



HAWAII MUNICIPAL FUND
SUREX

INVESTOR CLASS
TICKER: SURFX

FEBRUARY 1, 2023
PROSPECTUS

LEE FINANCIAL MUTUAL FUND, INC.

(808) 988-8088

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

TABLE OF CONTENTS

SUMMARY SECTION1

ADDITIONAL INFORMATION ABOUT INVESTMENTS5

ADDITIONAL INFORMATION ABOUT THE INVESTMENT MANAGER8

FUND PRICING8

ADDITIONAL INFORMATION ABOUT PURCHASING AND
REDEEMING FUND SHARES9

DISTRIBUTIONS, CAPITAL GAINS AND TAX CONSEQUENCES13

DISTRIBUTION ARRANGEMENTS15

FINANCIAL HIGHLIGHTS16

SUMMARY SECTION

INVESTMENT OBJECTIVE

The investment objective of the Hawaii Municipal Fund (the "Fund"), a series of Lee Financial Mutual Fund, Inc. ("Company"), is to provide a high level of current income exempt from federal and Hawaii state income taxes, consistent with preservation of capital and prudent investment management.

FEES AND EXPENSES OF THE FUND

This table below describes the fees and expenses that you may pay if you buy, hold and sell shares of the Fund. **You may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the tables and examples below.**

Shareholder Fees (fees paid directly from your investment) NONE

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.50%
Distribution (12b-1) Fees	0.12%
Other Expenses	<u>0.33%</u>
Shareholder Servicing Fee	0.05%
All Other Expenses	0.28%
Total Annual Fund Operating Expenses	<u><u>0.95%</u></u>

Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes you invest \$10,000 in the Fund for the time periods indicated and then redeem all your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 YEAR	3 YEARS	5 YEARS	10 YEARS
\$97	\$303	\$525	\$1,166

Portfolio Turnover

The Fund pays transaction costs when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover may indicate higher transaction costs. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 9% of the average value of its portfolio.

PRINCIPAL INVESTMENT STRATEGY

Under normal circumstances, the Fund will invest at least 80% of its net assets, including borrowings for investment purposes, in a portfolio of primarily investment grade municipal securities issued by or on behalf of the State of Hawaii or any of its political subdivisions or agencies that pay interest that is

exempt from regular federal and State of Hawaii income tax. The Fund's dollar-weighted average portfolio maturity is expected to be 10 years or more. More than 25% of the Fund's assets may be invested in a particular segment of the municipal securities market. The Investment Manager attempts to select securities that it believes will provide the best balance between risk and return within the Fund's range of allowable investments. The Fund purchases municipal securities that the Investment Manager believes have the best value compared to securities of similar credit quality and maturity range. The Fund generally sells municipal securities for a number of reasons, including a change in credit quality, to extend or shorten maturity, to increase yield or to raise funds to cover redemptions.

PRINCIPAL RISKS

Market Risk - There is no guarantee that the Fund's investment objective will be met. The Fund's yield, share price and investment return can fluctuate so you may receive more or less than your original investment upon redemption. Loss of money is a risk of investing in the Fund. Geopolitical and other events, including war, terrorism, economic uncertainty, trade disputes, public health crises and related geopolitical events have led, and in the future may lead, to increased market volatility, which may disrupt US and world economies and markets and may have significant adverse direct or indirect effects on the Fund and its investments. In the face of such instability, governments may take extreme and unpredictable measures to combat the spread of disease and mitigate the resulting market disruptions and losses. In the event of a pandemic or an outbreak, there can be no assurance that we or the Fund service providers will be able to maintain normal business operations for an extended period of time or will not lose the services of key personnel on a temporary or long-term basis due to illness or other reasons. For example, the novel strain of coronavirus (COVID-19) outbreak has resulted in serious economic disruptions globally. The impact of this outbreak has negatively affected the worldwide economy, as well as the economies of individual countries, the financial health of individual companies and the market in general in significant and unforeseen ways. Although vaccines for COVID-19 are available, the future impact of COVID-19 is currently unknown, and it may exacerbate other risks that apply to the Fund, including political, social and economic risks. The duration and full impacts of COVID-19, or other disease outbreaks are unknown, resulting in a high degree of uncertainty for potentially extended periods of time.

Interest Rate Risk - The net asset value of the Fund may change as interest rates fluctuate. When interest rates increase, the net asset value could decline. When interest rates decline, the net asset value could increase. In general, when interest rates rise, municipal securities prices tend to fall and when interest rates fall, municipal securities prices tend to rise. Recently, there have been inflationary price movements and rising interest rates. The price volatility of a debt security also depends on its maturity. Generally, the longer the maturity of a debt security, the greater its sensitivity to interest rates.

Credit Risk - The securities in the Fund's portfolio are subject to credit risk, which is the ability of municipal issuers to meet their payment obligations.

Call Risk - The securities in the Fund's portfolio are subject to call risk, which is the risk that changes in interest rates may cause certain municipal securities to be paid off much sooner or later than expected, which could adversely affect the Fund's value.

State Concentration Risk - The Fund is subject to the additional risk that it concentrates its investments in instruments issued by or on behalf of the State of Hawaii or any of its political subdivisions or agencies. Due to the level of investment in municipal obligations issued by the State of Hawaii and its political subdivisions and agencies, the performance of the Fund will be closely tied to the economic and political conditions in the State of Hawaii. Therefore an investment in the Fund may be riskier than investment in other types of municipal securities funds.

Municipal Security Risk - Municipal security prices, payment of interest on, repayment of principal for, and the market for municipal securities can be significantly affected by economic and political changes as well as uncertainties in the municipal market related to taxation, legislative changes or the rights of municipal security holders. Because many municipal securities are issued to finance similar projects, especially those relating to education, healthcare, transportation and utilities, conditions in these sectors can affect municipal bond prices. A credit rating downgrade, bond default, or bankruptcy involving an issuer within the state or territory could affect the market values and marketability of some or all of the municipal obligations of that state or territory.

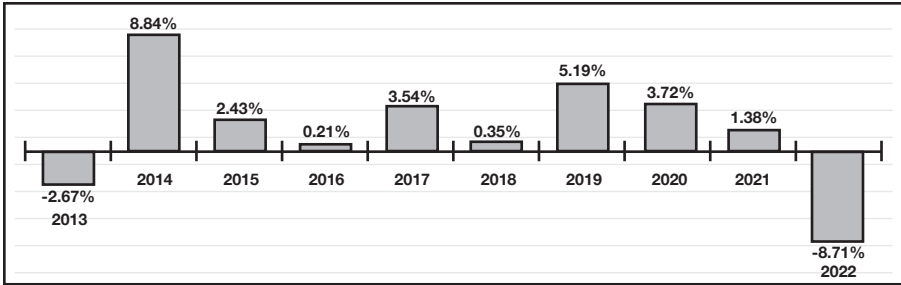
Municipal Sector Concentration Risk - From time to time the Fund may invest a substantial amount of its assets in municipal securities whose interest is paid solely from revenues of similar projects. If the Fund concentrates its investments in this manner, it assumes the economic risks relating to such projects and this may have a significant impact on the Fund's investment performance.

Non-Diversification Risk - The Fund is non-diversified and its assets may be invested in fewer issuers than a diversified fund. If the value of portfolio securities changes, the Fund's net asset value may increase or decrease more rapidly than a diversified fund.

Tax Risk - Unfavorable changes in tax laws, adverse interpretations by the Internal Revenue Service ("IRS") or state tax authorities, or noncompliant conduct of a bond issuer could impact the tax-free income distributed by the Fund. In addition, some income may be subject to the federal alternative minimum tax.

PERFORMANCE

The following bar chart and table provide some indication of the risks of investing in the Fund. The bar chart illustrates how the Fund's performance has varied from year to year over the past 10 years. The Fund's past performance before and after taxes is not necessarily an indication of future performance. The following table shows how the Fund's average annual total returns for the periods indicated compared to those of the Bloomberg Municipal Bond Index. Updated performance information for the Fund is available by calling (808) 988-8088 or (800) 354-9654.



During the periods shown in the bar chart, the Fund’s highest quarterly return was 3.59% for the quarter ended December 31, 2022 and the lowest quarterly return was -5.37% for the quarter ended March 31, 2022.

Average Annual Total Returns for the periods ended December 31, 2022

Hawaii Municipal Fund	1 Year	5 Years	10 Years
Return Before Taxes	-8.71%	0.26%	1.33%
Return After Taxes on Distributions	-8.71%	0.20%	1.29%
Return After Taxes on Distributions and Sale of Fund Shares	-4.45%	0.69%	1.58%
Bloomberg Municipal Bond Index	-8.53%	1.25%	2.13%

(Index reflects no deduction for fees, expenses or taxes)

After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Your own after-tax returns will depend on your tax situation and may differ from those shown here. The return after taxes on distributions and sale of Fund shares exceeds the return before taxes and the return after taxes on distributions due to an assumed benefit from any losses on a sale of Fund shares at the end of the measurement period. After-tax returns are not relevant to investors who hold their Fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

MANAGEMENT

Investment Manager – Lee Financial Group Hawaii, Inc.
 Portfolio Manager - Terrence K.H. Lee, CEO and President of Lee Financial Group Hawaii, Inc. has been the sole portfolio manager of the Fund since February 1, 2015 and a portfolio manager of the Fund since inception.

PURCHASE AND SALE OF FUND SHARES

You may purchase and redeem shares of the Fund on any day the New York Stock Exchange (“NYSE”) is open for business directly from the Fund or through certain financial advisors and brokers. The minimum initial purchase is \$10,000 and the minimum subsequent investment is \$100. These requirements may be waived at the Distributor’s discretion. New account applications, additional investment and redemption requests can be mailed to: Lee Financial Securities, Inc., 3113 Olu Street, Honolulu, HI 96816-1425. Telephone redemptions are accepted at (808) 988-8088 or (800) 354-9654.

TAX INFORMATION

The Fund's distributions attributable to interest income are generally exempt from regular federal and Hawaii state income tax. All or a portion of these distributions may be subject to the federal alternative minimum tax. Net capital gains distributed by or reinvested in the Fund will be taxable.

PAYMENTS TO BROKER-DEALERS AND OTHER FINANCIAL INTERMEDIARIES

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank or financial adviser), the Fund and its related companies may pay the intermediary for the sale of Fund shares and certain servicing and administrative functions. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

ADDITIONAL INFORMATION ABOUT INVESTMENTS

Investment Objective and Principal Strategy

The investment objective of the Fund is to provide a high level of current income exempt from federal and Hawaii state income taxes, consistent with preservation of capital and prudent investment management. The investment objective of the Fund cannot be changed without shareholder approval.

Municipal securities are debt obligations issued by or on behalf of the government of states, territories or possessions of the United States, the District of Columbia and their political subdivisions, agencies and instrumentalities, the interest on which is generally exempt from federal income tax.

The two principal classifications of municipal securities are general obligation and revenue bonds. General obligation bonds are secured by the issuer's pledge of its faith, credit and taxing power for the payment of principal and interest. Revenue bonds are usually payable only from the revenue derived from a particular facility or class of facilities, or in some cases, from the proceeds of a special excise tax or other specific revenue source.

The Fund will primarily invest its assets in a portfolio of investment grade municipal securities issued by or on behalf of the State of Hawaii, or any of its political subdivisions and agencies. The interest on these securities is exempt from regular federal and State of Hawaii income taxes in the opinion of bond counsel or other counsel to the issuer of these securities. The Fund will invest, under normal circumstances, at least 80% of the Fund's net assets, including borrowings for investment purposes, in these municipal securities.

How the Fund intends to pursue this investment strategy:

- **Maturity Range**

The Fund invests in municipal bonds with a maturity of up to 40 years and an average expected stated maturity of 10-25 years.

- **Credit Quality**

At least 90% of the Fund's assets will be invested in municipal securities within the four highest credit quality ratings assigned by S & P Global Ratings Service (AAA, AA, A, BBB) or Moody's Investors Service (Aaa, Aa, A, Baa), or in unrated municipal securities judged by the Fund's Investment Manager to be of comparable quality.

- **Concentration**

More than 25% of the Fund's assets may be invested in a particular segment (bonds financing similar projects such as utilities, hospitals or housing finance agencies) of the municipal bond market; however, the Fund will not invest more than 25% of its assets in industrial development bonds in a single industry. Developments affecting a particular segment could have a significant effect on Fund performance.

- **Risk Management**

The Fund will consist of different types of municipal issuers in order to reduce the impact of any loss on a particular security.

- **Downgrade Policy**

Downgraded bonds will be subject to review. Based upon the review, the Fund will elect to hold or sell the downgraded bond.

Principal Risks

The following information provides more detail on certain of the principal risks of investing in the Fund discussed in the Summary Section:

Hawaii Securities

The Fund primarily invests in municipal securities of issuers located in Hawaii. The marketability and market value of these obligations may be affected by certain changes in Hawaiian constitutional provisions, legislative measures, executive orders, administrative regulations and voter initiatives. All Hawaiian governmental activities are the responsibility of the state. This concentration adds to the state's high level of debt.

Tax Laws

Proposals have been introduced before Congress that would have the effect of reducing or eliminating the federal tax exemption on income derived from municipal securities. If such a proposal were enacted, the ability of the Fund to pay tax-exempt interest dividends might be adversely affected.

Additional information about the Fund's investments and risks can be found in the Statement of Additional Information ("SAI").

Portfolio Holdings

The Company or its Investment Manager may publicly disclose information concerning the securities held by the Fund in accordance with regulatory requirements, such as periodic portfolio disclosure in filings with the Commission.

The Fund intends to publish its top ten holdings and other portfolio securities information, such as asset and sector allocations and other portfolio characteristics, on its website, www.LeeHawaii.com, current as of quarter end, no sooner than three (3) calendar days after the end of the quarter. This information will generally remain available on the website at least until the Fund files with the Commission its annual/semi-annual shareholder report or its report on Form N-PORT for the last month of the Fund's first or third quarters. The Fund may terminate or modify this policy at any time without further notice to shareholders.

A further description of the Fund's policies and procedures with respect to the disclosure of the Fund's portfolio securities is available in the Fund's SAI and on the Fund's website, www.LeeHawaii.com.

Other Investment Practices and Risks

During periods of adverse conditions the Fund may not achieve its investment objective. For temporary defensive purposes, including when Hawaiian tax-exempt securities are unavailable or in response to other adverse market, economic, political or other conditions, the Fund may maintain uninvested cash or invest in money market instruments. The interest on money market instruments may be subject to federal or state income taxes.

In addition to the Fund's principal investment strategies, and the particular types of securities that the Fund may select for investment described above, the Fund may make other types of investments and pursue other investment strategies in support of its overall investment goal. Information about some of these investments and strategies is described below. More information about these and other supplemental investment strategies and the risks involved are described in the SAI. The Fund may:

- Engage in "when-issued" or "delayed delivery" transactions that are expected to physically settle within 35 days. Yields generally available on municipal securities when delivery occurs may be higher or lower than yields on securities obtained in the transactions.
- Purchase bonds whose interest is treated as an item of tax preference for purposes of determining federal alternative minimum tax liability.

Cyber Security Risk. With the increased use of technologies such as the internet to conduct business, the Fund is susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber security failures or breaches by the Fund's Investment Manager and other service providers (including, but not limited to, Fund accountant, custodian, transfer agent and administrator), and the issuers of securities in which the Fund invests, have the

ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with the Fund's ability to calculate its net asset value, impediments to trading, the inability of Fund shareholders to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. Furthermore, the Fund cannot control the cyber security plans and systems put in place by service providers to the Fund and issuers in which the Fund invests. The Fund and its shareholders could be negatively impacted as a result.

ADDITIONAL INFORMATION ABOUT THE INVESTMENT MANAGER

The Investment Manager for the Fund is Lee Financial Group Hawaii, Inc. ("Lee Financial"), 3113 Olu Street, Honolulu, HI 96816-1425. Lee Financial was founded in 1988 and as of December 31, 2022 had approximately \$335 million in assets under management. Lee Financial is responsible for: investing the assets of the Fund, providing investment research, administering the Fund's daily business affairs, continuous review and analysis of state and local economic conditions and trends, and evaluating the portfolio and overseeing its performance. As compensation for the services provided by Lee Financial, the Fund paid Lee Financial 0.50 of one percent (0.50%) of its average daily net assets for the most recent fiscal year. A discussion regarding the basis for the Board of Directors of the Company (the "Board") approving the investment management contract of the Fund is available in the Fund's September 30, 2022 [Annual Report](#) to shareholders.

Terrence K.H. Lee is the portfolio manager of the Fund. Mr. Lee has been the sole portfolio manager of the Fund since February 1, 2015 and has been a portfolio manager of the Fund since inception. Mr. Lee is CEO and President of Lee Financial, which he founded in 1988, and serves as the Chief Investment Officer for the Investment Committee of Lee Financial. The SAI provides additional information about the portfolio manager's compensation, other accounts managed by the portfolio manager, and the portfolio manager's ownership of shares in the Fund.

FUND PRICING

The net asset value and price per share for the Fund is determined by calculating the total value of the Fund's assets, deducting its total liabilities and dividing the result by the number of shares outstanding. The net asset value is computed once daily as of the close of regular trading on the NYSE (generally 4:00 p.m. EST). Fund shares will not be priced on the days on which the NYSE is closed.

The Fund's shares are valued by using market quotations, prices provided by market makers or estimates of market values obtained from yield data from securities with similar characteristics in accordance with procedures established in good faith by the Board. When events occur which may affect the accuracy or availability of quotations for the Fund's investments, the Fund may use fair value pricing procedures approved by the Board. The price determined by the Fund in such circumstances may differ from values assigned to securities elsewhere in the marketplace.

ADDITIONAL INFORMATION ABOUT PURCHASING AND REDEEMING FUND SHARES

Service Agents

Shares of the Fund may be purchased and redeemed by customers of service agents such as broker-dealers or other financial intermediaries which have established a shareholder servicing relationship with their customers ("Service Agents") and have agreements with the Fund to promptly transmit their customer purchase and redemption orders to the Fund. The Fund will be deemed to have received a purchase or redemption order when the Service Agents, or its authorized designee, accepts a purchase or redemption order from its customer. Such orders will be priced at the net asset value per share next determined after receipt of the order by the Service Agents or its authorized designee, if the order is actually received in proper order by the Fund's transfer agent not later than a designated time later that day and the payment is received by the Fund's transfer agent in accordance with settlement instructions agreed upon between the Fund and the Service Agents. The Fund considers orders to be in "proper order" when all required documents are properly completed, signed and received by the Fund's transfer agent. Service Agents may impose additional or different conditions on purchases and redemptions of Fund shares and may charge transaction or other account fees.

The Fund relies upon the integrity of the Service Agents to ensure that orders are timely and properly submitted. Service Agents are responsible to their customers and the Fund for timely transmission of all purchase and redemption requests, investment information, documentation and money to the Fund's transfer agent. The Fund cannot assure you that Service Agents properly submitted to it all purchase and redemption orders received from the Service Agents' customers before the time for determination of the Fund's net asset value in order to obtain that day's price.

Purchasing Fund Shares

Shares are distributed through Lee Financial Securities, Inc., 3113 Olu Street, Honolulu, HI 96816-1425 or from members of the Financial Industry Regulatory Authority who have dealer agreements with Lee Financial Securities, Inc.

In order to establish a new account, a completed application should accompany an investment in the Fund. Purchases can be made by submitting a personal check. Checks must be made payable to the "Hawaii Municipal Fund".

Checks should be written in blue or black ink when purchasing shares of the Fund. New account applications and additional investments can be mailed to: Lee Financial Securities, Inc., 3113 Olu Street, Honolulu, HI 96816-1425. Please note that Fund purchases cannot be made by cashier's check, official check, traveler's check or any other cash instrument.

The Fund is offered for investment on a no-load basis; however, Service Agents may charge their customers fees for purchasing shares of the Fund. The minimum initial investment to open an account is \$10,000.00. The minimum subsequent investment is \$100.00. This requirement may be waived at the Distributor's discretion. Broker-dealers and other financial intermediaries may impose their own minimum and subsequent investment requirements. Please refer to "Service Agents" above for additional information. For subsequent investments, shareholders should include their Fund account number on the check.

From time to time, the Investment Manager and its affiliates pay, from their own resources, a fee to financial institutions that generate purchase orders. These fees are described in the SAI.

Purchases received by the Fund by the close of the NYSE (generally 4:00 p.m. EST) are confirmed at that day's net asset value. Purchases received by the Fund after the close of the NYSE are confirmed at the net asset value determined on the next business day. Should an order to purchase shares be canceled because an investor's check does not clear, the investor will be responsible for any resulting losses or fees incurred in that transaction. Lee Financial Securities, Inc. reserves the right to accept or reject any purchase order.

Customer Identification Program

Federal law requires the Company to obtain, verify and record identifying information, which may include the name, residential or business street address, date of birth (for an individual), social security or taxpayer identification number or other identifying information for each investor who opens or reopens an account with the Company. Applications without the required information, or without any indication that a social security or taxpayer identification number has been applied for, may not be accepted. After acceptance, to the extent permitted by applicable law or its customer identification program, the Company reserves the right (a) to place limits on transactions in any account until the identity of the investor is verified; or (b) to refuse an investment in the Fund or to involuntarily redeem an investor's shares and close an account in the event that an investor's identity is not verified. The Company and its agents will not be responsible for any loss in an investor's account resulting from the investor's delay in providing all required identifying information or from closing an account and redeeming an investor's shares when an investor's identity cannot be verified.

Automatic Investment Plan

Shareholders can arrange to make additional monthly purchases, automatically, through electronic funds transfer from their financial institutions. A minimum investment of \$100.00 each month is required for participation in the plan. This requirement may be waived at the Distributor's discretion.

Redeeming Fund Shares

Telephone redemption privileges are automatically established on accounts unless written notification is submitted stating that this privilege is not requested. Redemptions will be processed but proceeds may be delayed until checks received for the purchase of shares have cleared, which may take up to 15 days from the purchase date.

The redemption price of shares is based on the next calculation of the net asset value after the order is received by the Fund. The Fund imposes no sales charges or fees for redeeming shares; however, Service Agents may charge their customers fees for redeeming shares of the Fund. Redemptions may be suspended when the NYSE is closed (other than customary weekend and holiday closings) or when the Commission deems an emergency exists and permits such suspension or postponement.

If the amount being redeemed exceeds \$50,000.00, a written redemption request must be submitted. Signatures must be medallion signature guaranteed. This requirement may be waived at the Distributor's discretion.

Written instructions, with a medallion signature guarantee, are required to send the check to another address or to make it payable to another person. If you have changed your address within the last 15 days without a medallion signature guarantee, requests to sell your shares and mail the check to the name(s) and address on the account must be in writing and we may require a medallion signature guarantee. Requests to sell your shares and send the proceeds to a preauthorized secondary address may be requested by phone.

Other than as described above and below under "Redemptions by Electronic Funds Transfer (ACH)", the proceeds of the redemption are made payable to the registered shareholder and mailed to the address of record typically within five business days following the receipt of your redemption request made in good order. The Fund maintains a cash balance that serves as a primary source of liquidity for meeting redemption requests. It may also use the proceeds from the sale of portfolio securities to meet redemption requests if consistent with the management of the Fund. These redemption methods will be used regularly and may also be used in stressed market conditions.

If your account falls below \$1,000.00, you may be asked to increase your balance. If it is still below \$1,000.00 after 60 days, the Company may close your account and send you the proceeds.

Telephone Redemptions (808) 988-8088

As long as your transaction is for \$50,000.00 or less you can sell your shares by phone.

To protect accounts from unauthorized telephone redemptions, procedures have been established to confirm that instructions communicated by telephone are genuine. When a telephone redemption is received, the caller must provide:

Account Number

Name and address exactly as registered on that account

Dollar or share amount to be redeemed

Last 4 digits of the social security number or tax identification as registered on that account.

If these procedures are followed, the Company, the Fund and Lee Financial Securities, Inc. will not be responsible for the authenticity of instructions received by telephone or any loss, liability cost or expense.

Written Redemption Requests

If telephone redemption privileges are not established, a written redemption request should be sent to Lee Financial Securities, Inc., 3113 Olu Street, Honolulu, HI 96816-1425. Corporate, partnership or trust accounts may need to send additional documents. Specify the “Hawaii Municipal Fund”, registration of the account, the account number and the dollar value or number of shares you wish to sell. Be sure to include all necessary signatures (signed exactly as the account is registered) and any additional documents, as well as medallion signature guarantees if required. A check will be mailed to the name(s) and address on the account, or otherwise according to your written instructions.

Redemptions By Electronic Funds Transfer (ACH)

You can call, or write, to have redemption proceeds sent to a bank account. Before requesting to have redemption proceeds sent to a bank account, please make sure we have your bank account information on file. If we do not have this information, you will need to complete the ACH form with your bank’s name and a voided check or preprinted savings account deposit slip. If there is a difference between the Fund account owner(s) and the bank account owner(s), you must have the ACH form signed by **all Fund and bank account owners**, and each individual must have his or her signature medallion guaranteed. If the bank account was added or changed without a medallion signature guarantee within the last 15 days, you may be required to provide written instructions signed by all Fund account owners, with a medallion signature guarantee for each Fund account owner. If we receive your request in proper form prior to 4:00 p.m. EST, proceeds sent by ACH generally will be available within two to three business days.

Frequent Purchases and Redemptions of Fund Shares

The Board has determined that market timing or frequent, short-term purchases and redemptions (“trading”) of Fund shares is not in the best interest of the Fund or its shareholders. Short-term trading of Fund shares creates certain transaction costs that are borne by all shareholders and disrupts the orderly management of the Fund’s portfolio investments. In order to deter such trading activity, the Board has determined to limit shareholders in the Fund to six purchase and redemption transactions, within a one-year period, other than transactions associated with automatic purchases or redemptions. In order to implement this policy, the Fund is directed to monitor trading activity in the Fund and follow the policies and procedures that are described in the Fund’s SAI. The Board recognizes that these procedures may differ from the procedures used by various financial intermediaries for similar purposes and it is also

recognized that there is no guarantee that the Fund's administrator ("Administrator") will be able to identify individual shareholders who may be making frequent, short-term trades or curtail their trading activity.

DISTRIBUTIONS, CAPITAL GAINS AND TAX CONSEQUENCES

Shareholders begin earning dividends on the next calendar day after a purchase is made. Shareholders continue to receive dividends up to and including the date of redemption. Fund dividends accrue daily and are paid to shareholders on the last business day of each month. This payment, if any, includes dividends accrued up to and including the earlier of the redemption date or the last calendar day of each month. **If you have opted for cash distributions and there are three outstanding dividend checks that have not been presented for payment, or if any check mailed to you is returned as undeliverable, the Fund reserves the right to reinvest the check proceeds and future distributions in additional Fund shares.**

The Fund will automatically credit monthly distributions and any annual capital gain distributions to an investor's account in additional shares of the Fund at net asset value, unless an investor elects otherwise to receive them in cash instead. You can also have your distributions deposited in a bank account by ACH. Before requesting to have distributions sent to a bank account, please make sure we have your bank account information on file. If we do not have this information, you will need to complete the ACH form with your bank's name and a voided check or preprinted savings account deposit slip. If there is a difference between the Fund account owner(s) and the bank account owner(s), you must have the ACH form signed by **all** Fund **and** bank account owners, and each individual must have his or her signature medallion guaranteed. If the bank account was added or changed without a medallion signature guarantee within the last 15 days, you may be required to provide written instructions signed by all Fund account owners, with a medallion signature guarantee for each Fund account owner. These ACH instructions will remain in effect until we receive written instructions otherwise.

The Fund contemplates declaring as dividends each year all or substantially all of its taxable income, including its net capital gain (the excess of net long-term capital gain over net short-term capital loss). It is expected that the Fund will predominantly distribute dividends derived from interest earned on exempt securities, and these "exempt-interest dividends" will be exempt income for shareholders for federal income tax purposes. However, distributions, if any, derived from the net capital gain of the Fund will generally be taxable to you as long-term capital gain, no matter how long you have owned your Fund shares. Dividends, if any, derived from short-term capital gains or taxable interest income will generally be taxable to you as ordinary income. The maximum long-term capital gain rate applicable to individuals, estates, and trusts is 23.8% (which includes a 3.8% Medicare tax). You will be notified annually of the tax status of distributions to you.

Interest on indebtedness incurred by a shareholder to purchase or carry shares of the Fund generally will not be deductible for federal income tax purposes.

You should note that a portion of the exempt-interest dividends paid by the Fund may constitute an item of tax preference for purposes of determining federal alternative minimum tax liability. Exempt-interest dividends will also be considered along with other adjusted gross income in determining whether any Social Security or railroad retirement payments received by you are subject to federal income taxes.

You will generally recognize taxable gain or loss for federal income tax purposes on a sale or redemption of your shares, based on the difference between your tax basis in the shares and the amount you receive for them. Generally, you will recognize long-term capital gain or loss if you have held your Fund shares for over twelve months at the time you dispose of them.

Any loss realized on shares held for six months or less will be disallowed to the extent of any exempt-interest dividends that were received on the shares. Any remaining loss realized on shares held for six months or less will be treated as a long-term capital loss to the extent of any capital gain dividends that were received on the shares. Additionally, any loss realized on a disposition of shares of the Fund may be disallowed under “wash sale” rules to the extent the shares disposed of are replaced with other shares of the Fund within a period of 61 days beginning 30 days before and ending 30 days after the shares are disposed of, such as pursuant to a dividend reinvestment in shares of the Fund. If disallowed, the loss will be reflected in an upward adjustment to the basis of the shares acquired.

For shares acquired on or after January 1, 2012, the Fund (or relevant broker or financial adviser) is required to compute and report to the IRS and furnish to Fund shareholders cost basis information when such shares are sold. The Fund has elected to use the first-in first-out method, unless you instruct the Fund to use a different IRS-accepted cost basis method, or choose to specifically identify your shares at the time of each sale. If your account is held by your broker or other financial adviser, they may select a different cost basis method. In these cases, please contact your broker or other financial adviser to obtain information with respect to the available methods and elections for your account. You should carefully review the cost basis information provided by the Fund and make any additional basis, holding period or other adjustments that are required when reporting these amounts on your federal and state income tax returns. Fund shareholders should consult with their tax advisers to determine the best IRS-accepted cost basis method for their tax situation and to obtain more information about how the cost basis reporting requirements apply to them.

The Fund will be required in certain cases to withhold and remit to the IRS a percentage of taxable dividends or gross sale proceeds payable to any shareholder who (i) has failed to provide a correct tax identification number, (ii) is subject to backup withholding by the IRS for failure to properly include on his or her return payments of taxable interest or dividends, or (iii) has failed to certify to the Fund that he or she is not subject to backup withholding when required to do so or that he or she is an “exempt recipient.” The current backup withholding rate is 24%.

Shareholders of the Fund that are subject to Hawaii income taxes will not be subject to Hawaii income taxes on the Fund's dividends to the extent that such dividends are derived from (1) interest on tax-exempt obligations of the State of Hawaii or any of its political subdivisions or on obligations of the possessions or territories of the United States (such as Puerto Rico, Virgin Islands or Guam) that are exempt from federal income tax or (2) interest on obligations of the United States and its possessions or on obligations or securities of any authority, commission or instrumentality of the United States included in federal adjusted gross income but exempt from state income taxes under the laws of the United States. To the extent that Fund distributions are attributable to sources not described in the preceding sentences, such as long or short-term capital gains, such distributions will not be exempt from Hawaii income tax.

Fund distributions derived from interest on Hawaiian obligations, tax-exempt obligations of states other than Hawaii and their political subdivisions, and obligations of the United States or its possessions are not exempt from the Hawaii Franchise Tax. This tax generally applies to banks, building and loan associations, financial services loan companies, financial corporations, small business investment companies, trust companies, mortgage loan companies, financial holding companies, development companies and subsidiaries therefore located or doing business in Hawaii.

Generally, the Fund's distributions to any shareholders who are residents in states other than Hawaii will constitute taxable income for state and local income tax purposes.

The foregoing is only a summary of certain tax considerations under current law, which may be subject to change in the future. Except where otherwise indicated, the discussion relates to investors who are individual United States citizens or residents. You should consult your tax adviser for further information regarding federal, state, local and/or foreign tax consequences relevant to your specific situation.

Additional information about taxes is provided in the SAI.

DISTRIBUTION ARRANGEMENTS

The Fund has adopted a distribution plan under Rule 12b-1 which allows the Fund to pay up to 0.25% per year of its average daily net assets for the sale and distribution of its shares and shareholder support services not otherwise provided by the Fund's transfer agent, but currently the Fund pays 0.12%. The Fund also pays fees for additional services provided to shareholders at a rate of up to 0.10% of its average daily net assets.

These fees are paid out of the Fund's assets on an on-going basis. Over time these fees will increase the cost of an investment in the Fund and may cost more than paying other types of sales charges.

FINANCIAL HIGHLIGHTS

The financial highlights table is intended to help investors understand the Fund's financial performance for the past 5 years. 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 the Fund (assuming reinvestment of all dividends and distributions). This information has been audited by Tait, Weller & Baker LLP, Independent Registered Public Accounting Firm, whose report, along with the Fund's financial statements, are included in the Annual Report, which is available upon request.

	INVESTOR CLASS				
	For the Year Ended September 30,				
	2022	2021	2020	2019	2018
Net asset value, beginning of year	<u>\$11.27</u>	<u>\$11.31</u>	<u>\$11.23</u>	<u>\$10.83</u>	<u>\$11.13</u>
Income from Investment Operations:					
Net investment income ¹	0.19	0.20	0.22	0.26	0.25
Net realized and unrealized gain (loss)	(1.44)	0.04	0.08	0.39	(0.30)
Total from investment operations	<u>(1.25)</u>	<u>0.24</u>	<u>0.30</u>	<u>0.65</u>	<u>(0.05)</u>
Less Distributions:					
From net investment income	(0.19)	(0.20)	(0.22)	(0.25)	(0.25)
From net realized gain	(0.07)	(0.08)	-	-	-
Total distributions	<u>(0.26)</u>	<u>(0.28)</u>	<u>(0.22)</u>	<u>(0.25)</u>	<u>(0.25)</u>
Net asset value, end of year	<u>\$9.76</u>	<u>\$11.27</u>	<u>\$11.31</u>	<u>\$11.23</u>	<u>\$10.83</u>
Total return	(11.26)%	2.12%	2.67%	6.07%	(0.44)%
Ratios and Supplemental Data:					
Net assets, end of year (in thousands)	\$140,772	\$165,863	\$162,373	\$164,555	\$161,725
Ratio of expenses to average net assets:					
Before fee reduction	0.95%	0.95%	0.96%	0.98%	1.05%
After fee reduction	0.95% ²	0.95% ²	0.96% ²	0.98% ²	1.05%
Ratio of net investment income (loss) to average net assets:					
Before fee reduction	1.79%	1.74%	1.97%	2.33%	2.30%
After fee reduction	1.79% ²	1.74% ²	1.97% ²	2.33% ²	2.30%
Portfolio turnover rate	9%	15%	18%	24%	10%

¹ Based on average shares outstanding.

² Under an agreement with the Fund's custodian bank, \$4,063, \$401, \$5,818 and \$1,090 of custodian fees were paid by credits for cash balances during the fiscal years ended September 30, 2022, 2021, 2020 and 2019, respectively. If not for the offset agreement, the assets could have been employed to produce income.

The SAI dated February 1, 2023 includes additional information about the Fund and is incorporated by reference into (legally part of) this prospectus. Additional information about the Fund's investments is available in the Annual and Semi-Annual Reports to shareholders. In the Annual Report, you will find a discussion of the market conditions and investment strategies that significantly affected the Fund's performance during its last fiscal year.

To request the SAI, the Annual and Semi-Annual Report, or other information, or if you have other inquiries, call (808) 988-8088 (collect) or (800) 354-9654 or visit the Fund's website at www.LeeHawaii.com. The Company provides the information at no charge to shareholders.

Reports and other information about the Company are available on the EDGAR Database on the Commission's Internet site at <http://www.sec.gov> and upon payment of a duplicating fee, copies of the information may be obtained by electronic request at the following e-mail address: publicinfo@sec.gov.

SEC File number: 811-05631



3113 Olu Street
Honolulu, HI 96816-1425

Phone: (808) 988-8088
(800) 354-9654

Fax: (808) 988-5770

HAWAII MUNICIPAL FUND
SUREX

LEE FINANCIAL

**Securities, Inc.
Distributor**

