

SECURITIES AND EXCHANGE COMMISSION

FORM 485BPOS

Post-effective amendments [Rule 485(b)]

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FILER

MH ELITE PORTFOLIO OF FUNDS INC

CIK: **1054816** | IRS No.: **223545308** | State of Incorporation: **NJ** | Fiscal Year End: **1231**
Type: **485BPOS** | Act: **33** | File No.: **333-50885** | Film No.: **05788294**

Mailing Address
220 RUSSELL AVE
RAHWAY NJ 07065

Business Address
220 RUSSELL AVE
RAHWAY NJ 07065
7323824145

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CIK: **1054816** | IRS No.: **223545308** | State of Incorporation: **NJ** | Fiscal Year End: **1231**
Type: **485BPOS** | Act: **40** | File No.: **811-08763** | Film No.: **05788295**

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UNITED STATES
Securities and Exchange Commission
Washington, DC. 20549

FORM N-1A

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 [X]
Pre-Effective Amendment No. []
Post-Effective Amendment No. 9 [X]
and
THE INVESTMENT COMPANY ACT OF 1940 [X]
Amendment No. 10

MH Elite Portfolio of Funds, Inc. (Exact Name of Registrant as Specified
in Charter)
220 Russell Ave., Rahway, NJ 07065 Address of Principal Executive Offices)
1-800-318-7969 (Registrants Telephone Number)

Harvey Merson, 220 Russell Ave., Rahway, NJ 07065 (Name and Address of
Jeff Holcombe, 220 Russell Ave., Rahway, NJ 07065 Agents for Service)

Approximate Date of Proposed Public Offering: As soon as practicable after
the effective date of this registration.

It is proposed that this filing will become effective (check appropriate box)
 immediately upon filing pursuant to Rule 485 (b)
 on (date) pursuant to Rule 485 (b)
 60 days after filing pursuant to Rule 485 (a) (1)
 on (date) pursuant to Rule 485 (a) (1)
 75 days after filing pursuant to Rule 485(a) (2)
 on (date), pursuant to Rule 485 (a) (2)

Pursuant to rule 24f-2 under the Investment Company Act of 1940, an indefinite
number of securities have been registered by this registration statement.

The Registrant hereby amends this Registration Statement on such date or dates
that may be necessary to delay its effective date until the registrant shall
file a further amendment which specifically states that this Registration
Statement shall thereafter become effective in accordance with Section 8(A) of
the Securities Act of 1933 or until this Registration Statement shall become
effective on such date as the Commission acting to section 8(A) may determine.

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INFORMATION REQUIRED

CAPTIONS IN FILING

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Item 7. Shareholder Information	How To Buy Shares, How to Sell Shares, Pricing of Fund Shares, Retirement Plans, Distribution and Taxes, To Obtain Additional Information
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MH Elite Portfolio of Funds, Inc.
220 Russell Avenue
Rahway, New Jersey 07065
1-800-318-7969
www.mhelite.com

PROSPECTUS

April 30, 2005

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MH Elite Portfolio of Funds, Inc. offers two no-load mutual funds:

MH Elite Fund of Funds
MH Elite Small Cap Fund of Funds

This prospectus is intended to provide important information to help you evaluate whether the funds offered by MH Elite Portfolio of Funds, Inc. may be right for you. Please read this prospectus carefully before investing and keep the prospectus for future reference.

These securities have not been approved or disapproved by the Securities and Exchange Commission, nor has the commission passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

Investment Objectives

MH Elite Small Cap Fund of Funds and MH Elite Fund of Funds (referred to individually as a Fund and collectively as the Funds) are open-end diversified mutual funds with an investment objective of long-term capital appreciation. Each Fund seeks to achieve its investment objective through investments in other diversified and non-diversified open-end mutual funds ("underlying funds") which in turn, invest principally (i.e. at least 80% of their total assets) in equity securities. The investment objective of the underlying funds will be, consistent with the investment objective of the Funds, long-term capital appreciation.

Principle Investment Strategies

The Funds seek to achieve their investment objective by investing at least 80% of their total assets in a diversified group of approximately ten to twenty-five underlying funds which invest 80% of their total assets in equity securities and whose investment objective is long-term capital appreciation. There can be no assurance that the Funds will achieve their investment objective.

MH Elite Small Cap Fund of Funds will emphasize funds that invest in companies whose median market capitalization is less than two billion, at the time of initial purchase, commonly referred to as small and/or micro cap funds.

MH Elite Fund of Funds will emphasize funds that invest in companies whose median market capitalization is greater than two billion dollars, at the time of initial purchase, commonly referred to as mid and large cap funds.

Both Funds will invest in a mix of fund styles including value, blend and growth funds. Growth funds will invest in stocks that typically enjoy strong growth in earnings, that is often related to a hot new product or service. Growth stocks are expected to grow at a faster pace than the rest of the market as measured by forward earnings, book value, cash flow and sales. They are often priced at a premium associated with relatively high P/Es (price to earnings ratio) and P/Bs (price to book ratio). In contrast, value managers are bargain hunters looking for a sale, seeking out companies selling for less than the true value of their earning power or assets. The stock holdings of value funds will have P/Es and P/Bs that are well below the norm. Value stocks are not the darlings of Wall Street but rather viewed as the underachievers. In researching stocks, fund managers will uncover what's hot (growth) and what's

not (value). Blend funds do not adhere to one particular (value or growth) style of investing and will hold a combination of value and growth stocks.

The Investment Adviser reviews and evaluates funds based on their investment style, policies, and past performance. Other criteria considered in making a determination include the portfolio manager(s), transaction and operating expenses and fees, portfolio composition and liquidity, and quality and types of shareholder services provided. Consistency in performance and a fund's relative performance versus other funds with a similar investing style is an important consideration when evaluating a fund for the portfolio. The sector weightings of an underlying fund are reviewed for overlap in holdings and to insure the Funds maintain an overall balanced portfolio. In the process of screening and comparing funds, the Investment Adviser will consider a fund's

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standard deviation, a statistical measure of a fund's range of performance and volatility, and a fund's alpha figure, used to measure the value added or subtracted by a fund's manager. The Funds will invest in unaffiliated funds that can be purchased at their net asset value without sales charges, upfront or deferred, and have a maximum limit on 12B-1 fees of .25%. Disappointing performance, a change in portfolio manager(s) or significant style drift will lead to a fund being removed from the portfolio. Refer to the Statement of Additional Information for more information concerning the investment policies and practices of the underlying funds.

Principle Investment Risks

An investment in any security involves a certain amount of risk. There are a number of risks and other considerations that a potential investor in each of the Funds should consider. Some of these relate to an investment in a security of any kind, others are particular to a fund that invests in other funds, and still others concern certain legal requirements applicable to funds that invest in other funds. There is the potential for a diluted effect of investing in a fund of funds. The Funds will invest at least 80% of their assets in underlying funds, which will invest at least 80% of their assets in equity securities. If only the minimum investment restrictions are met by the Funds and the underlying funds, then only 64% of the assets would be invested in equity securities. Although the Funds diversify their portfolios by investing in other mutual funds, which tends to minimize risk somewhat, it does not eliminate risk altogether.

The value of your investment in each Fund will fluctuate in response to stock market and general economic conditions. One risk to consider, when investing in either Fund is the possibility that its share price and total return may decline as a result of a decline in the value of the underlying funds. In the past, investing in small cap stock funds has been riskier than investing in funds that concentrate on mid and large cap stocks. Stock prices of small cap companies tend to be more volatile than mid and large cap companies with sharper price movements in both up and down markets. Each Fund may be weighted more to one particular style of investing (i.e. growth vs. value) that may under perform and/or be more volatile than other investment styles at the time. Furthermore, our selection of underlying funds may not perform as well as expected when purchased or as well as the stock market in general. As a result, loss of money is a risk of investing in each of the Funds. You should consider an investment in each of these Funds as a long-term investment.

The Funds are independent from any of the underlying funds in which they invest and have little voice in or control over the investment practices, policies, or decisions of those funds. If the Funds disagree with those practices, policies, or decisions, it may have no choice other than to liquidate its investment in that fund, which may entail a loss. Also, the investment advisers of the underlying funds may simultaneously pursue inconsistent or contradictory courses of action; for example, one fund may be purchasing securities of the same issuer whose securities are being sold by another underlying fund.

An investor in each of the Funds will indirectly pay higher expenses than if the underlying shares were owned directly. An investor who invests directly in a fund will pay a pro rata share of the fund's operating expenses (i.e. management fees, distribution fees, and other expenses). An investor in either of the Funds will incur a layering of fees as they will not only be paying the

operating expenses related to each of the Funds, but they will also be paying a portion of similiar expenses of the underlying funds.

Normally, cash, short-term debt securities, and money market mutual funds held for investment or redemptions may not exceed 20% of the Fund's total assets. For temporary defensive purposes or to accumulate cash for investments or redemptions, the Funds may hold cash or invest in money market mutual funds or in a variety of short-term debt securities, including U.S. Treasury bills and other U.S. Government securities, commercial paper, certificates of deposit, and banker's acceptance. When the Funds invest for temporary defensive purposes, it may do so without any percentage limitations. These temporary defensive positions are inconsistent with the Funds' principal investment strategies and the Funds may fail to achieve their investment objectives.

Performance

The charts below are intended to provide you with an indication of the risks of investing in MH Elite Small Cap Fund of Funds and/or MH Elite Fund of Funds by showing changes in the Funds' performance from year to year. The Funds' past performance is not necessarily an indication of how the Funds will perform in the future.

MH Elite Small Cap Fund of Funds

1998	17.20%	(1)
1999	32.90%	
2000	1.50%	
2001	8.09%	
2002	-22.61%	
2003	45.27%	
2004	15.72%	

(1) 1998 - From inception: 9/1/1998 to 12/31/1998

The table below is designed to help you evaluate your risk tolerance by showing the Fund's best and worst quarterly performance for the years shown in the bar chart above.

Best quarter	27.6 %	Q4 1999
Worst quarter	-21.5 %	Q3 2002

The table below compares the Fund's performance over time with the Russell 2000 index. The Russell 2000 index is an unmanaged total return index of the smallest 2,000 companies that represent approximately 8% of the total market capitalization of the Russell 3000 Index. The Russell 2000 is widely used in the industry to measure the performance of small company stocks. As with all mutual funds, past performance (before and after taxes) does not guarantee future results.

MH Elite Small Cap Fund of Funds

Average Annual Total Returns

	Periods Ended December 31, 2004		
	1 Year	5 Years	Since inception (9/1/98)
Return before taxes	15.72%	7.38%	13.36%
Return after taxes on distributions	13.54%	6.80%	12.89%

Return after taxes on distributions and sale of fund shares	11.90%	5.89%	11.41%
Russell 2000 (reflects no deductions for fees, expenses, or taxes)	18.33%	6.61%	12.35%

MH Elite Fund of Funds

2004 9.00% (1)

(1) 2004 - From inception: 1/13/2004 to 12/31/2004

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The table below is designed to help you evaluate your risk tolerance by showing the Fund's best and worst quarterly performance for the years shown in the bar chart above.

Best quarter	10.1 %	Q4 2004
Worst quarter	-3.3 %	Q3 2004

The table below compares the Fund's performance over time with the Russell 1000 index. The Russell 1000 index is an unmanaged total return index of the largest 1,000 companies that represent approximately 92% of the total market capitalization of the Russell 3000 Index. The Russell 1000 is widely used in the industry to measure the performance of mid and large cap company stocks. As with all mutual funds, past performance (before and after taxes) does not guarantee future results.

MH Elite Fund of Funds

Average Annual Total Returns

	Period Ended December 31, 2004
	Since inception (1/13/04)
Return before taxes	9.00%
Return after taxes on distributions	8.86%
Return after taxes on distributions and sale of fund shares	5.99%
Russell 1000 (reflects no deductions for fees, expenses, or taxes)	9.46%

The Funds' after-tax returns as shown in the previous tables are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown in the tables above. The after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

Fund Expenses

The following describes the fees and expenses that you may pay if you buy and hold shares in a Fund. The expenses and fees set forth below are for the 2005 fiscal year.

Shareholder Fees (fees paid directly from your investment)	

Maximum Sales Load Imposed on Purchases	None
Maximum Sales Load Imposed on Reinvested Dividends	None
Deferred Sales Load	None
Redemption Fees	None
Exchange Fees	None
Maximum Account Fee	None

Annual Fund Operating Expenses (expenses deducted from the Fund's assets)	

Management Fees	1.00%
Distribution (and/or Service) (12b-1) Fees	None
Other Expenses (1)	0.25%

Total Annual Fund Operating Expenses	1.25%

(1) Other Expenses of .25% will be paid to MH Investment Management Inc. (MHI) as per the Administrative Services Agreement. Under the agreement, MHI has agreed to pay expenses incurred for the conduct of business by the Funds. Payments cannot be used for the distribution and/or marketing of Fund shares.

Expense Example

Use this table to compare fees and expenses of the Funds with those of other mutual funds. This example illustrates the amount of fees and expenses you would pay, and assumes the following: \$10,000 investment, 5 % annual return, no changes in the Fund's operating expenses, and redemption at the end of each time period.

	MH Elite Small Cap Fund of Funds	MH Elite Fund of Funds
1 Year	\$ 128	\$ 128
3 Years	\$ 404	\$ 404
5 Years	\$ 707	\$ 707
10 Years	\$ 1,611	\$ 1,611

Because this example is hypothetical and for comparison purposes only, actual expenses may be greater or lesser than those shown.

The Funds are offered on a no-load basis, which means that you pay no sales commissions or 12b-1 marketing fees. You will, however, incur expenses for management fees and administrative services.

Investment Adviser

MH Investment Management, Inc. is a New Jersey corporation that acts as the Investment Adviser to the Funds. MH Investment Management, Inc. has been the investment adviser to the MH Elite Small Cap Fund of Funds (formerly MH Elite Portfolio of Funds) since its inception on September 1, 1998. Mr. Harvey Merson and Mr. Jeff Holcombe established the company on

October 20, 1997 and are the sole owners, directors and officers of MH Investment Management, Inc. Mr. Harvey Merson, portfolio manager, is primarily responsible for the day to day management of the Fund's portfolios. Mr. Merson is a graduate of Rider College with a Bachelor of Science degree in Business Administration. He is also registered with the State of New Jersey as a Registered Investment Adviser. Mr. Merson has been assisting clients with the purchasing, monitoring, and sale of mutual funds for the last 22 years. Mr. Jeff Holcombe, chief information officer, is primarily responsible for the administrative operations of the Funds. Mr. Holcombe is a graduate of Montclair State College with a Bachelor of Science degree in Business Administration, and Fairleigh Dickinson University with a Master of Business Administration in Finance. Mr. Holcombe is currently a Director of Software Development with Telcordia Technologies, Incorporated.

The Investment Adviser furnishes each Fund with investment advice and, in general, supervises the management and investment program of the Funds. Under the Investment Advisory Agreement, the Funds have agreed to pay the Investment Adviser an annual fee, payable monthly, of 1.00% of the Funds' daily net assets.

Pursuant to its contract with the Funds, the Investment Adviser is required to render research, statistical and advisory services to the Funds, to make specific recommendations based on the Funds' investment requirements; and to pay salaries of the Funds' employees who may be officers or directors or employees of the Investment Adviser.

An Administrative Services Agreement between the Funds and MH Investment Management, Inc. stipulates the Investment Adviser will be responsible for expenses incurred for the conduct of business by the Funds and in return, the Funds have agreed to pay the Investment Adviser an annual fee, payable monthly, of .25% of the Funds' daily net assets.

Pricing Of Fund Shares

The net asset value (NAV) per share is determined by calculating the total value of the Fund's assets, deducting total liabilities, and dividing the result by the number of shares outstanding. On each day the New York Stock Exchange is open for trading, the share price, or NAV, of each Fund is determined as of the close of the regular session of trading on the New York Stock Exchange, normally 4:00 p.m. Eastern time.

The Fund's assets consist primarily of shares of the underlying funds, which are valued at their respective net asset values under the 1940 Act. The underlying funds value securities in their portfolio for which market quotations are readily available at their current market value (generally the last reported sale price) and all other securities and assets at fair value pursuant to methods established in good faith by their boards of directors.

How To Buy Shares

The offering price of the shares offered by the Funds are at the net asset value per share next determined after receipt of the application with payment to MH Elite Portfolio of Funds Inc. and is computed in the manner described under the caption "Pricing of Fund Shares" in this Prospectus. The Funds reserve the right at their sole discretion to terminate the offering of their shares made by this Prospectus at any time and to reject purchase applications when, in the judgment of management such termination or rejection is in the best interests of the Funds.

Initial purchase of shares of the Funds may be made by application submitted to the Funds. You may also purchase shares in the Funds through a processing organization (e.g. TD Waterhouse or FTJ FundChoice) which is a broker-dealer, bank or other financial institution authorized to purchase and redeem shares in the Funds for their customers. If you invest through an authorized institution, you will have to follow their procedures, which may be different from the procedures for investing directly with the Funds, including no minimum initial or subsequent investment requirement. The processing organization, rather than you, will act as shareholder of record of the shares and will be responsible for delivering Fund reports and other communication

about the Funds to you. Your broker or institution may charge a fee for its services, in addition to the fees charged by the Funds. You will also generally have to address your correspondence or questions regarding the Funds to the processing organization.

For the convenience of investors, a Share Purchase Application form is provided with this Prospectus. The minimum initial purchase of shares is \$10,000.00. The minimum amount for subsequent purchases is \$1,000.00. Investments in funds offered by MH Elite Portfolio of Funds Inc. can be combined to meet the required minimum. The minimum is also per household and extended to include immediate members of the family.

Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, government identification number and obtain other information that will allow us to identify you. We may also ask to see you driver's license or other identifying documents. The Funds will use such information to verify your identity and will not transact business with any person or entity whose identity cannot be adequately verified under the provisions of the USA Patriot Act.

The Funds will automatically retain and reinvest dividends and capital gains distributions declared by the Funds, and use the proceeds for the purchase of additional shares for the shareholder at net asset value as of the close of business on the distribution date. A Shareholder may at any time by letter or forms supplied by the Funds direct the Funds to pay dividends and/or capital gains distributions, if any, to such shareholder in cash. Shares will be issued to three decimal places as purchased from the Funds. Each Fund will maintain an account for each shareholder of shares for which no certificates have been issued.

How to Exchange Shares

Shares of the Funds may be exchanged for each other at NAV. You may exchange shares by written request or by telephone. You must sign your written request exactly as your name appears on our account records. The privilege of exchanging shares by telephone is automatically available to all shareholders. Your exchange will be processed at the next determined NAV after the Fund receives your request. You must maintain a minimum account balance of \$1,000 in each Fund after the exchange of shares has been processed. Any gain or loss on an exchange of shares may be a taxable event.

How To Sell Shares

The Funds will redeem all or any part of the shares of any shareholder that submits a written request with signature(s) guaranteed to MH Elite Portfolio of Funds Inc. Signature(s) must be guaranteed by a commercial bank, trust company, savings and loan association, or member firm of a national securities exchange. A notary public may not provide a signature guarantee. If the amount of the redemption proceeds is \$100,000.00 or less, a signature guarantee is not required.

The Funds will also accept telephone redemptions for amounts up to \$50,000. The check will be mailed only to the address to which the account is registered unless instructed otherwise in a written request signed by the shareholder(s) of record. Neither the Funds nor their respective affiliates will be liable for complying with telephone instructions they reasonably believe to be genuine or for any loss, damage, cost or expenses in acting on such telephone instructions. The affected shareholder(s) will bear the risk of any such loss. The Funds will employ reasonable procedures to determine that telephone instructions are genuine. If the Funds do not employ such procedures, they may be liable for losses due to unauthorized or fraudulent instructions. These procedures may include, among others, requiring forms of personal identification prior to acting upon telephone instructions and providing written confirmation of the transaction(s).

The sale price of each share will be the next NAV determined after a Fund receives your request. Payment by the Fund will ordinarily be made within three business days of receipt of request. The Funds may suspend the right of redemption or postpone the date of payment if the New York Stock Exchange is closed for other than customary weekend or holiday closings, or when trading on the New York Stock Exchange is restricted as determined by the Securities and Exchange Commission, or when the Securities and Exchange Commission has determined that an emergency exists, making disposal of Fund securities or valuation of net assets not reasonably practicable. For recently purchased shares, the Funds may delay payment of redemption proceeds for up to 15 days from date of purchase or until the check has cleared which ever occurs first. The Funds intend to make payments in cash, however, the Funds reserve the right to make payments in kind.

If you own your shares through an account with a broker or other institution, contact that broker or institution to sell your shares. Your broker or institution may charge a fee for its service.

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Retirement Plans

MH Elite Portfolio of Funds Inc. offers shares in connection with tax-deferred retirement plans. Application forms and additional information about these plans, including applicable fees, are available from MH Elite Portfolio of Funds Inc. Monies deposited into a qualified account may be invested in shares of the Funds upon filing of the appropriate forms with the trustee. MH Elite Portfolio of Funds Inc. will contract with an independent or outside firm to serve as trustee for the Funds' retirement plans. Before investing in the Funds through such a plan, an investor should consult a tax adviser. Due to minimum purchase requirements, the retirement plans available are intended to be used in conjunction with rollovers and transfers from individual retirement accounts ('IRAs'), and employer sponsored plans (i.e. Section 401K plans, H-R-10 Plans, 403B, etc.).

Distribution and Taxes

At the discretion of the Funds' Board of Directors, the Funds will distribute substantially all of their net investment income and any realized capital gains. The distributions may be taxed as ordinary income or capital gains (which may be taxable at different rates depending on the length of time the Fund holds its assets). The Funds' distributions, whether received in cash or reinvested in additional shares of a Fund, may be subject to federal income tax. Dividends received shortly after purchase of shares by an investor will have the effect of reducing the per share net asset value of his shares by the amount of such dividends or distributions and, although in effect a return of capital, are subject to federal income taxes.

The Funds are required by federal law to withhold 28% of reportable payments (which may include dividends, capital gains, distributions and redemptions) paid to shareholders who have not complied with IRS regulations. In order to avoid this withholding requirement, you must supply MH Elite Portfolio of Funds Inc. with your Social Security or Taxpayer Identification Number, and that you are not currently subject to back-up withholding, or that you are exempt from back-up withholding.

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Financial Highlights

The financial highlights table is intended to help you understand the Funds' financial performance for the past 5 years (or, if shorter, the period of the Fund's operations). Certain information reflects financial results for a single Fund share. The total returns in the table represent the rate that an investor would have earned (or lost) on an investment in each of the Funds (assuming reinvestment of all dividends and distributions). This information has been audited by the firm Sanville & Co., whose report, along with the Funds' financial statements, are included in the Statement of Additional Information or annual report, which is available upon

request.

MH Elite Small Cap Fund of Funds

<TABLE>
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PER SHARE DATA:	For the Years Ended December 31,				
	2004	2003	2002	2001	2000
<S>	<C>	<C>	<C>	<C>	<C>
Net Asset Value, Beginning of Period \$	7.06	\$ 4.86	\$ 6.28	\$ 5.81	\$ 6.04
Income from Investment Operations:					
Net Investment Income	(0.08)	(0.04)	(0.06)	(0.05)	(0.04)
Net Realized and Unrealized Gain (Loss) on Investments	1.19	2.24	(1.36)	0.52	0.13
Total Income (Loss) From Investment Operations	1.11	2.20	(1.42)	0.47	0.09
Less Distributions	(0.78)	-	-	-	(0.32)
Net Asset Value, End of Period \$	7.39	\$ 7.06	\$ 4.86	\$ 6.28	\$ 5.81
Total Return	15.72	45.27%	(22.6%)	8.09%	1.50%

Ratios/Supplement Data:

Net Assets at End of Period (in 000's)	\$5,185 =====	\$5,234 =====	\$1,940 =====	\$2,214 =====	\$1,571 =====
Ratio of expenses to average net assets	1.23%	1.23%	1.24%	1.24%	1.30%
Ratio of net investment income to average net assets	-1.16%	-1.14%	-1.54%	-0.93%	-75.00%
Portfolio turnover rate	33.60%	53.14%	36.50%	25.00%	50.00%

</TABLE>

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MH Elite Fund of Funds

<TABLE>
<CAPTION>

PER SHARE DATA:	For the Year Ended
	December 31, 2004 (1)

<S>	<C>
Net Asset Value, Beginning of Period \$	5.00

Income from Investment Operations:

Net Investment Income	(0.03)
--------------------------	--------

Net Realized and Unrealized Gain (Loss) on Investments	0.48
---	------

Total Income (Loss) From Investment Operations	0.45
--	------

Less Distributions	(0.04)
--------------------	--------

Net Asset Value, End of Period	\$ 5.41
-----------------------------------	---------

Total Return	9.0%
--------------	------

Ratios/Supplement Data:

Net Assets at End of Period (in 000's)	\$4,208 =====
--	------------------

Ratio of expenses to average net assets	1.32% (2)
--	-----------

Ratio of net investment income to average net assets	-0.70%
--	--------

Portfolio turnover rate	11.50%
-------------------------	--------

</TABLE>

- (1) Commenced operations on 1-13-2004
(2) Annualized

PRIVACY POLICY

(December 2004)

MH Elite Portfolio of Funds, Inc. (the 'Fund') is committed to protecting the confidentiality and security of your private investment records and personal information. The Fund considers client privacy to be fundamental in our relationship with you. We have established the following standards to safeguard the personal and confidential information you entrust to us.

1. While we do not sell any nonpublic personal information about our customers to third parties, we do collect and retain such information necessary to service your investment account about you including:

- a) Information from applications or other forms, such as you and your spouse's names, street address, telephone number, and social security numbers.
 - b) Information regarding your transactions with the Fund, such as your account balance and transaction detail.
2. We restrict access to your nonpublic personal and account information to employees and those service providers and their employees who need to know that information to service your account. Some instances when we have provided information to non-affiliates include:
- a) Disclosing information necessary to process and service account transactions that you authorize.
 - b) Disclosing information as required by regulatory or law enforcement agencies or with others as permitted by law.
3. We maintain physical, electronic, and procedural safeguards to protect your personal information.
4. Access to your nonpublic personal information is limited to authorized employees, affiliates and third parties. The information will then only be used for authorized purposes such as maintaining or servicing your account(s) or as permitted by law.

You can be assured that the Fund considers your data to be private and confidential.

If you have any questions or comments about the Fund's privacy policy, please call us at 1-800-318-7969.

The Privacy Policy is not part of this Prospectus.

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To Obtain Additional Information

For additional information about the Funds offered by MH Elite Portfolio of Funds, Inc., please contact us:

By telephone: 1-800-318-7969

By mail: MH Elite Portfolio of Funds, Inc.
220 Russell Avenue
Rahway, New Jersey 07065

By e-mail: info@mhelite.com

Internet: www.mhelite.com

Shareholder Reports

The Funds' Annual and Semi-Annual Reports contain additional information about the Funds' investments. The Funds' Annual Report contains a discussion of the market conditions and investment strategies that affected the performance of the Funds during the last fiscal year. Both the Annual and Semi-Annual Reports also contain performance information, financial statements, complete portfolio holdings and are sent to all shareholders.

Statement of Additional Information

The SAI contains more comprehensive information on the Funds. The SAI is incorporated by reference into this prospectus which makes it legally part of

this prospectus.

To obtain a free copy of the SAI, the annual and semiannual reports or other information about the Funds please call 1-800-318-7969.

Information about the Funds, including the SAI, can be reviewed and copied at the Securities and Exchange Commission's Public Reference Room in Washington, D.C. or on the SEC's website at <http://www.sec.gov>. Information about the operation of the SEC's Public Reference Room may be obtained by calling 1-202-942-8090. Copies of such information and reports may be obtained, after paying a duplicating fee, by sending an email request to publicinfo@sec.gov or by writing to the SEC's Public Reference Section, Washington, DC 20549-0102.

Investment Company Act File Number 811-0874

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Part B

STATEMENT OF ADDITIONAL INFORMATION

April 30, 2005

This Statement is not a prospectus, but should be read in conjunction with the Funds' current prospectus dated April 30, 2005. To obtain the Prospectus, please write the Fund(s) or call the 1-800-318-7969.

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FUND HISTORY

The MH Elite Portfolio of Funds, Inc. (the "Investment Company") was organized as a corporation in New Jersey on October 20, 1997. The Fund was organized as an open-end diversified management investment company under the Investment Company Act of 1940 and its securities under the Securities Act of 1933, the sale and issuance of 20,000 shares of capital stock ("initial shares") for \$100,000 (\$200 for capital stock and \$99,800 as additional paid in capital) to its initial investor on February 17, 1998. MH Elite Small Cap Fund of Funds and MH Elite Fund of Funds are separate portfolios of the Investment Company. MH Elite Small Cap Fund of Funds (effective September 1, 2003 the Fund changed the name from MH Elite Portfolio of Funds) commenced operations on September 1, 1998. MH Elite Fund of Funds commenced operations on January 13, 2004. The investment adviser to the Funds is MH Investment Management Inc. (the "Adviser").

SELECTION OF UNDERLYING FUNDS

The Investment Adviser exercises broad discretion in choosing which underlying funds to include in the Fund's portfolio. The primary consideration in the selection process is that a prospective fund advance the Fund's stated investment objective of achieving long-term capital appreciation. The Funds will invest at least 80% of their total assets in other open-end (diversified and/or non-diversified) funds which in turn invest at least 80% of their total assets in equity securities, and whose investment objective is long-term capital appreciation. MH Elite Small Cap Fund of Funds will emphasize funds that invest in companies whose median market capitalization is less than two billion, at the time of initial purchase, commonly referred to as small and/or micro cap funds. MH Elite Fund of Funds will emphasize funds that invest in companies whose median market capitalization is greater than two billion dollars, at the time of initial purchase, commonly referred to as mid and large cap funds. Both Funds will invest in a blend of fund styles including value, core and growth funds.

FUND RISKS AND OTHER CONSIDERATIONS

The underlying funds have their own investment objectives, policies, practices, and techniques, any one or all of which may subject their assets to varying degrees of risk. For example, the underlying funds in which the Funds invest may be authorized to invest 100% of their assets in securities of foreign issuers and engage in foreign currency transactions with respect to these investments; invest in restricted or illiquid securities; invest in warrants; lend their portfolio securities; sell securities short; borrow money in amounts up to 33 1/3% of their assets for leverage purposes; concentrate 25% or more of their assets in one industry; invest up to 100% of their assets in master demand notes; enter into futures contracts and options on futures contracts; and invest in start-up and unproven companies. The risks involved in certain of these practices and techniques are described in this prospectus and/or in the Statement of Additional Information.

The underlying funds may invest a portion of their assets in foreign securities. The Funds place no limit on the extent to which the underlying funds may invest in foreign securities. Investing in securities of non-U.S. companies, which are generally denominated in foreign currencies, and utilization of forward

foreign currency exchange contracts and other currency hedging techniques involve certain considerations comprising both opportunity and risk not typically associated with investing in U. S. dollar-denominated securities. Risks unique to international investing include: (1) restrictions on foreign investment and on repatriation of capital; (2) fluctuations in currency exchange rates; (3) costs of converting foreign currency into U.S. dollars; (4) price volatility and less liquidity; (5) settlement practices, including delays, which may differ from those customary in U.S. markets; (6) exposure to political and economic risks, including the risk of nationalization, expropriation of assets, and war; (7) possible imposition of foreign taxes and exchange control and currency restrictions; (8) lack of uniform accounting, auditing, and financial reporting standards; (9) less governmental supervision of securities markets, brokers, and issuers of securities; (10) less financial information available to investors; (11) difficulty in enforcing legal rights outside the U.S.; and (12) higher costs, including custodial fees. These risks are often heightened for investments in emerging or developing countries.

The Investment Company Act of 1940 (the "1940 Act") imposes certain conditions on funds which invest in other funds. The Funds and their affiliated persons may not purchase or otherwise acquire more than 3% of the total outstanding stock of another fund. The Funds may have to forgo what the Investment Adviser deems to be an advantageous purchase because of this restriction. The 1940 Act also provides that an underlying fund is not obligated to redeem any securities in an amount exceeding 1% of its total outstanding securities during any period of less than 30 days. As a result of this provision, the Investment Adviser may be unable to liquidate more than 1% of an underlying fund's securities should market or other considerations indicate the advisability of doing so.

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Underlying funds may invest up to 20% of their total assets in a variety of other securities which includes junk bonds. Investing in junk bonds (bonds which are rated BB and below by Standard and Poor's and Ba and below by Moody's) involves special risks in addition to the risks associated with investments in higher rated debt securities. Junk bonds may be regarded as predominately speculative with respect to the issuer's continuing ability to meet principal and interest payments. Refer to the Statement of Additional Information for a detailed discussion of the risks pertaining to junk bonds.

PORTFOLIO TURNOVER POLICY

The Funds do not propose to purchase securities for short term trading in the ordinary course of operations. Accordingly, it is expected that the annual turnover rate will not exceed 50%, wherein turnover is computed by dividing the lesser of the Fund's total purchases or sales of securities within the period by the average monthly portfolio value of the Fund during such period. There may be times when management deems it advisable to substantially alter the composition of the portfolio, in which event, the portfolio turnover rate might substantially exceed 50%; this would only result from special circumstances and not from the Fund's normal operations.

INVESTMENT RESTRICTIONS

The Funds have adopted certain fundamental investment policies which, together with the investment objective of the Funds, cannot be changed without the approval by holders of a majority of the outstanding shares. As defined in the 1940 Act, this means the lesser of the vote of (a) 67% of the outstanding shares of the Fund present at a meeting where more than 50% of the outstanding shares of the Fund are present in person or by proxy; or (b) more than 50% of the outstanding shares of the Fund. The Funds have also adopted a number of other investment policies which are not fundamental and, therefore, may be changed by the Board of Directors without shareholder approval.

Under its fundamental investment policies, the Funds, through their investments in underlying funds, will not invest 25% or more of their assets in one industry. The Funds may borrow money from a bank for temporary or emergency purposes, but only in amounts not exceeding the lesser of 10% of its total assets valued at cost or 5% of its total assets valued at market, and, in any event, only if immediately thereafter there is an asset coverage of at least 300%. The investment policies of the underlying funds may also allow them

to borrow money.

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Under its non-fundamental investment policies, the Funds will invest at least 80% of the value of their total assets in open-end, diversified and/or non-diversified investment companies. The Funds, and all affiliated persons, will, immediately after purchase or acquisition, not own more than 3% of the total outstanding stock of another registered investment company. The Funds will not purchase portfolio securities when outstanding borrowings exceed 5% of the total assets. Interest paid on borrowed funds will decrease the net earnings of the Funds. The Funds may mortgage, pledge, or hypothecate its assets in an amount not exceeding 10% of its total assets to secure temporary or emergency borrowing.

Additionally, the Funds may not:

- 1) Issue senior securities as defined in the 1940 Act, except as appropriate to evidence indebtedness which the Funds are permitted to incur.
- 2) Purchase or sell commodities or commodity contracts.
- 3) Underwrite securities issued by others, except to the extent that the Funds may be deemed to be an underwriter under the federal securities laws in connection with the disposition of portfolio securities.
- 4) Invest in real estate or real estate mortgage loans, although it may invest in securities which are secured by real estate and securities of issuers which invest or deal in real estate.
- 5) Short securities, purchase on margin, and write put and call options.
- 6) Make loans. The purchase of a portion of a readily marketable issue of publicly distributed bonds, debentures or other debt securities will not be considered the making of a loan.

CAPITALIZATION

The authorized capitalization for each of the Funds consists of 1,000,000,000 shares of common stock of \$0.01 par value per share. Each share has equal dividend, distribution and liquidation rights with no conversion or preemptive rights. All shares issued are fully paid and non-accessible. Each shareholder has one vote for each share held. Voting rights are non-cumulative, which means that holders of a majority of shares can elect all directors of the Fund if they so choose.

MANAGEMENT OF THE FUNDS

Shareholders meet annually to elect all members of the Board of Directors, select an independent auditor when required, and vote on any other items deemed pertinent by the incumbent Board. The Directors are in turn responsible for determining that the Funds operate in accordance with their stated objectives, policies, and investment restrictions. The Board selects an Investment Adviser to provide investment advice.

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OFFICERS AND DIRECTORS OF THE FUNDS

Officers and Directors of the Funds, together with their addresses, and principal occupations.

<TABLE>

<CAPTION>

Name,Address, and Age	Position(s) Held with Fund	Term of Office and length of Time Served	Principle Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Director <C>	Other Directorships Held by Director <C>
<S> Harvey Merson 220 Russell Avenue. Rahway, NJ 07065 53	<C> President	<C> One Year, Since Fund Inception	<C> Registered Investment Adviser	<C> 2	<C> None
Jeff Holcombe* 8 Guildford Court Annandale, NJ 08801 49	Vice-President Interested Director	One Year, Since Fund Inception	Telcordia Technologies Director of Software Development	2	None
Vincent Farinaro 565 Fallbrook Drive Venice, FL 34292 75	Non-Interested Director	One Year, Since 7-31-1998	Converted Paper Products Consultant	2	None
Howard Samms 62 Colin Court Neshanic Station, NJ 08893 58	Non-Interested Director Chairman of the Board	One Year, Since 7-31-1998 Since 1-1-2005	Johnson and Johnson Healthcare Systems, Director of Finance	2	None
Jerome Stern 44 Dexter Drive North Basking Ridge, NJ 07920 77	Non-Interested Director	One Year, 8-6-1999	Retired	2	None
Tice Walker 52 Oak Avenue Metuchen NJ 08840 36	Non-Interested Director	One Year, Since 9-1-2003	Actuary	2	None

</Table>

* As Vice President and partner of the Funds' Investment Adviser, Mr. Holcombe is considered an "Interested Directors" as defined by the Investment Company Act of 1940.

Mr. Harvey Merson is registered with the State of New Jersey as a Registered Investment Adviser. He has been assisting clients with the purchasing, monitoring, and sale of mutual funds and annuities (fixed and variable) for the last 22 years. In addition, Mr. Merson provides financial needs analysis for his clients to determine and satisfy their insurance (life and health) needs.

Mr. Jeff Holcombe is a Director of Development at Telcordia Technologies, Inc.. He is responsible for the planning, design, and development of software systems for the telephone industry.

Mr. Vincent Farinaro consults part time to the Converted Paper Products, a manufacture of paper board and boxes. Mr. Farinaro consults on all aspects of production, sales, and distribution.

Mr. Howard Samms as Finance Department Director for Johnson and Johnson Healthcare Systems is responsible for all financial requirements of the Johnson and Johnson Healthcare Systems which includes monthly reporting, budget development and implementation, capital investment decisions and related asset management functions.

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Mr. Jerome Stern has a BA Degree in chemistry from St. Peters College. After a brief career in the laboratory of National Starch Products he turned his attention to sales. In 1957 Mr. Stern formed his own chemical distributorship as President and CEO. After 25 years of operation, he sold the company in 1982 to become sales consultant to a chemical and equipment manufacturer before retiring in 1992.

Mr. Tice Walker is an Assistant Vice President at American Re-Insurance. He is a Fellow of the Casualty Actuarial Society and is a member of the American Academy of Actuaries. He has over ten years of experience in insurance, reinsurance and financial consulting.

Each director, who is not an "interested person" as that term is defined in the 1940 Act, of the Funds was paid an annual fee of \$250.00 per fund for serving as a member of the Board of Directors for fiscal year 2004. The Chairman of the Board of Director for each Fund received an additional \$50.00.

Mr. Jeff Holcombe, who is the only "interested person" of the Funds on the board, receives no compensation for serving on the board.

The Funds do not compensate the officers and directors affiliated with the Investment Adviser except as they may benefit through payment of the advisory fee.

MH Elite Small Cap Fund of Funds
BOARD OF DIRECTORS OWNERSHIP AMOUNTS
(as of 12/31/2004)

Name of Director	Dollar Range of Equity Securitis in the Funds
------------------	--

Jeff Holcombe	over \$100,000
Jerome Stern	over \$100,000
Howard Samms	\$50,001 - \$100,000
Vince Farinaro	\$50,001 - \$100,000
Tice Walker	\$50,001 - \$100,000

MH Elite Fund of Funds
BOARD OF DIRECTORS OWNERSHIP AMOUNTS
(as of 12/31/2004)

Name of Director	Dollar Range of Equity Securitis in the Funds
------------------	--

Jeff Holcombe	over \$100,000
Jerome Stern	over \$100,000
Howard Samms	None
Vince Farinaro	over \$100,000
Tice Walker	\$50,001 - \$100,000

INVESTMENT ADVISORY AND OTHER SERVICES

Under the terms of the Investment Advisory Contract with the Funds, MH Investment Management, Inc. (MHI) acts as investment adviser and, subject to the supervision of the Board, has overall responsibility for directing the investments of the Funds in accordance with their investment objective, policies and limitations.

In addition, MHI, subject to the supervision of the Board, provides the management and administrative services necessary for the operation of the Funds. Investment advisor services include all operations of the Fund including portfolio management, transfer and shareholder services. Additional services provided under the administrative services agreement include the expenses and salaries incurred by the Funds that are necessary and incidental to the conduct of its business. Administrative services provided by MHI include but are not limited to the costs incurred in the maintenance of books, records, and procedures; dealings with shareholders; reports and

notices to shareholders; expenses of annual stockholder meetings; board of directors compensation; miscellaneous office expenses; brokerage fees; and custodian, legal, accounting and registration fees. In the conduct of the respective businesses of the parties hereto and in the performance of this agreement, the Funds and MHI may share common facilities and personnel common to each.

The following table sets forth the annual fees payable by each Fund to MHI pursuant to the Investment Advisory Contract and Administrative Services Agreement expressed as a percentage of the Fund's average daily net assets:

	Management Fee	Administrative Services Fee
MH Elite Fund of Funds	1.00%	.25%
MH Elite Small Cap Fund of Funds	1.00%	.25%

Fees are computed daily and payable monthly.

The Board, including the non-interested directors, received materials specifically relating to the existing investment advisory contract and administrative services agreement.

Additional information was furnished by MHI including, among other items, information on and analysis of: (a) the overall organization of MHI, including the financial condition and stability of the advisor, (b) the choice of performance indices and benchmarks, (c) investment management personnel, (d) the potential for achieving further economies of scale, and (e) the information furnished to investors, including Funds' shareholders.

In considering the investment advisory contract, the Board, did not identify any single factor as all-important or controlling, and the following summary does not detail all the matters considered. Matters considered by the Board in connection with its approval of the investment advisory contract included:

- 1) The Board considered the benefit to shareholders of investing in a fund of funds,
- 2) The nature, extent and quality of the services to be provided by the investment adviser,
- 3) Investment performance,
- 4) Compensation to the adviser and an analysis of the adviser's profitability with respect to the fund,
- 5) Possible conflicts of interest between the Funds and the adviser,
- 6) Brokerage and portfolio transactions,
- 7) Overall fund expenses and expense ratios based on information provided. The Board also considered that the Funds' fee structure was competitive with the funds with similar investment goals and strategies,
- 8) Sales and redemptions of Fund shares.

Based on its evaluation of all material factors, the Board, including the non-interested directors, concluded that the advisory fee structures are fair and reasonable, and that the investment advisory contract and administrative services agreement should be approved. Accordingly, the investment advisory contract and the administrative services agreement were approved by the directors on December 9, 2004.

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PROXY VOTING POLICIES AND PROCEDURES

MH Investment Management, Inc. the Adviser to the Funds does not vote proxies on behalf of the Funds. MH Elite Portfolio of Funds, Inc. receives proxy material from the custodian holding the company's account. Under circumstances where the Adviser receives proxy material involving

any security held in the Fund's account the Adviser will promptly forward such material to the Fund's attention. It is the Fund management's responsibility to vote their proxies. The Adviser will provide advice regarding proxy voting upon a request from Fund management. The Adviser will keep a record of:

- 1) any advice given to the Fund regarding proxy voting,
- 2) any proxy material received on behalf of a Fund and the steps taken to forward such material to the Fund.

MH Elite Portfolio of Funds, Inc. has adopted the policy of always voting in line with management recommendations. If, at any time, we feel the fund management of an underlying fund within one or our portfolios is not working in the best interests of our shareholders we will liquidate our position in that fund. It is not our intent to change or alter the management or policies of the underlying funds. The most effective way to voice our concerns or displeasure with the management of a fund company is to simply not invest in their fund(s). We will only invest in fund companies that we feel will help us to meet our investment objectives and, in turn, serve the needs of our shareholders.

CONTROL PERSONS AND PRINCIPAL HOLDERS OF SECURITIES

To the best knowledge of the MH Elite Small Cap Fund of Funds, as of December 31, 2004, the following persons and/or entities owned of record or beneficially 5% or more of the Fund's outstanding shares.

NAME	ADDRESS	PERCENT OWNERSHIP
Circle Trust Company Custodian for FTJC Qualified Ominbus Account	1 Thorndal Circle Darien, CT 06820	31.5%

The directors and officers as a group own 11.0% of MH Elite Small Cap Fund of Funds outstanding equity securities.

To the best knowledge of the MH Elite Fund of Funds, as of December 31, 2004, the following persons and/or entities owned of record or beneficially 5% or more of the Fund's outstanding shares.

NAME	ADDRESS	PERCENT OWNERSHIP
Trust under LaPenta Oil Co.	60 Dunbar Avenue Fords, NJ 08865	5.2%

The directors and officers as a group own 13.3% of MH Elite Fund of Funds outstanding equity securities.

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TAX STATUS

The Funds intend to qualify as a regulated investment company under the Internal Revenue Code of 1986, as amended (the 'Code'). In any year in which the Funds qualify as a regulated investment company and distributes substantially all of its investment company taxable income, the Funds will not be subject to federal income tax to the extent it distributes to shareholders such income and capital gains in the manner required under the Code. A distribution will be treated as paid on December 31 of the calendar year if it is declared by the Funds in October, November, or December of that year with a record date in such a month and paid by the Funds during January of the following calendar year. Such distributions will be taxable to shareholders in the calendar year in which the distributions are declared.

CALCULATION OF PERFORMANCE DATA

The Funds may publish certain total return performance figures in advertisements from time to time. Total return and average annual total return are calculated using the following formulas:

Total Return -

Total return is the percentage change in the value of a hypothetical investment that has occurred in the indicated time period, taking into account the imposition of various fees, and assuming the reinvestment of all dividends and distributions. Cumulative total return reflects the Fund's performance over a stated period of time and is computed as follows:

$$\frac{\text{ERV} - \text{P}}{\text{P}} = \text{Total Return}$$

Where:

ERV = ending redeemable value of hypothetical \$1,000 payment made at the beginning of the base period, assuming reinvestment of all dividends and distributions

P = a hypothetical initial payment of \$1,000

Average Annual Total Return -

Average annual total return reflects the hypothetical annually compounded return that would have produced the same cumulative total return if the Fund's performance had been constant over the entire period and is computed according to the following formula:

$$\text{P}(1 + \text{T})^n = \text{ERV}$$

Where:

P = a hypothetical initial payment of \$1,000

T = average annual total return (after taxes on distributions)

n = number of years

ERV = ending redeemable value of a hypothetical \$1,000 payment made at the beginning of the base period.

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Average Annual Total Return (After Taxes on Distributions) Quotation

Average annual total return (after taxes on distributions) reflects the hypothetical annually compounded return that would have produced the same cumulative total return if the Fund's performance had been constant over the entire period and is computed according to the following formula:

$$\text{P}(1 + \text{T})^n = \text{ATVd}$$

Where:

P = a hypothetical initial payment of \$1,000

T = average annual total return (after taxes on distributions)

n = number of years

ATVd = ending value of a hypothetical \$1,000 payment made at the beginning of the base period, after taxes on Fund distributions but not after taxes on redemption.

Average Annual Total Return (After Taxes on Distributions and Redemption) Quotation

Average annual total return (after taxes on distributions and redemption) reflects the hypothetical annually compounded return that would have produced the same cumulative total return if the Fund's performance had

been constant over the entire period and is computed according to the following formula:

$$P(1 + T)^n = \text{ATVdr}$$

Where:

P = a hypothetical initial payment of \$1,000

T = average annual total return (after taxes on distributions and redemption)

n = number of years

ATVdr = ending value of a hypothetical \$1,000 payment made at the beginning of the base period, after taxes on Fund distributions and redemption.

All performance figures are based on historical results and are not intended to indicate future performance.

CUSTODIAN AND TRANSFER AGENT

The Funds act as their own custodian and transfer agent. The Funds will contract with an independent or outside firm to serve as trustee for the Funds' retirement plans. The Funds purchase their underlying funds directly from the funds, or through a securities brokerage account (e.g. TD Waterhouse).

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REPORTS TO SHAREHOLDERS

The Funds send all shareholders annual reports containing financial statements and other periodic reports, at least semiannually, containing unaudited financial statements.

LITIGATION

As of the date of the Statement of Additional Information, there was no pending or threatened litigation involving the Funds in any capacity whatsoever.

INVESTMENT POLICIES AND PRACTICES OF UNDERLYING FUNDS

Each of the underlying funds will invest at least 80% of their total assets in equity securities. The remaining (up to 20%) total assets of each underlying fund may be invested in a variety of other securities. Risks related to such securities are discussed below.

Convertible Securities

Certain preferred stocks and debt securities that may be held by an underlying fund have conversion features allowing the holder to convert securities into another specified security (usually common stock) of the same issuer at a specified conversion ratio (e.g., two shares of preferred for one share of common stock) at some specified future date or period. The market value of convertible securities generally includes a premium that reflects the conversion right.

That premium may be negligible or substantial. To the extent that any preferred stock or debt security remains unconverted after the expiration of the conversion period, the market value will fall to the extent represented by that premium.

Future Contracts

An underlying fund may enter into futures contracts for the purchase or sale of debt securities and stock indexes. A futures contract is an agreement between two parties to buy and sell a security or an index for a set price on a future

date. Futures contracts are traded on designated 'contract markets' which, through their clearing corporations, guarantee performances of the contracts.

Generally, if market interest rates increase, the value of outstanding debt securities declines (and vice versa). Entering into a futures contract for the sale of securities has an effect similar to the actual sale of securities, although sale of the futures contract might be accomplished more easily and quickly. For example, if a fund holds long-term U.S. Government securities and it anticipates a rise in long-term interest rates, it could, in lieu of disposing of its portfolio securities, enter into futures contracts for the sale of similar long-term securities. If rates increased and the value of the fund's portfolio securities declined, the value of the fund's futures contracts would increase, thereby protecting the fund by preventing the net asset value from declining as much as it otherwise would have. Similarly, entering into futures contracts for the purchase of securities has an effect similar to the actual purchase of the underlying securities but permits the continued holding of securities other than the underlying securities. For example, if the fund expects

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long-term interest rates to decline, it might enter into futures contracts for the purchase of long-term securities so that it could gain rapid market exposure that may offset anticipated increases in the cost of securities it intends to purchase while continuing to hold higher-yield short-term securities or waiting for the long-term market to stabilize.

A stock index futures contract may be used to hedge an underlying fund's portfolio with regard to market risk as distinguished from risk relating to a specific security. A stock index futures contract does not require the physical delivery of securities but merely provides for profits and losses resulting from changes in the market value of the contract to be credited or debited at the close of each trading day to the respective accounts of the parties to the contract. On the contract's expiration date, final cash settlement occurs. Changes in the market value of a particular stock index futures contract reflect changes in the specified index of equity securities on which the future is based.

There are several risks in connection with the use of futures contracts. In the event of an imperfect correlation between the futures contract and the portfolio position which is intended to be protected, the desired protection may not be obtained, and the fund may be exposed to risk of loss. Further, unanticipated changes in interest rates or stock price movements may result in a poorer overall performance for the fund than if it had not entered into futures contracts on debt securities or stock indexes.

In addition, the market prices of futures contracts may be affected by certain factors. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, investors may close futures contracts through offsetting transactions which could distort the normal relationship between the securities and futures markets. Second, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market may also cause temporary price distortions.

Finally, positions in the futures contracts may be closed out only on an exchange or board of trade which provides a secondary market for such futures. There is no assurance that a liquid secondary market on an exchange or board of trade will exist for any particular contract or at any particular time.

Option on Future Contracts

An Underlying fund may purchase and sell listed put and call options on futures contracts. An option on a futures contract gives the purchaser the right, in return for the premium paid, to assume a position in a futures contract (a long position if the option is a call and a short position if the option is a put) at a specified exercise price at any time during the option period. When an option on a futures contract is exercised, delivery of the futures position is accompanied by cash representing the difference between the current market price of

the futures contract and the exercise price of the option. The underlying fund may purchase put options on futures contracts in lieu of, and for the same purpose as, a sale of a futures contract. It also may purchase such put options in order to hedge a long position in the underlying futures contract in the same manner as it purchases "protective puts" on securities.

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As with options on securities, the holder of an option may terminate a position by selling an option of the same series. There is no guarantee that such closing transactions can be effected. The underlying fund is required to deposit initial margin and maintenance margin with respect to put and call options on futures contracts written by it pursuant to brokers' requirements similar to those applicable to futures contracts described above, and, in addition, net option premiums received will be included as initial margin deposits.

In addition to the risks which apply to all options transactions, there are several special risks relating to options on futures contracts. The ability to establish and close out positions on such options will be subject to the development and maintenance of a liquid secondary market. It is not certain that this market will develop. Compared to the use of futures contracts, the purchase of options on futures contracts involves less potential risk to that fund, because the maximum amount at risk is the premium paid for the options (plus transaction costs). However, there may be circumstances when the use of an option on a futures contract would result in a loss to that fund when the use of futures contract would not, such as when there is no movement in the prices of the underlying securities. Writing an option on a futures contract involves risks similar to those arising in the sale of futures contracts as described above.

Options Activities

An underlying fund may write (i.e. sell) listed call options ("calls") if the calls are "covered" throughout the life of the option. A call is "covered" if that fund owns the optioned securities. When an underlying fund writes a call, it receives a premium and gives the purchaser the right to buy the underlying security at any time during the call period (usually not more than nine months in the case of common stock) at a fixed exercise price regardless of market price changes during the call period. If the call is exercised, that fund will forgo any gain from an increase in the market price of the underlying security over the exercised price.

An underlying fund may purchase a call on securities only to effect a "closing purchase transaction" which is the purchase of a call covering the same underlying security and having the same exercise price and expiration date as a call previously written by that fund on which it wishes to terminate its obligation. If that fund is unable to effect a closing purchase transaction, it will not be able to sell the underlying security until the call previously written by the fund expires (or until the call is exercised and that fund delivers the underlying security).

An underlying fund also may write and purchase put options ("puts"). When it writes a put, it receives a premium and gives the purchaser of the put the right to sell the underlying security to their fund at the exercise price at any time during the option period. When purchasing a put, it pays a premium in return for the right to sell the underlying security at the exercise price at any time during the option period. An underlying fund also may purchase stock index puts which differ from puts on individual securities in that they are settled in cash based on the values of the securities in the underlying index rather than by delivery of the underlying securities. Purchase of a stock index put is designed to protect against a decline in the value of the portfolio generally rather than an individual security in the portfolio. If any put is not exercised or sold, it will become worthless on its expiration date.

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A fund's option positions may be closed out only on an exchange which provides a

secondary market for options of the same series, but there can be no assurance that a liquid secondary market will exist at a given time for any particular option. In this regard, trading in options on certain securities (such as U.S. Government securities) is relatively new so that it is impossible to predict to what extent liquid markets will develop or continue.

The underlying fund's custodian, or a securities depository acting for it, generally acts as escrow agent for the securities on which the fund has written puts or calls or for other securities acceptable for such escrow, so that no margin deposit is required of the fund. Until the underlying securities are released from escrow, they cannot be sold by the fund.

In the event of a shortage of the underlying securities deliverable on exercise of an option, the Options Clearing Corporation has the authority to permit other, generally comparable securities to be delivered in fulfillment of option exercise obligations. If the Options Clearing Corporation exercises its discretionary authority to allow such other securities to be delivered, it may also adjust the exercise prices of the affected options by setting different prices at which otherwise ineligible securities may be delivered. As an alternative to permitting such substitute deliveries, the Options Clearing Corporation may impose special exercise settlement procedures.

Hedging

An underlying fund may employ many of the investment techniques described in this section not only for investment purposes, but also for hedging purposes. For example, an underlying fund may purchase or sell put and call options on common stocks to hedge against movements in individual common stock prices or purchase and sell stock index futures and related options to hedge against marketwide movements in common stock prices. Although such hedging techniques generally tend to minimize the risk of loss that is hedged against, they also may limit commensurately the potential gain that might have resulted had the hedging transaction not occurred. Also, the desired protection generally resulting from hedging transactions may not always be achieved.

Junk Bonds

Bonds which are rated BB and below by Standard and Poor's and Ba and below by Moody's are commonly known as 'junk bonds'. Investing in junk bonds involves special risks in addition to the risks associated with investments in higher rated debt securities. Junk bonds may be regarded as predominately speculative with respect to the issuer's continuing ability to meet principle and interest payments.

Junk bonds may be more susceptible to real or perceived adverse economic and competitive industry conditions than higher grade securities. The prices of junk bonds have been found to be less sensitive to interest rate changes than more highly rated investments but more sensitive to adverse economic downturns or individual corporate developments. A projection of an economic downturn or of a period of rising interest rates, for example, could cause a decline in junk bond prices, because the advent of a recession could lessen the ability of a highly leveraged company to make principal and interest payments on its debt securities. If the issuer of junk bonds defaults, a fund may incur additional expenses to seek recovery. In the case of junk bonds structured as zero coupon or payment-in-kind securities, the market prices of such securities are affected to a greater extent by interest rate changes and, therefore, tend to be more volatile than securities which pay interest periodically and in cash.

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The secondary markets on which junk bonds are traded may be less liquid than the market for higher grade securities. Less liquidity in the secondary trading markets could adversely affect and cause large fluctuations in the daily net asset value of a fund's shares. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the values and liquidity of junk bonds, especially in a thinly traded market.

There may be special tax considerations associated with investing in junk bonds structured as zero coupon or payment-in-kind securities. A fund records the interest on these securities as income even though it receives no cash interest

until the security's maturity or payment date. A fund will be required to distribute all or substantially all such amounts annually and may have to obtain the cash to do so by selling securities which otherwise continue to be held. Shareholders will be taxed on these distributions.

The use of credit ratings as the sole method of evaluating junk bonds can involve certain risks. For example, credit ratings evaluate the safety of principle and interest payments, not the market value risk of junk bonds. Also, credit rating agencies may fail to change credit ratings in a timely fashion to reflect events since the security was last rated.

Illiquid and Restricted Securities

An underlying fund may invest in securities for which there is no readily available market ('illiquid securities') including securities the disposition of which would be subject to legal restrictions (so-called 'restricted securities') and repurchase agreements having more than seven days to maturity. A considerable period of time may elapse between an underlying fund's decision to dispose of such securities and the time when the fund is able to dispose of them, during which time the value of the securities (and therefore the value of the underlying fund's shares held by the Fund) could decline.

The Securities and Exchange Commission has adopted rule 144A under the securities Act of 1933, as amended ("the Securities Act"), which permits a fund to sell restricted securities to qualified institutional buyers without limitations. Under rule 144A the board of directors of the underlying funds have the flexibility to determine, in appropriate circumstances, that specific rule 144A securities are liquid and not subject to the fund's illiquid securities limitation. Investing in rule 144A securities could have the effect of increasing the level of the underlying funds illiquidity to the extent that qualified institutional buyers become, for a time, uninterested in purchasing these securities.

Industry Concentration

An underlying fund may concentrate its investment within one industry. Because the scope of investment alternatives within an industry is limited, the value of the shares of such an underlying fund may be subject to greater market fluctuation than an investment in a fund which invests in a broader range of securities.

Leverage Through Borrowing

An underlying fund may borrow on an unsecured basis from banks to increase its holders of portfolio securities. Under the 1940 Act, a fund is required to maintain continuous asset coverage of 300% with respect to such borrowings and to sell (within three days) sufficient portfolio holdings to restore such coverage if it should decline to less than 300% due to market fluctuations or otherwise, even if disadvantageous from an investment standpoint. Leveraging through borrowing (i.e. purchasing securities with borrowed funds) will exaggerate the effect of any increase or decrease in the value of portfolio securities on a fund's net asset value, and money borrowed will be subject to interest costs

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(which may include commitment fees and/or the cost of maintaining minimum average balances) which may or may not exceed the interest and option premiums received from the securities purchased with borrowed funds.

Loans of Portfolio securities

An underlying fund may lend its portfolio securities provided that: (1) the loan is secured continuously by collateral consisting of U.S. Government securities or cash equivalents maintained on a daily mark-to-market basis in an amount at least equal to the current market value of the securities loaned; (2) the fund may at any time call the loan and obtain the return of the securities loaned; (3) the fund will receive any interest or dividends paid on the loaned securities; and (4) the aggregate market value of securities loaned will not at any time exceed one-third of the total assets of the fund. Loans of securities involve a risk that the borrower may fail to return the securities or may fail to provide additional collateral.

Master Demand Notes

Underlying funds (particularly money market mutual funds) may invest up to 100% of their assets in master demand notes. Master demand notes are unsecured obligations of U.S. corporations redeemable upon notice that permit investment by a fund of fluctuating amounts at varying rates of interest pursuant to direct arrangements between the fund and the issuing corporation. Because they are direct arrangements between the fund and the issuing corporation, there is no secondary market for the notes. However, they are redeemable at face value plus accrued interest at any time.

Repurchase Agreements

Underlying funds, particular money market funds, may enter into repurchase agreements with banks and broker-dealers under which they acquire securities subject to an agreement with the seller to repurchase the securities at an agreed upon time and price. These agreements are considered under the 1940 Act to be loans by the purchaser collateralized by the underlying securities. If the seller should default on its obligation to repurchase the securities, the underlying fund may experience delay or difficulties in exercising its rights to realize upon the securities held as collateral and might incur a loss if the value of the securities should decline.

Short Sales

An underlying fund may sell securities short. In a short sale, a fund sells stock which it does not own, making delivery with securities 'borrowed' from a broker. The fund is then obligated to replace the security borrowed by purchasing it at the market price at the time of replacement. This price may or may not be less than the price at which the security was sold by the fund. Until the security is replaced, the fund is required to pay to the lender any dividends or interest which accrue during the period of the loan. In order to borrow the security, the fund may also have to pay a premium which would increase the cost of the security sold. The proceeds of the short sale will be retained by the broker to the extent necessary to meet margin requirements until the short position is closed out.

The fund also must deposit in a segregated account an amount of cash or U.S. Government securities equal to the difference between (a) the market value of the securities sold short at the time they were sold short and (b) the value of the collateral deposited with the broker in connection with the short sale (not including the proceeds from the short sale). While the short position is open, the fund must maintain daily the segregated account at such a level that (1) the amount deposited in it plus the amount deposited with the broker as collateral equals the current market value of the securities sold short and (2) the amount

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deposited in it plus the amount deposited with the broker as collateral is not less than the market value of the securities at the time they were sold short. Depending upon market conditions, up to 80% of the value of a fund's net assets may be deposited as collateral for the obligation to replace securities borrowed to effect short sales and allocated to a segregated account in connection with short sales.

The fund will incur a loss as a result of the short sale if the price of the security increases between the date of the short sale and the date on which the fund replaces the borrowed security. The fund will realize a gain if the security declines in price between those dates. The amount of any gain will be decreased and the amount of any loss increased by the amount of any premium, dividends, or interest the fund may be required to pay in connection with a short sale.

A short sale is 'against the box' if at all times when the short position is open the fund owns an equal amount of the securities or securities convertible into, or exchangeable without further consideration for, securities of the same issue as the securities sold short. Such a transaction serves to defer a gain or loss for federal income tax purposes.

Warrants

An underlying fund may invest in warrants, which are options to purchase equity securities at specific prices valid for a specific period of time. The prices do not necessarily move parallel to the prices of the underlying securities. Warrants have no voting rights, receive no dividends, and have no rights with respect to the assets of the issuer. If a warrant is not exercised within the specified time period, it will become worthless and the fund will lose the purchase price and the right to purchase the underlying security.

SELECTION OF AUDITORS

The firm Sanville & Co. of Abington, Pennsylvania was selected as the independent auditor of the Funds and has no direct or indirect financial interest in the Funds or the Adviser.

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INDEPENDENT AUDITOR'S REPORT

The Independent Auditor's Report contained in the Annual Report to Shareholders for the fiscal year ended December 31, 2004 is incorporated herein by reference. Copies of the Annual and Semi-Annual Reports to Shareholders may be obtained without charge by writing to MH Elite Portfolio of Funds, Inc., 220 Russell Avenue, Rahway, NJ 07065, or by calling MH Elite Portfolio of Funds, Inc. at 1-800-318-7969.

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FINANCIAL STATEMENTS

The financial statements contained in the Annual Report to Shareholders for the fiscal year ended December 31, 2004 are incorporated herein by reference. Copies of the Annual and Semi-Annual Reports to Shareholders may be obtained without charge by writing to MH Elite Portfolio of Funds, Inc., 220 Russell Avenue, Rahway, NJ 07065, or by calling MH Elite Portfolio of Funds, Inc. at 1-800-318-7969.

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FORM N-1A

PART C - OTHER INFORMATION

Item 23. Exhibits

- (a) Articles of Incorporation
- (b) By-Laws
- (c) Not Applicable
- (d) Investment Advisory Contract
- (e) Not Applicable
- (f) Reimbursement Agreements with Officers and/or Directors
- (g) Not Applicable
- (h) Administrative Services Contract
- (i) Opinion of Counsel Concerning Fund Securities (1)
- (j) Consent of Independent Accountants
- (k) Not Applicable
- (l) Not Applicable
- (m) Not Applicable
- (n) Not Applicable
- (o) Not Applicable
- (p) Code of Ethics

- (1) Prior opinion filed as an exhibit to Registrant's Registration Statement on Form N-1A filed with the Securities and Exchange Commission on September 1, 1998, and incorporated by reference herein. Updated Opinion of Counsel Concerning Fund Securities to be filed by amendment.

Item 24. Persons Controlled by or Under Common Control of the Fund

Not Applicable

Item 25. Indemnification

Insofar as indemnification for liability arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant, the registrant has been advised that, in the opinion of the Securities and Exchange Commission, such indemni-

fication is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or control-

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ling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

Item 26. Business and Other Connections of Investment Adviser

The officers and directors of the Investment Adviser are Harvey Merson and Jeff Holcombe. Harvey Merson residing at 220 Russell Avenue, Rahway, New Jersey 07065 is a Registered Investment Adviser registered in the State of New Jersey. Jeff Holcombe residing at 8 Guildford Court, Annandale, New Jersey 08801 is employed at Telcordia Technologies, Inc. as a Director of Software Development.

Item 27. Principal Underwriters

- (a) Not Applicable
- (b) Not Applicable
- (c) Not Applicable

Item 28. Location of Accounts and Records

All fund records are held at 220 Russell Avenue, Rahway, NJ 07065 and 8 Guildford Court, Annandale, NJ 08801

Item 29. Management Services

Not Applicable

Item 30. Undertakings

Not Applicable

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the MH Elite Portfolio of Funds, Inc. certifies that it meets all of the requirements for effectiveness of this Registration Statement and has duly caused this amendment to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Rahway and State of New Jersey, on the 30th day of April 2005.

MH Elite Portfolio of Funds, Inc.

Harvey Merson
President

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Pursuant to the requirements of the Securities Act of 1933, this Amendment to the Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
Harvey Merson	President and CEO	04-30-2005
Jeff Holcombe	Vice-President, CIO and Director	04-30-2005
Vincent Farinaro	Director	04-30-2005
Howard Samms	Director and Chairman of the Board	04-30-2005
Jerome Stern	Director	04-30-2005
Tice Walker	Director	04-30-2005

EXHIBIT 99.a

Filed with the Department of State on October 20, 1997

Lonna R. Hooks

Secretary of the State

CERTIFICATE OF INCORPORATION-FOR PROFIT

OF

MH Elite Portfolio of Funds, INC.

A Business-stock Corporation (N.J.S. 14A:1-1 et seq.)

In compliance with the requirements of the applicable provisions of N.J.S. 14A:1-1 et seq. (relating to corporations and unincorporated associations) the undersigned, desiring to incorporate a corporation for profit hereby, state(s) that:

1. The name of the corporation is: MH Elite Portfolio of Funds, Inc.

2. The address of this corporation initial registered office in this State is:

220 Russell Avenue Rahway, New Jersey 07065 Union County

3. The corporation is incorporated under the provisions of the New Jersey Business Corporation Act.

4. The aggregate number of shares authorized is: 10,000,000.

5. The name and address of the incorporators are:

Harvey Merson	220 Russell Avenue	Rahway, NJ 07065
Jeff Holcombe	8 Guildford Court	Annandale, NJ 08801

6. The specified effective date is: October 20, 1997.

7. No additional provisions of the articles.

8. The corporation is not a statutory close corporation.

9. The corporation is not a cooperative corporation.

In testimony whereof the incorporator has signed these Articles of Incorporation this 20 day of October 1997.

Harvey Merson

Signature

EXHIBIT 99.b

MH Elite Portfolio of Funds, Inc. BY-LAWS

ARTICLE I - OFFICES

Section I. The principal office of the Corporation shall be in the City of Rahway, County of Union, State of New Jersey. The Corporation shall also have offices at such other places as the Board of Directors may from time to time determine and the business of the Corporation may require.

ARTICLE II - STOCKHOLDERS AND STOCK CERTIFICATES

Section 1. Every stockholder of record shall be entitled to a stock certificate representing the shares owned by him. Stock certificates shall be in such form as may be required by law and as the Board of Directors shall prescribe. Every stock certificate shall be signed by the President or a Vice President and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, and sealed with the corporate seal, which may be a facsimile, either engraved or printed. Whenever permitted by law, the Board of Directors may authorize the issuance of stock certificates bearing the facsimile signatures of the officers authorized to sign such certificates.

Section 2. Shares of the capital stock of the Corporation shall be transferable only on the books of the Corporation by the person in whose name such shares are registered, or by his duly authorized transfer agent. In case of transfers by executors, administrators, guardians or other legal representatives, duly authenticated evidence of their authority shall be produced, and may be required to be deposited and remain with the corporation or its duly authorized transfer agent. No transfer shall be made unless and until the certificate issued to the transferor shall be delivered to the Corporation, or its duly authorized transfer agent, properly endorsed.

Section 3. Any person desiring a certificate for shares of the capital stock of the Corporation to be issued in lieu of one lost or destroyed shall make an affidavit or affirmation setting forth the loss or destruction of such stock certificate, and shall advertise such loss or destruction in such manner as the Board of Directors may require, and shall, if the Board of Directors shall so require, give the Corporation a bond of indemnity, in such form and with such security as may be satisfactory to the Board, indemnifying the Corporation against any loss that may result upon the issuance of a new stock certificate. Upon receipt of such affidavit and proof of publication of the advertisement of such loss or destruction, and the bond, if any, required by the Board of Directors, a new stock certificate may be issued of the same tenor and for the same number of shares as the one alleged to have been lost or destroyed.

Section 4. The Corporation shall be entitled to treat the holder of record any share or shares of its capital stock as the owner thereof, & accordingly, shall not be bound to recognize any equitable or other claim to or interest in such

share or shares on the part of any other person, whether or not the Corporation shall have express or other notice thereof, except as otherwise provided by the laws of the State of New Jersey

ARTICLE III - MEETING OF STOCKHOLDERS

Section 1. The annual meeting of the stockholders of the Corporation for the election of directors and for the transaction of general business shall be held at the principal office of the Corporation, or at such other place within or without the State of New Jersey as the Board of Directors may from time to time prescribe, in July of each year. The place of the annual meeting of the stockholders of the Corporation shall not be changed within sixty days next before the day on which such

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meeting is to be held. A notice of any change in the place of the annual meeting shall be given to each stockholder twenty days before the election is held.

Section 2. Special meetings of the stockholders may be called at any time by the President, and shall be called at any time by the President, or by the Secretary, upon the written request of a majority of the members of the Board of Directors, or upon the written request of the holders of a majority of the shares of the capital stock of the Corporation issued and outstanding and entitled to vote at such meeting. Upon receipt of a written request from any person or persons entitled to call a special meeting, which shall state the object of the meeting, it shall be the duty of the President; or, in his absence, the Secretary, to call such meeting to be held not less than ten days nor more than sixty days after the receipt of such request. Special meetings of the stockholders shall be held at the principal office of the Corporation, or at such other place within or without the State of New Jersey as the Board of Directors may from time to time direct, or at such place within or without the State of New Jersey as shall be specified in the notice of such meeting.

Section 3. Notice of the time and place of the annual or any special meeting of the stockholders shall be given to each stockholder entitled to notice of such meeting at least ten days prior to the date of such meeting. In the case of special meetings of the stockholders, the notice shall specify the object or objects of such meeting, and no business shall be transacted at such meeting other than that mentioned in the call.

Section 4. The Board of Directors may close the stock transfer books of the corporation for a period not exceeding sixty days preceding the date of any meeting of stockholders, or the date for payment of any dividends, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or for a period of not exceeding sixty days in connection with the obtaining of the consent of stockholders for any purpose; provided, however, that in lieu of closing the stock transfer books as aforesaid, the Board of Directors may fix in advance a date, not exceeding sixty days preceding the date of any meeting of stockholders, or the date for the payment of any dividend, or the date for the allotment of rights of the date

when any change or conversion or exchange of capital stock shall go into effect, or a date in connection with obtaining such consent, as a record date for the determination of the stockholders entitled to notice of, and to vote at, such meeting and any adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after any such record date as aforesaid.

Section 5. At least ten days before every election of directors of the Corporation, the Secretary shall prepare and file in the office where the election is to be held a complete list of the stockholders entitled to vote at the ensuing election, arranged in alphabetical order, with the residence of each stockholder and the number of voting shares held by him, and such list shall at all times, during the usual hours for business and during the whole time of said election, be open to the examination of any stockholder.

Section 6. At all meetings of the stockholders, a quorum shall consist of the persons representing a majority of the outstanding shares of the capital stock of the Corporation entitled to vote at such meeting. In the absence of a quorum no business shall be transacted except that the stockholders present in person or by proxy and entitled to vote at such meeting shall have power to adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting on the date specified in the original notice. If a quorum is present at any meeting the holders of the majority of the shares of the Corporation issued and outstanding and entitled to vote at the meeting who shall be present in person or by proxy at the meeting shall have power to act upon all

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matters properly before the meeting, and shall also have power to adjourn the meeting to any specific time or times, and no notice of any such adjourned meeting need be given to stockholders absent or otherwise.

Section 7. At all meetings of the stockholders the following order of business shall be substantially observed, as far as it is consistent with the purpose of the meeting:

Election of Directors
New Business

Section 8. At any meeting of the stockholders of the Corporation every stockholder having the right to vote shall be entitled in person or by proxy appointed by an instrument in writing subscribed by such stockholder and bearing a date not more than three years prior to said meeting unless such instrument provides for a longer period, to one vote for each share of stock having voting power registered in his name on the books of the corporation.

ARTICLE IV - DIRECTORS

Section 1. The Board of Directors shall consist of not less than three nor more than twelve members, who may be any persons, whether or not they hold any shares of the capital stock of the corporation.

Section 2. The directors shall be elected annually by the stockholders of the Corporation at their annual meeting, and shall hold office for the term of one year and until their successors shall be duly elected and shall qualify.

Section 3. The Board of Directors shall have the control and management of the business of the Corporation, and in addition to the powers and authority by these by-laws expressly conferred upon them, may, subject to the provisions of the laws of the State of New Jersey and of the Certificate of Incorporation, exercise all such powers of the Corporation and do all such acts and things as are not required by law or by the Certificate of Incorporation to be exercised or done by the stockholders.

Section 4. If the office of any director becomes or is vacant by reason of death, resignation, removal, disqualification or otherwise, the remaining directors may by vote of a majority of said directors choose a successor or successors who shall hold office for the unexpired term; provided that vacancies on the Board of Directors may be so filled only if, after the filling of the same, at least two-thirds of the directors then holding office would be directors elected to such office by the stockholders at a meeting or meetings called for the purpose. In the event that at any time less than a majority of the directors were so elected promptly as possible and in any event within sixty days for the purpose of electing directors to fill any vacancy which has not been filled by the directors in office. Any other vacancies in the Board of Directors not filled by the directors may also be filled for an unexpired term by the stockholders at a meeting called for that purpose.

Section 5. The Board of Directors shall have power to appoint, and at its discretion to remove or suspend, any officer, officers, managers, superintendents, subordinates, assistants, clerks, agents & employees, permanently or temporarily, as the Board may think fit, and to determine their duties and to fix, & from time to time change, their salaries or emoluments, & to require security in such instances and in such amounts as it may deem proper. No contract of employment for services to be rendered to the Corporation shall be of longer duration than two weeks, unless such contract of employment shall be in writing, signed by the officers of the Corporation and approved by the Board of Directors.

Section 6. In case of the absence of an officer of the Corporation, or for any other reason which may seem sufficient to the Board of Directors, the Board may

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delegate his powers and duties for the time being to any other officer of the Corporation or to any director.

Section 7. The Board of Directors may, by resolution or resolutions passed by a majority of the whole Board, designate one or more committees, each committee to consist of two or more of the directors of the Corporation, which to the extent

provided in such resolution or resolutions, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Corporation, and may have power to authorize the seal of the Corporation to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. Any such committee shall keep regular minutes of its proceedings, and shall report the same to the Board when required.

Section 8. The Board of Directors may hold their meetings and keep the books of the Corporation, except the original or duplicate stock ledger, outside of the State of New Jersey at such place or places as they may from time to time determine.

Section 9. The Board of Directors shall have power to fix, and from time to time to change the compensation, if any, of the directors of the Corporation.

Section 10. The Board of Directors shall present at each annual meeting of the shareholders, and, when called for by vote of the stockholders, at any special meeting of the stockholders, a full and clear statement of the business and condition of the Corporation.

ARTICLE V - DIRECTORS MEETINGS

Section 1. Regular meetings of the Board of Directors shall be held without notice at such times and places as may be free from time to time prescribed by the Board.

Section 2. Special meetings of the Board of Directors may be called at any time by the President, and shall be called by the President upon the written request of a majority of the members of the Board of Directors. Unless notice is waived by all the members of the Board of Directors, notice of any special meeting shall be sent to each director at least twenty-four hours prior to the date of such meeting, and such notice shall state the time, place and object or objects of such special meeting.

Section 3. Three members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting. The act of a majority of the directors present at any meeting where there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the Certificate of Incorporation or by these by-laws.

Section 4. The order of business at meetings of the Board of Directors shall be described from time to time by the Board.

ARTICLE VI - OFFICERS AND AGENTS

Section 1. At the first meeting of the Board of Directors after the election of directors in each year, the Board shall elect a President, a Secretary and a

Treasurer, and may elect or appoint one or more Vice Presidents, Assistant Secretaries, Assistant Treasurers, and such other officers and agents as the Board may deem necessary and as the business of the Corporation may require.

Section 2. The President and the Chairman of the Board shall be elected from the membership of the Board of Directors, but other officers need not be members

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of the Board of Directors. Any two or more offices may be held by the same person. All officers of the Corporation shall serve for one year and until their successors shall have been duly elected and shall have qualified; provided, however, that any officer may be removed at any time, either with or without cause, by action of the Board of Directors.

Section 3. The salaries of all officers and agents of the Corporation shall be fixed by the Board of Directors.

ARTICLE VII - DUTIES OF OFFICERS

PRESIDENT

Section 1. The President shall be the Chief Executive Officer and head of the Corporation, and in the recess of the Board of Directors shall have the general control and management of its business and affairs, subject, however, to the regulations of the Board of Directors. He shall preside at all meetings of the stockholders and shall be a member exofficio of all standing committees.

Section 2. The President shall call all special or other meetings of the stockholders and Board of Directors. In case the President shall at any time neglect or refuse to call a special meeting of the stockholders when requested so to do by a majority of the directors, or by the stockholder representing a majority of the stock of the Corporation, as is elsewhere in these by-laws provided, then and in such case, such special meeting shall be called by the Secretary, or in the event of his neglect or refusal to call such meeting, may be called by a majority of the directors or by the stockholders representing a majority of the stock of the Corporation, who desire such special meeting, as the case may be, upon notice as hereinbefore provided. In case the President shall at any time neglect or refuse to call a special meeting of the Board of Directors when requested to do so by a majority of the Directors, as is elsewhere in these by-laws provided, then and in such case, such special meeting may be called by the majority of the directors desiring such special meeting, upon notice as hereinbefore provided.

VICE PRESIDENTS

Section 3. In case of the absence of the President, the Vice President, or, if there be more than one Vice President, then the Vice Presidents, according to their seniority, shall preside at the meetings of the stockholders of the Corporation. In the event of the absence, resignation, disability or death of the

President, such Vice President shall exercise all the powers and perform all the duties of the President until the return of the President or until such disability shall have been removed or until a new President shall have been elected.

THE SECRETARY AND ASSISTANT SECRETARIES

Section 4. The Secretary shall attend all meetings of the stockholders and shall record all the proceedings thereof in a book to be kept for that purpose and he shall record all the proceedings thereof in a book to be kept for that purpose and he shall be the custodian of the corporate seal of the Corporation. In the absence of the Secretary, an Assistant Secretary or any other person appointed or elected by the Board of Directors, as is elsewhere in these by-laws provided, may exercise the rights and perform the duties of the Secretary.

Section 5. The Assistant Secretary, or, if there be more than one Assistant Secretary, then the Assistant Secretaries in the order of their seniority shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary. Any Assistant Secretary elected by the Board shall also perform such other duties and exercise such other powers as the Board of Directors shall from time to time prescribe.

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THE TREASURER AND ASSISTANT TREASURERS

Section 6. The Treasurer shall keep full and correct accounts of the receipts and expenditures of the Corporation in books belonging to the Corporation, and shall deposit all moneys and valuable effects in the name and to the credit of the Corporation and in such depositories as may be designated by the Board of Directors, and shall, if the Board shall so direct, give bond with sufficient security and in such amount as may be required by the Board of Directors for the faithful performance of his duties. He shall disburse funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and Board of Directors at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as the chief fiscal officer of the corporation, and of the financial condition of the Corporation.

Section 7. The Assistant Treasurer, or if there be more than one Assistant Treasurer, then the Assistant Treasurers in the order of their seniority, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer. Any Assistant Treasurer elected by the Board shall also perform such duties and exercise such powers as the Board of Directors shall from time to time prescribe.

ARTICLE VIII - CHECKS, DRAFTS, NOTES, ETC.

Section 1. All checks shall bear the signature of such person or persons as the Board of Directors may from time to time direct.

Section 2. All notes and other similar obligations and acceptances of drafts by the Corporation shall be signed by such person or persons as the Board of Directors may from time to time direct.

Section 3. Any officer of the Corporation or any other employee, as the Board of Directors may from time to time direct, shall have full power to endorse for deposit all checks and all negotiable paper drawn payable to his or their order or to the order of the Corporation.

ARTICLE IX - CORPORATE SEAL

Section 1. The corporate seal of the Corporation shall have inscribed thereon the name of the Corporation, the year of its organization, and the words Corporate Seal, New Jersey. Such seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE X - DIVIDENDS

Section 1. Dividends upon the shares of the capital stock of the Corporation may, subject to the provisions of the Certificate of Incorporation, if any, be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock of the Corporation.

Section 2. Before payment of any dividend there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors may, from time to time, in their absolute discretion, think proper as a reserve fund to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the Board of Directors shall deem to be for the best interests of the Corporation, and the Board of Directors may abolish any such reserve in the manner in which it was created.

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ARTICLE XI - FISCAL YEAR

Section 1. The fiscal year of the Corporation shall begin on January 1 of each year, and end on December 31 of each year.

ARTICLE XII - NOTICES

Section 1. Whenever under the provisions of these by-laws notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, and such notice may be given in writing, by mail, by depositing the same in the post office or letter box, in a postpaid sealed wrapper, add-

ressed to such director or stockholder at such address as shall appear on the books of the Corporation, or, if the address of such director or stockholder does not appear on the books of the Corporation, to such director or stockholder at the General Post Office in the City of Rahway, New Jersey and such notice shall be deemed to be given at the time it shall be so deposited in the post office or letter box. In the case of directors, such notice may also be given by telephone, telegraph or cable.

Section 2. Any notice required to be given under these by-laws may be waived in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein.

Section 3. Each director and officer (and his heirs, executors, and administrators) shall be indemnified by the Corporation against reasonable costs and expenses incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of the Corporation, except in relation to any action, suits or proceedings in which he has been adjudged liable because of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office. In the absence of any adjudication which expressly finds that the director or officer is so liable or which expressly absolves him of liability for willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office, or in the event of a settlement, each director and officer (and his heirs, executors and administrators) shall be indemnified by the Corporation against payments made, including reasonable costs determination by a written opinion of independent counsel. Amounts paid in settlement shall not exceed costs, fees and expenses which would have been reasonably incurred if the action, suit or proceeding had been litigated to a conclusion. Such a determination by independent counsel, and the payments of amounts by the Corporation on the basis thereof shall not prevent a stockholder from challenging such indemnification by appropriate legal proceedings on the grounds that the person indemnified was liable to the Corporation or its security holders by reason of the conduct as used herein. The foregoing provisions shall be exclusive of any other rights of indemnification to which the officers and directors might otherwise be entitled.

ARTICLE XIII - AMENDMENTS

Section 1. These by-laws may be amended, altered, repealed or added to at the annual meeting of the stockholders of the Corporation or of the Board of Directors, or at any special meeting of the stockholders or of the Board of Directors called for that purpose, by the affirmative vote of the holders of a majority of the shares of capital stock of the Corporation then issued and outstanding and entitled to vote, or by a majority of the Whole Board of Directors, as the case may be.

EXHIBIT 99.d

MH Elite Portfolio of Funds, Inc.
220 Russell Ave.
Rahway, NJ 07065
1-800-318-7969

INVESTMENT ADVISORY CONTRACT
Effective January 1, 2005

AGREEMENT, made by and between MH Elite Portfolio of Funds, Inc., a New Jersey Corporation, (hereinafter called "Fund") and MH Investment Management, Inc., a New Jersey Corporation (hereinafter called "Investment Adviser"). WITNESSETH: WHEREAS, Fund will consist of two funds, a small cap fund of funds and a mid/large cap fund of funds. Fund engages in the business of investing and reinvesting its assets and property in various mutual funds and Investment Adviser engages in the business of providing investment advisory services.

1. The Fund hereby employs the Investment Adviser, for the period set forth in Paragraph 7 hereof, and on the terms set forth herein, to render investment advisory services to the Fund, subject to the supervision and direction of the Board of Directors of the Fund. The Investment Adviser will furnish each fund with investment advice and, in general, supervise the management and investment program of the funds. The Investment Adviser is required to render research, statistical and advisory services to the Fund and make specific recommendations based on each fund's principal investment strategies. The Investment Adviser hereby accepts such employment and agrees, during such period, to render the services and assume the obligations herein set forth, for the compensation provided. The Investment Adviser shall, for all purposes herein, be deemed to be an independent contractor, and shall, unless otherwise expressly provided and authorized, have no authority to act for or represent the Fund in any way, or in any way be deemed an agent of the Fund.
2. As compensation for the services to be rendered to the Fund by the Investment Adviser under the provisions of this Agreement, the Fund shall pay to the Investment Adviser an annual fee, payable monthly, of 1.00% of each of the Funds daily net assets.
3. It is expressly understood and agreed that the services to be rendered by the Investment Adviser to the Fund under the provisions of this Agreement are not to be deemed to be exclusive, and the Investment Adviser shall be free to render similar or different services to others so long as its ability to render the services provided for in this Agreement shall not be impaired thereby.
4. It is understood and agreed that directors, officers, employees, agents and shareholders of the Fund may be interested in the Investment Adviser

as directors, officers, employees, agents and shareholders, and that directors, officers, employees, agents and shareholders of the Investment Adviser may be interested in the Fund, as directors, officers, employees, agents and shareholders or otherwise, and that the investment Adviser, itself, may be interested in the Fund as a shareholder or otherwise, specifically, it is understood and agreed that directors, officers, employees, agents and shareholders of the Investment Adviser may continue as directors, officers, employees, agents and shareholders of the Fund; that the Investment Adviser, its directors, officers, employees, agents and shareholders may engage in other business, may render investment advisory services to other investment companies, or to any other corporation, association, firm or individual, may render underwriting services to the Fund, or to any other investment company, corporation, association, form or individual. Employees, officers and agents of the Investment Adviser who are, or may in the future be, directors and/or senior officers of the Fund shall receive no remuneration from the Fund

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or acting in such capacities for the Fund. In the conduct of the respective businesses of the parties hereto and in the performance of this agreement, the Fund and Investment Adviser may share common facilities and personnel common to each.

5. Investment Adviser shall give the Fund the benefit of its best judgment and efforts in rendering these services, and Fund agrees as an inducement to the undertaking of these services that Investment Adviser shall not be liable hereunder for any mistake of judgment or any event whatsoever, provided that nothing herein shall be deemed to protect, or purport to protect, Investment Adviser against any liability to Fund or to its security holders to which Investment Adviser would otherwise be subject by reason of willful misfeasance, bad faith or gross negligence in the performance of duties hereunder, or by reason of reckless disregard of obligations and duties hereunder.
6. Investment Adviser shall not vote proxies on behalf of the Fund.
7. This agreement shall continue in effect until December 31, 2005, and, thereafter, only so long as such continuance is approved at least annually by votes of the Fund's Board of Directors, cast in person at a meeting called for the purpose of voting on such approval, including the votes of a majority of the Directors who are not parties to such agreement or interested persons of any such party. This agreement may be terminated at any time upon 60 days prior written notice, without the payment of any penalty, by the Fund's Board of Directors or by vote of a majority of the outstanding voting securities of the Fund. The contract will automatically terminate in the event of its assignment by the Investment Adviser (within the meaning of the Investment Company Act of 1940), which shall be deemed to include a transfer of control of the Investment Adviser. Upon the

termination of this agreement, the obligations of all the parties hereunder shall cease and terminate as of the date of such termination, except for any obligation to respond for a breach of this Agreement committed prior to such termination and except for the obligation of the Fund to pay to the Investment Adviser the fee provided in Paragraph 2 hereof, prorated to the date of termination.

This Agreement shall not be assigned by the Fund without prior written consent thereto of the Investment Adviser. This Agreement shall terminate automatically in the event of its assignment by the Investment Adviser unless an exemption from such automatic termination is granted by order or rule of the Securities and Exchange Commission.

IN WITNESS WHEREOF, the parties hereto have caused their corporate seals to be affixed and duly attested and their presence to be signed by their duly authorized officers this tenth day of December, 2004.

MH Elite Portfolio of Funds, Inc.

By _____
Harvey Merson , President

Attest: _____
Jeff Holcombe, Vice- President

MH Investment Management, Inc.

By _____
Harvey Merson, President

Attest: _____
Jeff Holcombe, Vice-President

EXHIBIT 99.f

Reimbursement Agreements

The Funds have no plans to, compensate officers and directors who are affiliated with the Investment Adviser except indirectly through payment of the advisory fee.

Each director who is not an "interested person", as that term is defined in the 1940 Act, of a Fund was paid an annual fee of \$250.00 for serving on the board of a Fund for fiscal year 2004. The Chairman of the Board of Directors of a Fund was paid an annual fee of \$50.00 in addition to the \$250.00 director fee.

Exhibit 99.h

MH Elite Portfolio of Funds, Inc.
220 Russell Ave.
Rahway, NJ 07065
1-800-318-7969

ADMINISTRATIVE SERVICES AGREEMENT
Effective January 1, 2005

AGREEMENT, made by and between MH Elite Portfolio of Funds, Inc., a New Jersey Corporation, (hereinafter called 'Fund') and MH Investment Management, Inc., a New Jersey Corporation (hereinafter called 'Investment Adviser'). WITNESSETH: WHEREAS, in connection with the expenses incurred by the Fund associated with operating a family of funds, the Investment Adviser agrees to provide the following administrative services to the Fund.

1. The Fund hereby employs the Investment Adviser, for the period set forth in Paragraph 6 and on the terms set forth herein, to render administrative services to the Fund, subject to the supervision and direction of the Board of Directors of the Fund. The Investment Adviser hereby accepts and agrees, during such period, to render the services and assume the obligations herein set forth, for the compensation provided. The Investment Adviser shall, for all purposes herein, be deemed to be an independent contractor, and shall, unless otherwise expressly provided and authorized, have no authority to act for or represent the Fund in any way, or in any way be deemed an agent of the Fund.
2. As compensation for the services to be rendered to the Fund by the Investment Adviser under the provisions of this agreement, the Fund shall pay to the Investment Adviser an annual fee, payable monthly, of .25% each of the Fund's daily net assets.
3. It is expressly understood and agreed that the services to be rendered by the Investment Adviser to the Fund under the provisions of this Agreement are not to be deemed to be exclusive, and the Investment Adviser shall be free to render similar or different services to others so long as its ability to render the services provided for in this Agreement shall not be impaired thereby.
4. The expenses and salaries incurred by the Fund that are necessary and incidental to the conduct of its business of operating a family of funds will be the responsibility of the Investment Adviser. Administrative services provided by the Investment Adviser include but are not limited to the costs incurred in the maintenance of books, records, and procedures; dealings with shareholders; reports and notices to

shareholders; expenses of annual stockholder meetings; board of directors compensation; miscellaneous office expenses; brokerage fees; and custodian, legal, accounting and registration fees. In the conduct of the respective businesses of the parties hereto and in the performance of this agreement, the Fund and Investment Adviser may share common facilities and personnel common to each.

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5. Payments to the Investment Adviser cannot be used for distribution and/or marketing of Fund shares. Investment Adviser is not obligated in any way to provide distribution services to or for the Fund.

6. This agreement shall continue in effect until December 31, 2005, and, thereafter, only so long as such continuance is approved at least annually by votes of the Fund's Board of Directors, cast in person at a meeting called for the purpose of voting on such approval, including the votes of a majority of the Directors who are not parties to such agreement or interested persons of any such party. This agreement may be terminated at any time upon 60 days prior written notice, without the payment of any penalty, by the Fund's Board of directors or by vote of a majority of the outstanding voting securities of the Fund. This agreement will automatically terminate in the event of its assignment by the Investment Adviser (within the meaning of the Investment Company Act of 1940), which shall be deemed to include a transfer of control of the Investment Adviser. Upon the termination of this agreement, the obligations of all the parties hereunder shall cease and terminate as of the date of such termination, except for any obligation to respond for a breach of this Agreement committed prior to such termination and except for the obligation of the Fund to pay to the Investment Adviser the fee provided in Paragraph 2 hereof, prorated to the date of termination.

This Agreement shall not be assigned by the Fund without prior written consent thereto of the Investment Adviser. This Agreement shall terminate automatically in the event of its assignment by the Investment Adviser unless an exemption from such automatic termination is granted by order or rule of the Securities and Exchange Commission.

IN WITNESS WHEREOF, the parties hereto have caused their corporate seals to be affixed and duly attested and their presence to be signed by their duly authorized officers this tenth day of December, 2004.

MH Elite Portfolio of Funds, Inc.

By _____
Harvey Merson, President

Attest: _____

Jeff Holcombe, Vice President

MH Investment Management, Inc.

By _____
Harvey Merson, President

Attest: _____
Jeff Holcombe, Vice President

SANVILLE & COMPANY
Certified Public Accountants
1514 Old York Road
Abington, PA 19001

(215) 884-8460

To the Shareholders and Board of
Directors of MH Elite Portfolio of Funds, Inc.

In planning and performing our audit of the financial statements of MH Elite Portfolio of Funds, Inc. - MH Elite Fund of Funds and MH Elite Small Cap Fund of Funds (the 'Funds'), for the year ended December 31, 2004, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and to comply with the requirements of Form N-SAR, not to provide assurance internal control.

The management of the Funds is responsible for establishing and maintaining internal control. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of controls. Generally, controls that are relevant to an audit pertain to the entity's objective of preparing financial statements for external purposes that are fairly presented in conformity with generally accepted accounting principles. Those controls include the safeguarding of assets against unauthorized acquisition, use, or disposition.

Because of inherent limitations in internal control, error or fraud may occur and not be detected. Also, projection of any evaluation of internal control to future periods is subject to the risk that it may become inadequate because of changes in conditions or that the effectiveness of the design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the Public Company Accounting Oversight Board (United States). A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control and its operation, including controls for safeguarding securities, that we consider to be material weaknesses as defined above as of December 31, 2004.

This report is intended solely for the information and use of management and the Board of Directors of MH Elite Portfolio of Funds, Inc. - MH Elite Fund of Funds and MH Elite Small Cap Fund of Funds and the Securities and Exchange Commission and is not intended to be and should not be used by anyone other

than these specified parties.

Abington, Pennsylvania
February 21, 2005

Sanville & Company
Certified Public Accountants

CODE OF ETHICS

MH Elite Portfolio of Funds, Inc.

GENERAL POLICY

This Code of Ethics is based on the principle that the officers, directors, and employees of the Fund and the officers, directors, and employees of the Fund's investment adviser owe a fiduciary duty to the shareholders of the Fund and, therefore, the Fund's and investment adviser's personnel must place the shareholder's interest ahead of their own. The Fund's and investment adviser's personnel must also avoid any conduct which could create a potential conflict of interest and must ensure that they conduct business with the highest level of ethical standards.

PROHIBITED ACTS

The Code of Ethics strictly prohibits the following acts:

- 1) Employing any device, scheme or artifice to defraud;
- 2) Making any untrue statement of a material fact;
- 3) Omitting to state a material fact necessary in order to make a statement, in light of the circumstances under which it is made, not misleading.
- 4) Engaging in any fraudulent or deceitful act, practice or course of business; or,
- 5) Engaging in any manipulative practices.

Conflicts of Interest

Fund personnel have a duty to disclose potential and actual conflicts of interest to the Fund. The Fund will notify all shareholders of any potential or actual conflicts of interest. In order to avoid any appearance of conflict of interests, Fund personnel should not accept any gifts (other than de minimis gifts, which are usually defined as having a value under \$100.00) from persons or entities doing business with the Fund.

COMPLIANCE and ACKNOWLEDGEMENT

All Fund personnel are required to annually acknowledge that they have read and understood this Code of Ethics and will comply in all respects with this Code.