOME TAX INFORMATION – At December 31, 2008, federal tax cost and aggregate gross unrealized appreciation and depreciation of securities held by the Fund were as follows:

Cost of investments for tax purposes	$240,605,271
Gross tax unrealized appreciation	$ 6,744,454
Gross tax unrealized depreciation	(69,019,613)
Net unrealized depreciation on investments	$ (62,275,159)

The tax character of distributions paid during 2008 and 2007 were as follows:

Distribution paid from:	2008	2007
Ordinary Income	$1,056,197	$1,741,387
Long-term Capital Gain	—	5,712,964*
	$1,056,197	$7,454,351

* Includes use of equalization debits of $487,641.

The following permanent differences as of December 31, 2008, attributable to transactions involving foreign securities and currencies, were reclassified to the following accounts:

Increase Accumulated Net Realized Gain (Loss)	$ 354,649
Decrease Undistributed Net Investment Income	(354,649)

For federal income tax purposes, distributions from net investment income and short-term capital gains are treated as ordinary income dividends.

As of December 31, 2008, the components of distributable earnings on a tax basis were as follows:

Undistributed Ordinary Income	$ 43
Undistributed Capital Gains/(Capital Loss Carryforward)	(20,468,433)
** Net Unrealized Depreciation on Investments and Currencies	(62,276,189)
	$(82,744,579)

** The primary difference between distributable earnings on a book and tax basis is primarily related to wash sales.

As of December 31, 2008, the Fund has a capital loss carryforward of $20,468,433 which can be used to offset future capital gains. This capital loss carryforward will expire on December 31, 2016 if it is not utilized against future capital gains.

FASB Interpretation No. 48 ("FIN 48"), Accounting for Uncertainty in Income Taxes, sets forth a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. Management has analyzed the Fund's tax positions and has concluded that no provision for income tax is required in the Fund's financial statements. The Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months. However, management's conclusions regarding the adoption of FIN 48 may be subject to review and adjustment at a later date based on factors including, but not limited to, further implementation guidance from the FASB, new tax laws, regulations and administrative interpretations (including court decisions). Each of the Fund's federal tax returns for the prior three fiscal years remains subject to examination by the Internal Revenue Service.

8) NEW ACCOUNTING PRONOUNCEMENT – In March 2008, Statement of Financial Accounting Standards No. 161, "Disclosures about Derivative Instruments and Hedging Activities" ("SFAS 161"), was issued and is effective for fiscal years and interim periods beginning after November 15, 2008. SFAS 161 is intended to improve financial reporting for derivative instruments by requiring enhanced disclosure that enables investors to understand how and why a fund uses derivatives, how derivatives are accounted for, and how derivative instruments affect a fund's results of operations and financial position. Management is currently evaluating the impact of SFAS 161 on financial statement disclosures, if any.

BRIGGS
BUNTING &
DOUGHERTY, LLP
CERTIFIED
PUBLIC
ACCOUNTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
New Alternatives Fund, Inc.

We have audited the accompanying statement of assets and liabilities of New Alternatives Fund, Inc., including the schedule of investments, as of December 31, 2008, and the related statement of operations for the year then ended and the statements of changes in net assets and the financial highlights for each of the years in the two year period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. The financial highlights for each of the years in the three year period ended December 31, 2006 were audited by other auditors whose report dated February 20, 2007 expressed an unqualified opinion on such financial highlights.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2008 by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of New Alternatives Fund, Inc. as of December 31, 2008, the results of its operations for the year then ended and the changes in its net assets and its financial highlights for each of the years in the two year period then ended, in conformity with accounting principles generally accepted in the United States of America.

Briggs, Bunting & Dougherty, LLP

BRIGGS, BUNTING & DOUGHERTY, LLP

Philadelphia, Pennsylvania
February 24, 2009

OTHER INFORMATION
(Unaudited)

1) PROXY VOTING – The Fund has proxy voting policies which are available, without charge, upon request by calling the Fund at 800-423-8383. Information regarding how the Fund voted proxies during the most recent twelve month period ended June 30 is available (1) without charge, upon request, by calling the Fund at 800-423-8383 and (ii) on the SEC's website at http://www.sec.gov.

2) QUARTERLY PORTFOLIO SCHEDULES – The Fund files a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year (quarters ended March 31 and September 30) on Form N-Q. The Fund's Form N-Q's are available on the SEC website at http://www.sec.gov and may be reviewed and copied at the SEC Public Reference Room in Washington, D.C. Information on the operation of the SEC Public Reference Room may be obtained by calling 1-800-SEC-0330.

NEW ALTERNATIVES FUND, INC.
SHAREHOLDER TAX INFORMATION (Unaudited)

During the fiscal year ended December 31, 2008, the following dividends and distributions per share were paid by the Fund:

Ordinary Income	$0.18
Long-Term Capital Gains	—

The Fund paid foreign taxes of $391,890 and recognized foreign source income of $1,142,203. Pursuant to Section 853 of the Internal Revenue Code, the Fund designates such amounts as having been paid in connection with dividends distributed from investment taxable income during the year ended December 31, 2008.

For the year ended December 31, 2008, certain dividends may be subject to a maximum tax rate of 15%, as provided for by the Jobs and Growth Tax Relief Reconciliation Act of 2003. For individual shareholders, 100% of their ordinary income dividends for the Fund may qualify for the maximum tax rate of 15%. Complete information will be computed and reported in conjunction with your Form 1099-DIV.

For corporate shareholders, 88.50% of the ordinary income dividends qualify for the dividends received deduction.

Shareholders are advised to consult their own tax advisors with respect to the tax consequences of their investments in the Fund.

MANAGEMENT OF THE FUND – Information pertaining to the Directors and Officers of the Fund is set forth below. The Statement of Additional Information includes additional information about the Directors and is available without charge, upon request, by calling the Fund at 800-423-8383 or by visiting our website at www.newalternativesfund.com.

DIRECTORS

Name, Address and Age	Position(s) Held with Fund	Term of Office and Length of Time Served [1]	Principal Occupation(s) During the Past Five Years	Number of Portfolios in Fund Complex To Be Overseen by Director [2]	Other Directorships Held by Director [3]
Interested Directors and Officers					
Maurice L. Schoenwald* Longboat Key, FL Age: 88	Founder, Director, Vice President and Secretary	1982 to present	Founder, Secretary and Vice President, Accrued Equities, Inc.	1	None
David J. Schoenwald* Huntington Bay, NY Age: 59	Founder, Director, Chairperson of the Board, President and Treasurer	1982 to present	President, Accrued Equities, Inc.	1	None
Murray D. Rosenblith* Brooklyn, NY Age: 57	Director	Since 2003	Administrator, Accrued Equities, Inc. (2008 to present); Former 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
Joseph A. Don Angelo Syosset, NY 11791 Age: 60	Chief Compliance Officer	2007 to present	Accountant and Owner, Don Angelo and Associates, CPAs P.C. (1984-Present)	1	None

Name, Address and Age	Position(s) Held with Fund	Term of Office and Length of Time Served[1]	Principal Occupation(s) During the Past Five Years	Number of Portfolios in Fund Complex To Be Overseen by Director[2]	Other Directorships Held by Director[3]
Independent Directors					
Sharon Reier Coconut Creek, FL and Paris, France Age: 62	Director and Vice-Chairperson of the Board	Director Since 1982; Vice-Chairperson Since 2008	Financial Journalist, Business Week & International Herald Tribune; Former Regional Editor, Financial World Magazine; Former Editor with Board Room; Former Contributing Editor, Institutional Investor; Former Staff, Forbes & American Banker.	1	None
Preston V. Pumphrey Syosset, NY Age: 74	Director and Audit Committee Chairperson	Since 2003 (Director and Audit Committee)	Retired CEO and Former owner, Pumphrey Securities, Inc., a registered securities broker/dealer; Former Adjunct Professor of Finance, C.W. Post College; NASD Dispute Resolution Board of Arbitrators (June 2002 to Present); Director, American Red Cross of Nassau County, NY.	1	None
Susan Hickey East Northport, NY Age: 56	Director and Audit Committee Member	Since 2005	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

Name, Address and Age	Position(s) Held with Fund	Term of Office and Length of Time Served [1]	Principal Occupation(s) During the Past Five Years	Number of Portfolios in Fund Complex To Be Overseen by Director [2]	Other Directorships Held by Director [3]
Jonathan D. Beard New York, NY Age: 61	Director	Since 2005	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

[1] Each Director holds office until the next 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 minority shareholder of Accrued Equities, Inc., the Fund's investment advisor. David Schoenwald is majority shareholder and President of Accrued Equities, Inc. Murray D. Rosenblith is considered an "interested person" as a result of his employment with Accrued Equities, Inc.

[This Page Intentionally Left Blank]

[This Page Intentionally Left Blank]