



MH Elite Portfolio of Funds, Inc.

220 Russell Avenue
Rahway, New Jersey 07065
1-800-318-7969
www.mhelite.com

Fund Prospectus

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

MH Elite Fund of Funds
MH Elite Small Cap Fund of Funds
MH Elite Select Portfolio 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, MH Elite Fund of Funds and MH Elite Select Portfolio 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. **MH Elite Small Cap Fund of Funds** and **MH Elite Fund of Funds** seek to achieve their investment objective by investing in diversified and non-diversified open-end mutual funds and exchange traded funds, ("underlying funds") which in turn, invest principally (i.e. at least 80% of their total assets) in equity securities. **MH Elite Select Portfolio of Funds** seeks to achieve its investment objective by investing in diversified and non-diversified open-end mutual funds and exchange traded funds which in turn may employ hedging strategies that do not involve investing in equity securities. The investment objective of the underlying funds will be, consistent with the investment objective of the Funds, long-term capital appreciation.

Principal 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. 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. The Fund will invest at least 80% of its assets in underlying funds that have a policy of investing at least 80% of their assets in small cap stocks.

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

MH Elite Select Portfolio of Funds will provide investors the opportunity to invest in a broadly diversified mix of asset classes. The diversification of asset classes beyond the traditional U.S. equity markets as represented by **MH Elite Small Cap Fund of Funds** and **MH Elite Fund of Funds** will help to reduce a portfolio's overall volatility.

MH Elite Select Portfolio of Funds will attempt to manage risk and volatility by using asset classes that are generally considered alternative investments to the U.S. equities market including, but not limited to, funds and exchange traded funds that invest in international markets, emerging markets, natural resources, precious metals, real estate, rising or falling interest rate trends and commodities with their propensity to be a hedge against inflation. In addition, **MH Elite Select Portfolio of Funds** may invest in long/short and/or short only funds that employ hedging techniques to help reduce risk. The underlying funds in **MH Elite Select Portfolio of Funds** may also employ other hedging strategies including investing in futures, options and short selling. Using different hedging techniques will assist the Fund in its desire to capture market performance and to reduce the effects of market volatility.

All 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, which 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 tenure and experience, the size of the fund, 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 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.

Principal 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. **MH Elite Small Cap Fund of Funds** and **MH Elite Fund of 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 assets would be invested in equity securities. In contrast, while **MH Elite Select Portfolio of Funds** will invest 80% of its assets in underlying funds, the underlying funds, due to hedging strategies, may have less than 80% of their assets in equity securities which would further reduce the percentage of assets that would be invested in equity securities. Although the Funds diversify their portfolios by investing in other mutual funds and exchange traded 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 any of the Funds, 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 we bought them 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.

Due to the broad diversification of asset classes in which **MH Elite Select Portfolio of Funds** will invest in, there are additional risks that should be considered before investing. For a variety of reasons including unstable economies, potential for political unrest, demographics, market inefficiencies and currency fluctuations, investing in international and emerging markets may be more volatile than investing in the US market. Some of the techniques used by the underlying funds will produce greater volatility in their attempt to achieve greater returns. Some of the funds will even seek to profit from market declines and will conversely sustain losses when the market is rising. The underlying funds may use investment techniques that may be considered aggressive including the use of futures contracts and options. Short selling is another strategy that may be employed by an underlying fund. In short selling one benefits from the decline in value of a security.

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 can entail further losses. 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 any 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 similar expenses of the underlying funds.

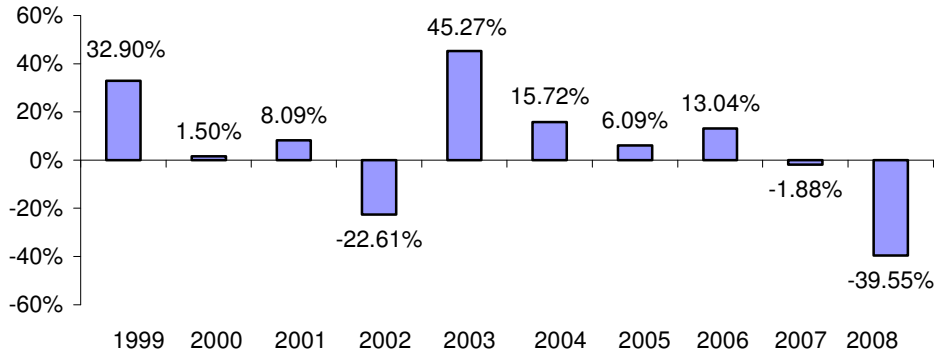
The Investment Company Act of 1940 imposes certain conditions on funds which invest in other funds. The Funds and their affiliated persons may not purchase or otherwise acquire more than 3% of the total outstanding stock of another fund. Because of this restriction, the Funds may have to forgo certain investment opportunities.

Normally, cash, short-term debt securities, and money market mutual funds held for investments 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 purpose, 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 following information is intended to provide you with an indication of the risks of investing in the MH Elite Small Cap Fund of Funds by showing changes in the Fund's performance from year to year. The Fund's past performance is not necessarily an indication of how the Fund will perform in the future.

MH Elite Small Cap Fund of Funds



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	27.65 %	Q4 1999
Worst quarter	-27.83 %	Q4 2008

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

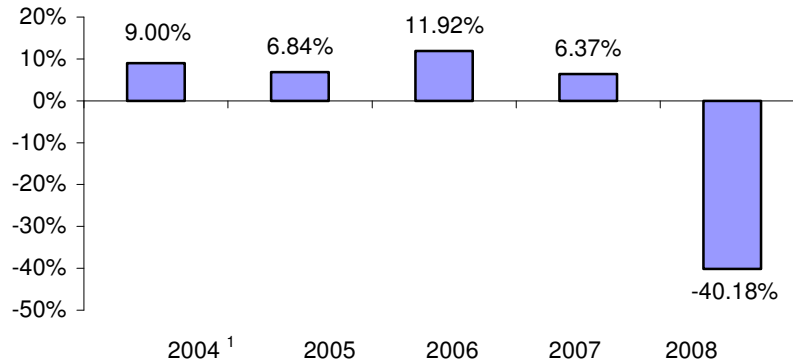
	Average Annual Total Returns		
	Periods Ended December 31, 2008		
	1 Year	5 Years	10 Years
Return before taxes	-39.55%	-3.82%	3.04%
Return after taxes on distributions	-39.55%	-5.26%	1.77%
Return after taxes on distributions and sale of fund shares	-25.71%	-4.39%	1.52%
Russell 2000 (reflects no deductions for fees, expenses, or taxes)	-33.79%	-0.93%	3.03%

The Funds' after-tax returns as shown in the previous table is 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.

Performance (continued)

The following information is intended to provide you with an indication of the risks of investing in the MH Elite Fund of Funds by showing changes in the Fund's performance from year to year. The Fund's past performance is not necessarily an indication of how the Fund will perform in the future.

MH Elite Fund of Funds



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

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	10.10 %	Q4 2004
Worst quarter	-23.30 %	Q4 2008

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

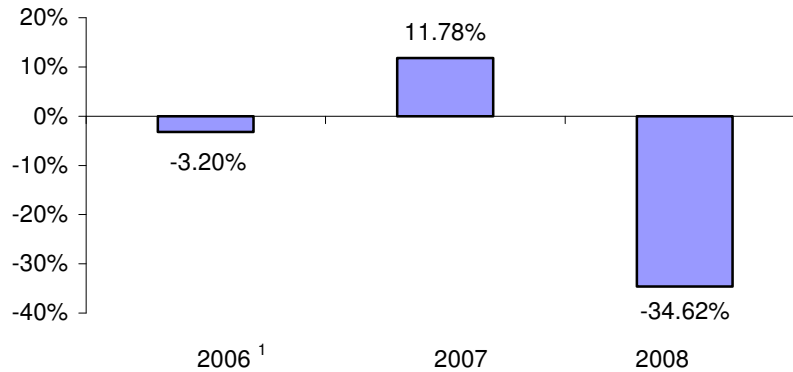
	Average Annual Total Return	
	Periods Ended December 31, 2008	
	1 Year	Since inception (1/13/04)
Return before taxes	-40.18%	-3.74%
Return after taxes on distributions	-40.22%	-4.30%
Return after taxes on distributions and sale of fund shares	-26.14%	-3.60%
Russell 1000 (reflects no deductions for fees, expenses, or taxes)	-37.60%	-2.40%

The Funds' after-tax returns as shown in the previous table is 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.

Performance (continued)

The following information is intended to provide you with an indication of the risks of investing in the MH Elite Select Portfolio of Funds by showing changes in the Fund's performance from year to year. The Fund's past performance is not necessarily an indication of how the Fund will perform in the future.

MH Elite Select Portfolio of Funds



¹ 2006 - From inception: 4/6/2006 to 12/31/2006

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	4.88%	Q2 2007
Worst quarter	-17.09%	Q4 2008

The table below compares the Fund's performance over time with the S&P 500 index. The S&P 500 index is a widely recognize market value-weighted index of 500 stocks designed to mimic the overall equity markets industry weightings. As with all mutual funds, past performance (before and after taxes) does not guarantee future results.

MH Elite Select Portfolio of Funds

	Average Annual Total Return	
	1 Year	Periods Ended December 31, 2008 Since inception (4/06/06)
Return before taxes	-34.62%	-11.92%
Return after taxes on distributions	-34.65%	-11.93%
Return after taxes on distributions and sale of fund shares	-22.52%	-9.96%
S&P 500 (reflects no deductions for fees, expenses, or taxes)	-37.00%	-11.32%

The Funds' after-tax returns as shown in the previous table is 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 that you may pay if you buy and hold shares in a Fund.

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

The following describes the expenses that you may pay if you buy and hold shares in a Fund.

Annual Fund Operating Expenses (expenses deducted from the Fund's assets)			
	MH Elite Small Cap Fund of Funds	MH Elite Fund of Funds	MH Elite Select Fund of Funds
Management Fees	1.00%	1.00%	1.75%
Distribution (and/or Service) (12b-1) Fees	None	None	None
Other Expenses ¹	0.25%	0.25%	0.25%
Acquired Fund Fees and Expenses	<u>1.09%</u> ²	<u>1.00%</u> ³	<u>1.23%</u> ⁴
Total Annual Fund Operating Expenses	2.34%	2.25%	3.23%

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.

² Ratio of expenses to average net assets of the underlying funds range from .24% - 2.34%.

³ Ratio of expenses to average net assets of the underlying funds range from .52% - 1.62%.

⁴ Ratio of expenses to average net assets of the underlying funds range from .16% - 2.71%.

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 Funds' operating expenses, and redemption at the end of each time period.

	MH Elite Small Cap Fund of Funds	MH Elite Fund of Funds	MH Elite Select Fund of Funds
1 Year	\$128	\$128	\$205
3 Years	\$404	\$404	\$646
5 Years	\$707	\$707	\$1,132
10 Years	\$1,611	\$1,611	\$2,578

Because this example is hypothetical and for comparison purposes only, actual expenses may be greater or lesser than those shown above. The management fees and expenses of the underlying funds in which the Funds invest are not reflected in the above table.

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 27 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 MH Elite Small Cap Fund of Funds and MH Elite Fund of Funds have agreed to pay the Investment Adviser an annual management fee, payable monthly, of 1.00% of the Fund's daily net assets. MH Elite Select Portfolio of Funds will pay the Investment Adviser an annual management fee, payable monthly, of 1.75% of the Fund's daily net assets.

Pursuant to its contract with each Fund, the Investment Adviser is required to render research, statistical and advisory services to the Funds, to make specific recommendations based on the Fund's investment requirements; and to pay salaries of the Fund's 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 Fund's 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 its 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 Ameritrade) 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 your 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, credit union, 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 purchased 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.

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 Fund's 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.).

Distributions 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.

Financial Highlights

The financial highlights table is intended to help you understand the Fund's 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 Fund's 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

	For the Years Ended December 31,				
	2008	2007	2006	2005	2004
PER SHARE DATA:					
Net asset value, beginning of period	\$ 6.22	\$ 7.16	\$ 7.13	\$ 7.39	\$ 7.06
Income from Investment Operations:					
Net Investment Loss (a) (c)	(0.04)	(0.04)	(0.07)	(0.08)	(0.08)
Net Realized and Unrealized Gain/(Loss) on Investments	(2.42)	(0.09)	1.00	0.53	1.19
Total Income/(Loss) from Investment Operations	(2.46)	(0.13)	0.93	0.45	1.11
Distributions to shareholders from:					
Net investment income	-	-	(0.18)	(0.10)	(0.18)
Realized gains	-	(0.81)	(0.72)	(0.61)	(0.60)
Net asset value, end of period	\$ 3.76	\$ 6.22	\$ 7.16	\$ 7.13	\$ 7.39
Total Return (b)	-39.55%	-1.88%	13.04%	6.09%	15.72%
Ratios and Supplemental Data:					
Net assets, end of period (in 000's)	\$ 2,650	\$ 5,513	\$ 6,322	\$ 5,549	\$ 5,185
Ratio of Expenses to Average Net Assets (c)	1.22%	1.26%	1.24%	1.24%	1.23%
Ratio of Net Investment Loss to Average Net Assets (c)	-0.79%	-0.53%	-0.91%	-1.06%	-1.16%
Portfolio turnover rate (%)	40.40%	42.48%	33.22%	29.67%	33.60%

- a) Per share net investment loss has been determined on the average number of shares outstanding during the period.
- b) Total return assumes reinvestment of all distributions.
- c) Net investment income and expense ratios do not reflect the Fund of Funds' proportionate share of income and expense of the underlying funds.

Financial Highlights (continued)

The financial highlights table is intended to help you understand the Fund's 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 Fund's financial statements, are included in the Statement of Additional Information or annual report, which is available upon request.

MH Elite Fund of Funds

	For the Years Ended December 31,				For the period January 13, 2004 to December 31, 2004 (a)
	2008	2007	2006	2005	
PER SHARE DATA:					
Net asset value, beginning of period	\$ 5.84	\$ 5.99	\$ 5.62	\$ 5.41	\$ 5.00
Income from Investment Operations:					
Net Investment Loss (b) (e)	(0.02)	(0.04)	(0.02)	(0.03)	(0.03)
Net Realized and Unrealized Gain/(Loss) on Investments	(2.33)	0.42	0.69	0.40	0.48
Total Income/(Loss) from Investment Operations	(2.35)	0.38	0.67	0.37	0.45
Distributions to shareholders from:					
Net investment income	(0.01)	(0.11)	(0.03)	(0.03)	-
Realized gains	-	(0.42)	(0.27)	(0.13)	(0.04)
Net asset value, end of period	\$ 3.48	\$ 5.84	\$ 5.99	\$ 5.62	\$ 5.41
Total Return (c)	-40.18%	6.37%	11.92%	6.84%	9.00%
Ratios and Supplement Data:					
Net assets, end of period (in 000's)	\$ 4,195	\$ 6,824	\$ 6,250	\$ 5,026	\$ 4,208
Ratio of Expenses to Average Net Assets (e)	1.24%	1.25%	1.24%	1.25%	1.32% (d)
Ratio of Net Investment Loss to Average Net Assets (e)	-0.36%	-0.58%	-0.41%	-0.75%	-0.70% (d)
Portfolio turnover rate (%)	26.85%	28.51%	31.55%	32.90%	11.50%

- (a) Commencement of operations began on January 13, 2004.
- (b) Per share net investment loss has been determined on the average number of shares outstanding during the period.
- (c) Total return assumes reinvestment of all distributions. For 2008 actual distribution of .01349 per share was used in calculating total return.
- (d) Annualized.
- (e) Net investment income and expense ratios do not reflect the Fund of Funds' proportionate share of income and expense of the underlying funds.

Financial Highlights (continued)

The financial highlights table is intended to help you understand the Fund's 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 Fund's financial statements, are included in the Statement of Additional Information or annual report, which is available upon request.

MH Elite Select Portfolio of Funds

	For the Years Ending December 31,		For The Period
	2008	2007	April 6, 2006 to December 31, 2006 (a)
PER SHARE DATA:			
Net asset value, beginning of period	\$ 5.39	\$ 4.84	\$ 5.00
Income from Investment Operations:			
Net Investment Gain/(Loss) (b) (e)	(0.03)	0.01	0.02
Net Realized and Unrealized Gain/(Loss) on Investments	(1.83)	0.56	(0.18)
Total Income/(Loss) from Investment Operations	(1.86)	0.57	(0.16)
Distributions to shareholders from:			
Net investment income	(0.01)	(0.02)	-
Realized gains	-	-	-
Net asset value, end of period	\$ 3.52	\$ 5.39	\$ 4.84
Total Return (c)	-34.62%	11.78%	-3.20%
Ratios and Supplement Data:			
Net assets, end of period (in 000's)	\$ 2,822	\$ 3,821	\$ 4,181
Ratio of Expenses to Average Net Assets (e)	1.99%	1.97%	1.95% (d)
Ratio of Net Investment Income/(Loss) to Average Net Assets (e)	-0.68%	0.08%	1.09% (d)
Portfolio turnover rate (%)	35.90%	79.36%	120.49%

- (a) Commencement of operations began on April 6, 2006.
- (b) Per share net investment loss has been determined on the average number of shares outstanding during the period.
- (c) Total return assumes reinvestment of all distributions. For 2008 actual distribution of .003762 per share was used in calculating total return.
- (d) Annualized.
- (e) Net investment income and expense ratios do not reflect the Fund of Funds' proportionate share of income and expense of the underlying funds.

Privacy Policy

(December 2008)

MH Elite Portfolio of Funds, Inc. (the "Fund") is committed to protecting the confidentiality and security of your private investment records and personal information. To help the government fight the funding of terrorism and money laundering activities, Section 329 of the USA Patriot Act requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. 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:
 - Information from applications or other forms that will allow us to verify the identity of any person seeking to open an account such as your name, date of birth, driver's license number, occupation, street address and social security number.
 - Information regarding your financial position, investment experience and objectives, and transactions with the Fund, such as your account balance and transaction detail.
 - Determine whether the person appears on any lists of known or suspected terrorists or terrorist organizations provided to us by any government agency.
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:
 - Disclosing information necessary to process and service account transactions that you authorize.
 - 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 the Prospectus

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Household Delivery of Shareholder Documents

Only one Prospectus, Annual and Semiannual report will be sent to shareholders with the same last name and address on their MH Elite Portfolio of Funds accounts, unless you request multiple copies. If you would like to receive separate copies, please call us at 1-800-318-7969. We will begin sending you additional copies free of charge within 30 days. **If your shares are held through a financial institution, please contact them directly.**

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.

Proxy Voting Information

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to securities held in the Funds' portfolios are available, without charge and upon request, by calling 800-318-7969 and on the SEC's website at www.sec.gov. The Funds' proxy voting record for the twelve-month period ended December 31, is available, without charge and upon request, by calling 800-318-7969 and on the SEC's website at www.sec.gov.

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 e-mail request to publicinfo@sec.gov or by writing to the SEC's Public Reference Section, Washington, D.C. 20549-0102

Investment Company Act File Number 811-087

