

NICHOLAS MONEY MARKET FUND, INC. - NICXX

STATEMENT OF ADDITIONAL INFORMATION

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This Statement of Additional Information is not a prospectus and contains information in addition to and more detailed than that set forth in the current Prospectus of Nicholas Money Market Fund, Inc. (the "Fund"), dated April 30, 2012. It is intended to provide you with additional information regarding the activities and operations of the Fund, and should be read in conjunction with the Fund's current Prospectus and the Fund's Annual Report for the fiscal year ended December 31, 2011, which are incorporated herein by reference. The Fund's Prospectus provides the basic information you should know before investing in the Fund.

To obtain a free copy of the Fund's Prospectus and Annual Report, please write or call the Fund at the address and telephone number set forth above.

NO LOAD FUND - NO SALES OR REDEMPTION CHARGE BY THE FUND

Investment Adviser
NICHOLAS COMPANY, INC.

April 30, 2012

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INTRODUCTION

Nicholas Money Market Fund, Inc. (the "Fund") was incorporated under the laws of Maryland on April 15, 1988. The Fund is an open-end, diversified management investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"). This type of investment company is commonly called a mutual fund. As an open-end investment company, it obtains its assets by continuously selling shares of its common stock, \$0.0001 par value, to the public. Since higher yielding money market instruments are often available only in large denominations, the Fund provides a way for investors to take advantage of these higher yields that may be beyond the reach of an individual investor. As an open-end investment company, the Fund will redeem any of its outstanding shares on demand of the owner at their net asset value next determined following receipt of the redemption request. The investment adviser to the Fund is Nicholas Company, Inc. (the "Adviser").

INVESTMENT OBJECTIVES AND INVESTMENT STRATEGIES

The investment objectives and strategies of the Fund described in this Statement of Additional Information ("SAI"), supplement the investment objectives and investment strategies disclosures included in the Fund's Prospectus under the caption "INVESTMENT OBJECTIVE, PRINCIPAL INVESTMENT STRATEGIES AND RISKS." Please read the Prospectus in conjunction with this Statement of Additional Information. Set forth below is additional information on the other Fund investment strategies and permissible investments which the Fund may use in an effort to obtain its primary objective.

Certain Other Investment Strategies and Portfolio Investments

From time to time, the Fund may invest in commercial paper and other short-term corporate obligations which are issued in private placements pursuant to Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act"), including securities eligible for resale under Rule 144A. Such securities are not registered for purchase and sale by the public under the Securities Act, and there may be a risk of little or no market for resale associated with such securities if the Fund does not hold them to maturity. The determination of the liquidity of these securities is a question of fact for the Board of Directors to determine, based upon the trading markets for the specific security, the availability of reliable price information and other relevant information. In addition, to the extent that qualified institutional buyers do not purchase restricted securities pursuant to Rule 144A, the Fund's investing in such securities may have the effect of increasing the level of illiquidity in the Fund's portfolio.

From time to time, the Fund may invest in obligations of a foreign branch of a U.S. bank and U.S. branches of a foreign bank or obligations issued by other governments.

The Fund also may invest in repurchase agreements involving the securities discussed in the "INVESTMENT OBJECTIVE, PRINCIPAL INVESTMENT STRATEGIES AND RISKS" section of the Fund's Prospectus. A repurchase agreement occurs when, at the time the Fund purchases an interest-bearing obligation, the seller (a bank or a broker-dealer) agrees to repurchase it on a specified date in the future at an agreed-upon price. The repurchase price reflects an agreed-upon interest rate during the time the Fund's money is invested in the security. The Fund will determine the market value of the collateral on a daily basis and will require the seller to provide additional collateral if the market value of the securities falls below the repurchase price at any time during the term of the repurchase agreement. However, the Fund may incur costs in disposing of the collateral, which would reduce the amount realized thereon. The Fund has a fundamental policy that it will not enter into repurchase agreements which will not mature within seven days if any such investment, together with all other assets held by the Fund which are not readily marketable, amounts to more than 10% of its total net assets.

Other Investment Companies – The Fund may invest, to the extent permitted by the 1940 Act, in securities issued by other money market funds, provided that the permitted investments of such other money market funds constitute permitted investments of the Fund. Certain types of investment companies, such as closed-end investment companies, issue a fixed number of shares that trade on a stock exchange or over-the-counter at a premium or discount to their net asset value. Others are continuously offered at their net asset value, but may also be traded in the secondary market. ETFs are entities that acquire and hold either: (i) shares of all the companies that are represented by a particular index in the same proportion that is represented by the indices themselves; or (ii) shares of a sampling of the companies that are represented by a particular index in a proportion meant to parallel the performance of the entire index.

The Fund also may invest in the securities of real estate investment trusts ("REITs") and other real estate-based securities, including securities of companies whose assets consist substantially of real property and interests therein, listed on a national securities exchange or authorized for quotation on the National Association of Securities Dealers Automated Quotations System ("NASDAQ"), but subject to certain investment limits.

All percentage limitations on the Fund's investment practices apply at time of an investment or a transaction. Thus, if an investment satisfies a percentage restriction when it is made, a later change in the value of the investment or total value of the Fund's assets will not constitute a violation of such restriction.

The Adviser uses its best judgment in selecting investments, taking into consideration interest rates, terms and marketability of obligations as well as the capitalization, earnings, liquidity and other indicators of the financial condition of the issuer in arriving at investment decisions. Due to fluctuations in the interest rates, the market value of the securities in the portfolio may vary during the period of the shareholder's investment in the Fund. To minimize the effect of changing rates on the net asset value of its shares, the Fund intends to keep the dollar weighted average maturity of its holdings to 60 days or less. See "Pricing of Fund Shares and Use of Amortized Cost Method of Valuation."

INVESTMENT RESTRICTIONS

The Fund has adopted the following restrictions, which are matters of fundamental policy and cannot be changed without the approval of the holders of a majority of its outstanding shares, or, if less, 67% of the shares represented at a meeting of shareholders at which 50% or more of the holders are represented in person or by proxy.

1. The Fund will not purchase securities on margin, participate in a joint trading account, sell securities short, or act as an underwriter or distributor of securities other than its own capital stock. The Fund will not lend money, except for:
 - a. the purchase of a portion of an issue of publicly distributed debt securities;
 - b. investment in repurchase agreements in an amount not to exceed 20% of the total net assets of the Fund; provided, however, that repurchase agreements maturing in more than seven days will not constitute more than 10% of the value of the total net assets; and
 - c. the purchase of a portion of bonds, debentures or other debt securities of types commonly distributed in private placements to financial institutions, such illiquid amount of which is not to exceed 10% of the value of total net assets of the Fund; provided, however, that all illiquid securities will not exceed 10% of the value of the Fund's total net assets.
2. The Fund may make bank borrowings but only for temporary or emergency purposes and then only in amounts not in excess of 5% of the lower of cost or market value of the Fund's total net assets.
3. The Fund will not pledge any of its assets.
4. Investments will not be made for the purpose of exercising control or management of any company. The Fund will not purchase securities of any issuer if, as a result of such purchase, the Fund would hold more than 10% of the voting securities of such issuer.
5. The Fund may not purchase the securities of any one issuer, except securities issued or guaranteed by the United States, or its instrumentalities or agencies, if immediately after and as a result of such purchase the value of the holdings of the Fund in the securities of such issuer exceeds 5% of the value of the Fund's total assets.

6. Not more than 25% of the value of the Fund's total net assets will be concentrated in companies of any one industry or group of related industries. This restriction does not apply to U.S. Government Securities or to obligations (including certificates of deposit and bankers acceptances) of banks or savings and loan associations subject to regulation by the U.S. Government.
7. The Fund will not acquire or retain any security issued by a company, if an officer or director of such company is an officer or director of the Fund, or is an officer, director, shareholder or other interested person of the Adviser.
8. The Fund may not purchase or sell real estate or interests in real estate, commodities or commodity futures. The Fund may invest in the securities of REITs and other real estate-based securities (including securities of companies whose assets consist substantially of real property and interests therein) listed on a national securities exchange or authorized for quotation on NASDAQ, but not more than 10% in value of the Fund's total assets will be invested in REITs nor will more than 25% in value of the Fund's total assets be invested in the real estate industry in the aggregate.

Investment Restrictions Which May Be Changed Without Shareholder Approval

The Fund's Board of Directors (the "Board") has adopted the following restrictions which may be changed by the Board of Directors of the Fund without shareholder approval:

- The Fund will not invest in interests in oil, gas or other mineral exploration programs;
- The Fund will not invest in puts, calls, straddles, spreads or any combination thereof;
- The Fund may not purchase securities of other investment companies, except to the extent permitted under the 1940 Act, the rules and regulations thereunder and any exemptive relief obtained by the Fund;
- The Fund may not issue senior securities in violation of the 1940 Act; and
- The Fund may make borrowings but only for temporary purposes and then only in amounts not in excess of 5% of the lower of cost or market value of the Fund's total net assets, and the Fund may make borrowings from banks, provided that immediately after any such borrowing all borrowings of the Fund do not exceed one-third of the Fund's net assets.

The Board will give advance notice to shareholders of any change to these investment restrictions by filing with the SEC an amended Statement of Additional Information.

All percentage limitations on the Fund's investment practices apply at the time of an investment or a transaction. Thus, if an investment satisfies a percentage restriction when it is made, later changes in the value of the investment or total value of the Fund's assets will not constitute a violation of such restriction.

Disclosure of Portfolio Holdings

The Fund's Board of Directors has approved policies and procedures developed by the Adviser governing the disclosure of the Fund's portfolio holdings. The policies and procedures are reasonably designed to ensure that disclosure of portfolio holdings and information about portfolio holdings is in the best interests of Fund shareholders and consistent with applicable law. In addition, the Fund's policies and procedures are designed to appropriately address the potential for conflicts of interest. There can be no assurance that the policy on portfolio holdings disclosure will be effective in protecting the Fund from the potential misuse of holdings by individuals or firms in possession of that information.

The policy and procedures generally prohibit the disclosure of the Fund's portfolio schedule until it has been made available to the public through regulatory filing with the Securities and Exchange Commission ("SEC") or posted to the Fund's website. The Fund's complete portfolio holdings are made available to the public on a monthly basis generally no later than 60 days after the end of each calendar quarter end. A summary of the Fund's portfolio composition is also posted to the Fund's website at www.nicholasfunds.com under the heading "Quarterly Factsheet" generally 10 days or more following a calendar quarter end. This summary composition may include the Fund's top ten holdings and a breakdown by sector.

The policy and procedures provide for certain exceptions to the portfolio holdings release policy described above where (i) disclosures are made for legitimate business purposes, (ii) recipients are subject to a duty of confidentiality and (iii) recipients are subject to a duty to refrain from trading based on the disclosed information or otherwise using the information except as necessary in providing services to the Fund. At the time, the Fund has ongoing arrangements for the disclosure of portfolio holdings for legitimate business purposes with:

1. Designated employees of the Fund's Adviser in the course of performing daily operations of the Fund, including but not limited to, portfolio analysis, accounting and administration, who receive such information daily.

2. Various service providers that require such information in order to assist the Fund with its operations: the Fund's custodian, currently U.S. Bank N.A., independent registered public accounting firm, currently Deloitte & Touche LLP, legal counsel, currently Michael Best & Friedrich LLP, proxy voting service, currently Institutional Shareholder Services Inc. (a division of RiskMetrics Group, Inc.) and a provider of regulatory filing software, currently Confluence Technologies, Inc. U.S. Bank N.A and Institutional Shareholder Services Inc. receive such information on a daily bases, while Deloitte & Touche LLP and Michael Best & Friedrich LLP receive such information as necessary in connection with professional services provided to the Fund.

3. Financial printers in connection with the printing of Fund publications for distribution to shareholders. Information is provided to printers as soon as practicable after completion of a required reporting period or a reasonable period before a publication target date.

4. Portfolio analysis services: Bloomberg and Factset. Such information is provided daily.

5. Rating and ranking organizations in connection with those firms' research on and classification of the Fund and in order to gather information about how the Fund attributes (such as turnover and industry and sector diversification) compare with those of peer funds, currently provided within 15 days of month-end: Lipper Inc., Morningstar and Standard & Poors.

The Adviser's compliance committee, which is comprised of the Chief Compliance Officer and members of the Adviser's compliance committee designated by the Chief Compliance Officer, have the authority to authorize portfolio disclosures to other third-party service providers not included herein, such as, rating and ranking organizations and intermediaries that may distribute the Fund's shares. Each initial disclosure to an entity or organization of the Fund's portfolio holdings must be authorized by the Chief Compliance Officer or a member of the Adviser's compliance committee designated by the Chief Compliance Officer in accordance with policies and procedures adopted by the Adviser designed to ensure compliance with the Investment Company Act and the Investment Advisor's Act of 1940.

The Fund and its Adviser do not receive compensation or other consideration relating to the disclosure of information about the Fund's portfolio securities.

The Fund's Board of Directors will review this policy periodically as part of its ongoing oversight of the Fund's compliance program in addition to receiving periodic reports from the Chief Compliance Officer as to the disclosures made under this policy. The Adviser's compliance committee will review compliance with and the effectiveness of the policies and procedures on an ongoing basis.

INVESTMENT RISKS

This section contains a summary description of the risks of other investment strategies and related investments of the Fund as discussed in this Statement of Additional Information. For a description of the principal risks of investing in the Fund, please see the "INVESTMENT OBJECTIVE, PRINCIPAL INVESTMENT STRATEGIES AND RISKS" section in the Fund's Prospectus. As with any mutual fund, there can be no guarantee that the Fund will meet its goal or that you will not lose money on your investment. There is no guarantee the Fund's performance will be positive over any period of time.

Illiquid and Restricted Securities. Investments in illiquid or restricted securities, which may be acquired by the Fund from time to time, may be illiquid or volatile because of the absence of an active trading market making it difficult to value them or dispose of them properly at an acceptable price. Restricted securities may have a contractual limit on resale or may require registration under federal securities laws before they can be sold publicly. Difficulty in selling a security may result in a loss to the Fund or additional costs.

Foreign Investment Risk. From time to time, the Fund may invest in obligations of a foreign branch of a U.S. bank and U.S. branches of a foreign bank or obligations issued by other governments which may subject the Fund to certain investment risks, including international and political developments, foreign government restrictions, foreign withholding taxes, possible seizure or nationalization of deposits, the establishment of exchange control regulations and the adoption of other governmental restrictions that might affect the payment of principal and interest on those securities. In addition, foreign branches of domestic banks and foreign banks are not necessarily subject to the same regulatory requirements that apply to domestic banks, such as reserve requirements, loan limitations, examinations, accounting and record keeping. The Fund is subject to certain investment restrictions on foreign investing as described above.

Repurchase Agreements. The Fund may buy securities with the understanding that the seller may buy them back with interest at a later date. The Fund's risk is the ability of the seller to pay the agreed-upon price on the delivery date. In the opinion of the Adviser, the risk is minimal because the security purchased constitutes security for the repurchase obligation, and repurchase agreements can be considered as loans collateralized by the security purchased. If the seller is unable to honor its commitment to repurchase the securities, the Fund could lose money. If the seller seeks relief under the bankruptcy laws, the Fund could experience both delays in liquidating the underlying securities and losses, including: (a) possible decline in the value of the underlying security during the period while the Fund seeks to enforce its rights thereto; (b) possible subnormal levels of income and lack of access to income during this period; and (c) expenses of enforcing its rights. The Fund is subject to certain investment restrictions on repurchase agreements as previously described.

Other Investment Companies. The Fund may invest in other investment companies to the extent permitted under the 1940 Act. Investments in other investment companies involve additional fees. As a shareholder of another investment company, a Fund would bear, along with other shareholders, its pro-rata portion of that company's expenses, including advisory fees. These expenses would be in addition to the advisory and other expenses that the Fund bears directly in connection with its own operations. Investment companies in which the Fund may invest may also impose a sales or distribution charge in connection with the purchase or redemption of their shares. The purchase and sale of securities of other investment companies may include brokerage commissions. Such charges will be payable by the Fund and, therefore, will be borne indirectly by its shareholders. The Fund may be limited in its ability to redeem its shares of other investment companies.

Real Estate Investment Trusts and Other Real Estate-Based Securities. From time to time, the Fund may invest in REITs and other real estate-based securities listed on a national securities exchange or authorized for quotation on NASDAQ. These securities are subject to risks related to the real estate industry. The performance of these securities is dependent on the types and locations of the properties owned by the entities issuing the securities and how well the properties are managed. For instance, the income of the properties could decline due to vacancies, increased competition or poor management, and the property values of the properties could decrease due to a decline in neighborhood condition, overbuilding, uninsured damages caused by natural disasters, property tax increases or other factors. In addition, these securities also are subject to market risk (the risk that stock prices overall will decline over short or even extended periods) and interest rate risk (the risk that the prices of these securities will decrease if interest rates rise). At time of investment, not more than 10% of the Fund's total assets may be invested in REITs, and in the aggregate, not more than 25% of the Fund's total assets may be invested in the real estate industry.

An investment in the Fund is not insured or guaranteed by the FDIC, the Federal Reserve Board or any other agency of the U.S. government. Although the Fund tries to maintain a \$1.00 per share price, it is possible to lose money by investing in the Fund.

THE FUND'S INVESTMENT ADVISER

Nicholas Company, Inc., located at 700 North Water Street, Milwaukee, Wisconsin 53202, is the Fund's investment adviser. The Adviser furnishes the Fund with continuous investment service and is responsible for overall management of the Fund's business affairs, subject to supervision by the Fund's Board of Directors. The Adviser is the investment adviser to five other mutual funds and numerous institutions and individuals with substantial investment portfolios.

The annual fee paid to the Adviser is paid monthly and is based on the average net asset value of the Fund, as determined by valuations made at the close of each business day of the month. The annual fee is three tenths of one percent (0.30 of 1%) of the average net asset value of the Fund. At December 31, 2011, total net assets of the Fund were \$82,816,922. The Adviser has agreed to reduce the management fee by any operating expenses (other than the management fee) incurred by the Fund in excess of 1/2 of 1% of average daily net assets. The Adviser shall at least annually reimburse the Fund by offsetting against its fee all expenses incurred in excess of this amount. The total expenses of the Fund as a percentage of net assets for the year ended December 31, 2011 were 0.20% including waivers by the Adviser and 0.52% absent waivers. During the years ended December 31, 2011, 2010 and 2009, the Fund paid the Adviser an aggregate of \$0 (after waivers by the Adviser of \$223,384), \$0 (after waivers by the Adviser of \$237,130) and \$91,629 (after waivers by the Adviser of \$163,255), respectively, in fees. During none of the foregoing fiscal years did the expenses borne by the Fund exceed the expense limitation then in effect and the Adviser was not required to reimburse the Fund for any additional expenses. The Fund's adviser, Nicholas Company, Inc. (the "Adviser"), has or may voluntarily undertake to waive a portion of the Fund's management fee to the extent necessary to assist the Fund in attempting to avoid a negative yield. There is no guarantee that the Fund will avoid a negative yield. Such undertaking may be amended or withdrawn at any time.

Under an Investment Advisory Agreement with the Fund, the Adviser, at its own expense and without reimbursement from the Fund, furnishes the Fund with office space, office facilities, executive officers and executive expenses (such as health insurance premiums for executive officers). The Adviser also pays all sales and promotional expenses of the Fund, other than expenses incurred in complying with laws regulating the issue or sale of securities. The Fund pays for all of its operating expenses, including, but not limited to, the costs of preparing and printing its registration statements required under the Securities Act and the 1940 Act, and any amendments thereto, the expense of registering its shares with the Securities and Exchange Commission and in the various states, the printing and distribution cost of prospectuses mailed to existing shareholders and to persons making unsolicited requests for information, the cost of stock certificates, reports to shareholders, interest charges, taxes and legal fees and expenses. Other operating expenses that the Fund is required to pay under the Investment Advisory Agreement include accounting and administrative services provided to the Fund by the Adviser. Generally, the Adviser has waived these expenses and generally has not been paid by the Fund for providing such services. The Board of Directors, including a majority of the independent directors, considered a proposal by the Adviser providing for the payment for accounting and administrative services provided by the Adviser during future periods in accordance with the terms of the Investment Advisory Agreement. In reviewing the proposal, the Board of Directors considered a number of factors, including the terms of the Investment Advisory Agreement, the quality of services provided by the Adviser, the costs to the Fund of obtaining such services from third parties, and the best interests of the shareholders. On July 24, 2006, the Board of Directors, including a majority of the independent directors, approved a proposal by the Adviser providing for the payment for future accounting and administrative services provided by the Adviser in accordance with the terms of the Investment Advisory Agreement, subject to the following guidelines (i) up to five basis points, on an annual basis, of the average net asset value of the Fund up to and including \$2 billion and up to three basis points, on an annual basis, of the average net asset value of the Fund greater than \$2 billion, based on the average net asset value of the Fund as determined by valuations made at the close of each business day of each month, and (ii) where the preceding calculation results in an annual payment of less than \$50,000, the Adviser, in its discretion, may charge the Fund up to \$50,000 for such services. Without regard to the actual expenses charged to the Fund by the Adviser, the quality and quantity of services may not be reduced and must be consistent with past practice. During the fiscal year ended December 31, 2011, 2010 and 2009, the Fund paid the Adviser an aggregate of \$2,088 (after waivers by the Adviser of \$16,527), \$0 and \$14,130 in accounting and administrative fees, respectively. Prior to November 1, 2004, with limited exceptions, the Adviser did not charge, and was not paid by the Fund, for providing such services. Also included as operating expenses that are paid by the Fund are fees of directors who are not interested persons of the Adviser or officers or employees of the Fund, salaries of administrative and clerical personnel, association membership dues, auditing, accounting and tax consulting services, fees and expenses of any custodian or trustees having custody of Fund assets, printing and mailing expenses, postage and charges and expenses of dividend disbursing agents, registrars and stock transfer agents, including the cost of keeping all necessary shareholder records and accounts and handling any problems related thereto, and certain other costs related to the aforementioned items.

The Investment Advisory Agreement with the Adviser is not assignable and may be terminated by either party, without penalty, on 60 days notice. Otherwise, the Investment Advisory Agreement continues in effect so long as it is approved annually by (i) the Board of Directors or by a vote of a majority of the outstanding shares of the Fund and (ii) in either case, by the affirmative vote of a majority of directors who are not parties to the Investment Advisory Agreement or "interested persons" of the Adviser or of the Fund, as defined in the 1940 Act, cast in person at a meeting called for the purpose of voting for such approval.

Albert O. Nicholas is President and a Director of the Fund, is Chief Executive Officer and Chairman of the Board of the Adviser, and is a controlling person of the Adviser through his ownership of 97% of the outstanding voting securities of the Adviser. David L. Johnson is Executive Vice President of the Fund and Executive Vice President of the Adviser. He is a brother-in-law of Albert O. Nicholas. David O. Nicholas, Senior Vice President of the Fund, is Chief Investment Officer and a Director of the Adviser. Lynn S. Nicholas, Vice President of the Fund, is also Senior Vice President, respectively, of the Adviser. David O. Nicholas and Lynn S. Nicholas are the son and daughter, respectively, of Albert O. Nicholas. Jeffrey T. May is Senior Vice President, Treasurer, Chief Compliance Officer and Portfolio Manager of the Fund and is Executive Vice President, Treasurer, Chief Financial Officer and Chief Compliance Officer of the Adviser. Candace L. Lesak is Vice President of the Fund and is an employee of the Adviser. K. Thor Lundgren, 100 E. Wisconsin Avenue, Milwaukee, Wisconsin, is a Director of the Adviser. Mr. Lundgren is a partner with the law firm of Michael Best & Friedrich LLP, Milwaukee, Wisconsin, legal counsel to the Fund and the Adviser.

MANAGEMENT - DIRECTORS, EXECUTIVE OFFICERS AND PORTFOLIO MANAGER OF THE FUND

The overall operations of the Fund are conducted by the officers of the Fund under the control and direction of its Board of Directors. The Board of Directors governs the Fund and is responsible for protecting the interests of shareholders. The Board of Directors consists of individuals who meet periodically throughout the year to oversee the Fund's activities and review the Fund's performance. This review also includes a periodic review of the fees charged to the Fund. The following table sets forth the pertinent information about the Fund's officers and directors as of March 31, 2012: Unless otherwise listed, the business address of each director and officer is 700 North Water Street, Milwaukee, WI 53202. For each Director, information concerning the number of other directorships/trusteeships held by the Director has also been included. Each Director's education, professional training, business, not-for-profit and/or public service background and commitment to participation on the Board and to the interests of Fund shareholders contribute to his qualification to serve on the Board. Also set forth below are specific experience, qualifications, attributes and skills that are related to each Director's service as a director in light of the Fund's business and structure.

Mr. Albert Nicholas has more than forty years experience in advising the Fund, as well as over forty years executive and investment management experience in other funds and private accounts and in managing a registered investment adviser.

Mr. Timothy Reiland has extensive business experience, including experience related to investment management and financial matters.

Mr. Jay Robertson has extensive business experience, including board service and experience related to financial matters, insurance and risk management.

The Board is comprised of two Independent Directors, i.e., directors who are not "interested persons" as defined in the 1940 Act, and one interested director. Information for Independent Directors is set forth separately from information for the Interested Director below. The chairman of the Board, Jay Robertson, is an independent director. The role of the chairman includes, among other things, coordinating communications with management and other service providers and assisting with administration of Board operations. The Board's oversight function involves supervision of the Adviser and the Fund's operations and its compliance program, with particular focus on risk management, through periodic Board reporting. The Board's role in overseeing the Fund's general risks includes receiving performance reports for the Fund and risk management reports from the Fund's Chief Compliance Officer at each regular Board meeting and regularly receiving reports regarding significant compliance risks. The Board plays a key role overseeing the Fund's financial reporting and valuation risks. The Board meets periodically with the Fund's outside auditors to discuss financial reporting and audit issues, including risk relating to financial controls. The Board has no standing committees as the two independent directors perform the functions such as those of an auditing or nominating committee.

<u>Name and Age</u>	<u>Positions Held With Fund</u>	<u>Term of Office and Length of Time Served</u>	<u>Principal Occupations During Past Five Years</u>	<u>Number of Portfolios in Fund Complex Overseen by Director</u>	<u>Other Directorships Held by Director</u>
<u>INTERESTED DIRECTOR</u>					
Albert O. Nicholas, 81 (1), (3)	President and Director	(2), 24 years	Chief Executive Officer and Chairman of the Board, Nicholas Company, Inc., the Adviser to the Fund. He is Portfolio Manager for and primarily responsible for the day-to-day management of the portfolio of Nicholas Fund, Inc. and Co-Portfolio Manager of Nicholas Equity Income Fund, Inc. He served as Co-Portfolio Manager of Nicholas Fund, Inc. from November 1996 until April 2008 and Nicholas Equity Income Fund, Inc. from July 2001 until April 2008. He formerly was the sole Portfolio Manager of these funds since each fund's inception. He formerly was the Co-Portfolio Manager of Nicholas High Income Fund, Inc. He is a Chartered Financial Analyst.	3	None
<u>DISINTERESTED DIRECTORS</u>					
Timothy P. Reiland, 55	Director	(2), 9 years	Private Investor, Chairman and Chief Financial Officer, Musicnotes, Inc., October 2001 to present. Investment Analyst from 1987 to October 2001, Tucker Anthony Incorporated, a brokerage firm, for its division Tucker Anthony Cleary Gull. Prior to its acquisition by Tucker Anthony in November 1998, Cleary Gull was known as Cleary Gull Reiland & McDevitt Inc. He is a Chartered Financial Analyst.	5	None
Jay H. Robertson, 60	Director	(2), 17 years	Private Investor, April 2000 to present. Chairman of the Board, Robertson-Ryan and Associates, Inc., an insurance brokerage firm from 1993 to March 2000.	6	None

<u>Name and Age</u>	<u>Positions Held With Fund</u>	<u>Term of Office and Length of Time Served</u>	<u>Principal Occupations During Past Five Years</u>	<u>Number of Portfolios in Fund Complex Overseen by Director</u>	<u>Other Directorships Held by Director</u>
<u>OFFICERS</u>					
David L. Johnson, 70 (3)	Executive Vice President	Annual, 24 years	Executive Vice President, Nicholas Company, Inc., the Adviser to the Fund, and employed by the Adviser since 1980. He is a Chartered Financial Analyst.	N/A	N/A
David O. Nicholas, 50 (3)	Senior Vice President	Annual, 17 years	Chief Investment Officer and Director, Nicholas Company, Inc., the Adviser to the Fund, and employed by the Adviser since 1986. He has been Portfolio Manager for, and primarily responsible for the day-to-day management of the portfolios of Nicholas II, Inc. and Nicholas Limited Edition, Inc. since 1993. He also has served as Associate Portfolio Manager of Nicholas Fund, Inc. since April 2011. He also served as Co-Portfolio Manager of Nicholas Fund, Inc. from November 1996 until April 2008, Nicholas Equity Income Fund, Inc. from July 2001 until April 2008 and Nicholas High Income Fund, Inc. from April 2001 until April 2008. He is a Chartered Financial Analyst.	N/A	N/A
Jeffrey T. May, 55	Senior Vice President, Secretary, Treasurer, Chief Compliance Officer and Portfolio Manager	Annual, 24 years	Executive Vice President, Treasurer and Chief Compliance Officer, Nicholas Company, Inc., the Adviser to the Fund, and employed by the Adviser since 1987. He has been Portfolio Manager for and primarily responsible for the day-to-day management of the Fund since 1988. He is a Certified Public Accountant.	N/A	N/A

<u>Name and Age</u>	<u>Positions Held With Fund</u>	<u>Term of Office and Length of Time Served</u>	<u>Principal Occupations During Past Five Years</u>	<u>Number of Portfolios in Fund Complex Overseen by Director</u>	<u>Other Directorships Held by Director</u>
Lawrence J. Pavelec, 53	Senior Vice President	Annual, 7 years	Senior Vice President, Nicholas Company, Inc., the Adviser to the Fund, and employed by the Adviser since April 2003. He has been Portfolio Manager for and primarily responsible for the day-to-day management of the portfolio of Nicholas High Income Fund, Inc., since April 2008. He was Co-Portfolio Manager of Nicholas High Income Fund, Inc. from April 2003 until April 2008. He was a portfolio manager for Brandes Investment Partners from 1999 to April 2003. He is a Chartered Financial Analyst.	N/A	N/A
Lynn S. Nicholas, 55 (3)	Vice President	Annual, 24 years	Senior Vice President, Nicholas Company, Inc., the Adviser to the Fund, and employed by the Adviser since 1983. She is a Chartered Financial Analyst.	N/A	N/A
Candace L. Lesak, 54	Vice President	Annual, 19 years	Employee, Nicholas Company, Inc., the Adviser to the Fund, since 1983. She is a Certified Financial Planner.	N/A	N/A

- (1) Mr. Albert O. Nicholas is the only director of the Fund who is an "interested person" in the Adviser, as that term is defined in the 1940 Act, and is the only director who has a direct or indirect interest in the Adviser because Mr. Nicholas is Chief Executive Officer and a director of the Adviser and owns 97% of the outstanding voting securities of the Adviser.
- (2) Until duly elected or re-elected at a subsequent annual meeting of the Fund.
- (3) David O. Nicholas and Lynn S. Nicholas are the son and daughter, respectively, of Albert O. Nicholas. David L. Johnson is a brother-in-law of Albert O. Nicholas.

See "The Fund's Investment Adviser" for a description of the relationships of the officers of the Fund to the Adviser and the family relationships between directors of the Adviser and officers and directors of the Fund.

The table below sets forth the aggregate dollar range of shares owned beneficially by each director of the Fund as of December 31, 2011. In addition, the table sets forth the dollar range of shares beneficially owned by each director of the other mutual funds that Nicholas Company, Inc. advises and are overseen by such director as of December 31, 2011.

<u>Name of Director</u>	<u>Dollar Range of Equity Securities in the Fund</u>	<u>Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Director in Family of Investment Companies</u>
Albert O. Nicholas	Over \$100,000	Over \$100,000
Timothy P. Reiland	None	Over \$100,000
Jay H. Robertson	Over \$100,000	Over \$100,000

The Investment Advisory Agreement between the Fund and Nicholas Company, Inc. states that the Fund shall pay the directors' fees of directors who are not interested persons of Nicholas Money Market Fund, Inc. The amount of such fees is subject to increase or decrease at any time, but is subject to the overall limitation on the Fund's annual expenses.

The table below sets forth the aggregate compensation received by all directors of the Fund during the year ended December 31, 2011. No officers of the Fund receive any compensation from the Fund, but rather, are compensated by the Adviser in accordance with its investment advisory agreement with the Fund.

Name	Aggregate Compensation From the Fund (1)	Pension or Retirement Benefits Accrued As Part of Fund Expenses	Estimated Annual Benefits Upon Retirement	Total Compensation From Fund and Fund Complex Paid to Directors (1)
Albert O. Nicholas (2)	\$ 0.00	\$0	\$0	\$ 0.00
Timothy P. Reiland (2)	6,330.00	0	0	27,806.25
Jay H. Robertson (2)	4,850.00	0	0	28,125.00

- (1) During the year ended December 31, 2010, the Fund and other funds in the Nicholas Fund Complex (i.e., those funds which also have Nicholas Company, Inc. as their investment adviser, namely Nicholas Fund, Inc., Nicholas II, Inc., Nicholas High Income Fund, Inc., Nicholas Liberty Fund (a series of the Nicholas Family of Funds, Inc.), Nicholas Limited Edition, Inc., and Nicholas Equity Income Fund, Inc.) compensated those directors who are not "interested persons" of the Adviser in the form of meeting attendance fees. Prior to September 2011, the Fund compensated the disinterested directors at a rate of \$1,250 per director per meeting attended. In addition, Mr. Timothy Reiland was paid \$360 per meeting prior to September 2011 in his capacity as the audit committee financial expert. Subsequent to September 2011, the Fund compensated the disinterested directors at a rate of \$1,100 per director per meeting attended. In addition, Mr. Timothy Reiland was paid \$400 per meeting subsequent to September 2011 in his capacity as the audit committee financial expert. The disinterested directors did not receive any other form or amount of compensation from the Fund Complex during the year ended December 31, 2011. All other directors and officers of the Fund were compensated by the Adviser in accordance with its investment advisory agreement.
- (2) Mr. Albert Nicholas also is a member of the Board of Directors of Nicholas Fund, Inc. and Nicholas Equity Income Fund, Inc. Mr. Reiland also is a member of the Board of Directors of Nicholas II, Inc., Nicholas Limited Edition, Inc., Nicholas Equity Income Fund, Inc. and Nicholas High Income Fund, Inc. Mr. Robertson also is a director of Nicholas Fund, Inc., Nicholas High Income Fund, Inc., Nicholas II, Inc., Nicholas Limited Edition, Inc. and Nicholas Equity Income Fund, Inc.

Two officers of the Fund have investments aggregating \$200,000 in the common stock of Musicnotes, Inc., a company in which Timothy P. Reiland is the Chairman and Chief Financial Officer. Those investments represent approximately 2% of the outstanding common stock of Musicnotes, Inc.

Pursuant to Rule 17j-1 under the Investment Company Act of 1940, as amended, the Fund is not required to adopt a Code of Ethics governing personal trading activities of its officers, directors and employees because it is a money market fund. However, the Board of Directors of the Fund's adviser, the Nicholas Company, Inc. (the "Adviser") has established and adopted a Code of Ethics pursuant to Rule 17j-1. The Code governs the personal trading activities of all "Access Persons" of the Adviser. Access Persons include every director and officer of the Adviser and investment companies managed by the Adviser, including the Fund, as well as certain employees of the Adviser who, in connection with their regular functions or duties, make, participate in, or obtain other information regarding the purchase or sale of a security by the Adviser of the Fund, or whose functions relate to the making of a recommendation with respect to such purchase or sales. The Code is based on the principle that such Access Persons have a fiduciary duty to place the interest of the Fund and the Adviser's other clients above their own.

The Code provides for trading "black out" periods of fifteen calendar days during which time Access Persons may not trade in securities which have been purchased or sold, or are being considered for purchase or sale, by the Fund or any other registered investment company or account to which the Adviser serves as investment adviser, unless the transaction is pre-approved by the Adviser. In addition, The Code bans Access Persons from engaging in any manipulative or deceptive practices in connection with certain securities held or acquired by the Fund. The Code also requires that Access Persons obtain pre-approval prior to investing in any initial public offering or private placement.

In the unusual event that the Fund would purchase securities that have voting rights, the Fund has adopted Proxy Voting Policies and Procedures ("Proxy Voting Policies") pursuant to which the Fund would vote shares owned by the Fund. The Fund always endeavors to vote proxies relating to portfolio securities in accordance with its best judgment as to the advancement of the Fund's investment objectives. The Fund's management reviews the Proxy Voting Policies annually.

Subject to the Board's oversight, the Fund has final authority and fiduciary responsibility for voting proxies received by the Fund; however, it has delegated the implementation of the Fund's Proxy Voting Policies to a proxy voting service that is not affiliated with the Fund or its adviser. In general, the Fund will vote in accordance with the proxy voting recommendations of Institutional Shareholder Services (a division of RiskMetrics Group, Inc.) ("ISS"). ISS is an independent firm that specializes in providing a variety of fiduciary-level proxy-related services to institutional investment managers, plan sponsors, custodians, consultants and other institutional investors. ISS services provided include in-depth research, global issuer analysis and voting recommendations. While the Fund generally will review and utilize the recommendations of ISS in making voting decisions, the Fund is in no way obligated to follow such recommendations. In addition to research and recommendations, ISS provides vote execution, reporting and recordkeeping.

The following is a summary of the manner in which the Fund would normally expect to vote on certain matters that typically are included in the proxies that the Fund may receive; however, each proxy needs to be considered separately and the Fund's vote may vary depending upon the actual circumstances presented. Proxies for extraordinary matters, such as mergers, reorganizations and other corporate transactions, are necessarily considered on a case-by-case basis in light of the merits of the individual transactions.

ELECTION OF DIRECTORS, CORPORATE GOVERNANCE AND ROUTINE MATTERS - Generally, the Fund supports the company's nominees to serve as directors. The Fund generally supports management on routine corporate matters and matters relating to corporate governance. For example, the Fund generally expects to support management on the following matters: provisions of the corporate charter addressing indemnification of directors and officers; stock repurchase plans; and the selection of independent accountants. The types of matters on corporate governance that the Fund would expect to vote against include: the issuance of preferred shares where the board of directors has complete freedom as to the terms of the preferred; the adoption of a classified board; the adoption of poison pill plans or similar anti-takeover measures; and the authorization of a class of shares not held by the Fund with superior voting rights.

COMPENSATION ARRANGEMENTS AND STOCK OPTION PLANS - The Fund reviews on a case-by-case basis, utilizing ISS research, compensation arrangements and the establishment of stock option plans. The Fund generally believes, if its view of management is favorable enough that the Fund has invested in the company, arrangements that align the interests of management and shareholders are beneficial to long-term performance. However, some arrangements or plans have features that the Fund would oppose. For example, the Fund would vote against an option plan that has the potential to unreasonably dilute the interests of existing shareholders, permit equity overhang that exceed certain levels or that allow for the repricing of outstanding options.

SOCIAL POLICY BASED PROPOSALS - The Fund considers proposals relating to social, political and environmental issues on a case-by-case basis to determine whether they will have a financial impact on shareholder value. However, we generally vote against proposals requesting reports that are duplicative, related to matters that are not material to the business or that would impose unnecessary or excessive costs.

If the Fund's management believes that a material conflict of interest exists with respect to its exercise of any proxy received by the Fund, the Fund will generally rely on the recommendations of the independent proxy voting service. The Adviser's compliance staff will review any votes where a potential conflict exists and the Fund does not rely on the proxy voting services recommendations. A material conflict of interest may arise, for example, if the company to which the proxy relates is a client of the Adviser or one of its affiliates or if the Adviser or one of its affiliates has a material business relationship with that company.

Every August, commencing in 2004, the Fund will file with the SEC information regarding the voting of proxies by the Fund for the 12-month period ending the preceding June 30th. Shareholders will be able to view such filings without charge on the SEC's website at <http://www.sec.gov> or at the Fund's website at <http://www.nicholasfunds.com>. Shareholders may also obtain a copy of the Proxy Voting Policies by contacting the Fund at 800-544-6547 (toll-free).

PRINCIPAL SHAREHOLDERS

Mr. Albert O. Nicholas, President and a Director of the Fund, Chief Executive Officer and a Director of the Adviser, and owner of 97% of the outstanding voting securities of the Adviser, owned of record 19,861,072 shares of the Fund as of March 31, 2012. The Nicholas Family Foundation owned of record 779,063 shares; the Nicholas Company, Inc. Employees Profit-Sharing Trust, of which Albert O. Nicholas is the trustee, owned of record 3,049,919 shares; Nicholas Company, Inc. owned of record 5,367,947 shares; Nancy Nicholas, the spouse of Mr. A. Nicholas owned of record 929,061 shares; the Samaritan Foundation for Church and Family Wellness, of which Mr. Nicholas is director, owned of record 24,684 shares; the Williams Heart Foundation, of which Mrs. Nicholas is treasurer, owned of record 29 shares; the Church of the Atonement, of which Mr. A. Nicholas is treasurer, owned of record 3,572 shares. The collective beneficial ownership of Mr. A. Nicholas was 30,015,347 shares of the Fund or 39.68% as of March 31, 2012. As a beneficial owner of more than 25% of the issued and outstanding shares of the Fund, Mr. Nicholas may be deemed to "control" the Fund; as such term is defined in the 1940 Act.

No other persons are known to the Fund to own beneficially or of record 5% or more of the outstanding shares of the Fund as of March 31, 2012. All directors and executive officers of the Fund as a group (9 in number) beneficially owned approximately 46.12% of the outstanding shares of the Fund as of March 31, 2012.

PURCHASE AND REDEMPTION OF FUND SHARES

The sections captioned "PURCHASE OF FUND SHARES" and "REDEMPTION AND EXCHANGE OF FUND SHARES" in the Fund's Prospectus discuss how you may purchase, redeem or exchange shares of the Fund and are incorporated into this Statement of Additional Information by reference.

Although not anticipated, it is possible that conditions may arise in the future which would, in the opinion of the Fund's Adviser or Board of Directors, make it undesirable for the Fund to pay for all redemptions in cash. In such cases, the Board may authorize payment to be made in portfolio securities or other property of the Fund. However, the Fund has obligated itself under the 1940 Act to redeem for cash all shares presented for redemption by any one shareholder up to \$250,000 (or 1% of the Fund's net assets if that is less) in any 90-day period. Securities delivered in payment of redemptions would be valued at the same value assigned to them in computing the net asset value per share. Shareholders receiving such securities would incur brokerage costs when these securities are sold.

The right of redemption may be suspended and the date of payment postponed for more than seven days for any period during which the New York Stock Exchange ("NYSE") is closed other than the customary weekend and holiday closings, and may be suspended for any period during which trading on the NYSE is restricted as determined by the Securities and Exchange Commission ("SEC"), or the SEC has by order permitted such suspension, or the SEC has determined that an emergency exists as a result of which it is not reasonably practicable for the Fund to dispose of its securities or to determine fairly the value of its net assets.

ANTI-MONEY LAUNDERING PROGRAM

The Fund has established an Anti-Money Laundering Compliance Program (the "Program") as required by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 ("USA PATRIOT Act"). In order to ensure compliance with this law, the Fund's Program provides for the development of internal practices, procedures and controls, designation of anti-money laundering compliance officers, an ongoing training program and an audit function to determine the effectiveness of the Program.

Procedures to implement the Program include, but are not limited to, determining that the Fund's transfer agent has established proper anti-money laundering procedures, reporting suspicious and/or fraudulent activity, checking shareholder names against designated government lists, including the Office of Foreign Asset Control ("OFAC") and a complete and thorough review of all new opening account applications. The Fund will not transact business with any person or entity whose identity cannot be adequately verified under the provisions of the USA PATRIOT Act.

DIVIDENDS, DISTRIBUTIONS AND FEDERAL TAX STATUS

The Fund intends to qualify annually as a "regulated investment company" under the Internal Revenue Code of 1986 and intends to take all other action required to ensure that little or no federal income or excise taxes will be payable by the Fund. As a result, the Fund generally will seek to distribute annually to its shareholders substantially all of its net investment income and net realized capital gain (after utilization of any available capital loss carryovers). If the Fund fails to qualify as a regulated investment company under the Internal Revenue Code, its income will be subject to federal income tax, and dividends paid to shareholders will continue to be subject to federal income tax.

The net investment income increased or reduced by realized gains or losses, if any, for each day is declared as a dividend to shareholders of record. Shares purchased will begin earning dividends on the business day following the day the purchase order is confirmed. Shares redeemed will earn dividends through the date of the redemption order. If you request in writing that your dividends be paid in cash, the Fund will issue a check within five business days of the reinvestment date. If all of your shares are redeemed during a month, dividends credited to your account from the beginning of the dividend period through the time of redemption will be paid with the redemption proceeds.

A statement of all calendar year-to-date transactions, including shares accumulated from dividends and capital gains distributions, is mailed to each shareholder quarterly. Information as to each shareholder's tax status is given annually.

For federal income tax purposes, distributions from the Fund, whether received in cash or invested in additional shares of the Fund, will be taxable to the Fund's shareholders, except those shareholders who are not subject to tax on their income. Distributions paid from the Fund's net investment income are paid to shareholders as ordinary income dividends. The Fund does not intend to generate capital gains. Because the investment income of the Fund will be derived from interest rather than dividends, no portion of such dividends will qualify for the dividends received deduction for corporations.

The foregoing tax discussion relates to federal income taxes only and is not intended to be a complete discussion of all federal tax consequences. You should consult with a tax adviser concerning the federal, state and local tax aspects of an investment in the Fund.

BROKERAGE

The Adviser decides which securities to buy for the Fund and when to sell them. It also selects the broker or dealer who places the Fund's investment business and negotiates their commissions. The Adviser selects a broker or dealer to execute a portfolio transaction on the basis that such broker or dealer will execute the order as promptly and efficiently as possible subject to the overriding policy of the Fund. This policy is to obtain the best market price and reasonable execution for all its transactions, giving due consideration to such factors as reliability of execution and the value of research, statistical and price quotation services provided by such broker or dealer. The research services provided by brokers consist of recommendations to purchase or sell specific securities, the rendering of advice regarding events involving companies and events and current conditions in specific industries, and the rendering of advice regarding general economic conditions affecting the stock market and the economy. The Fund and the Adviser are not affiliated with any broker or dealer.

The Fund has not paid any brokerage commissions since its inception (July 1, 1988).

The Adviser may effect portfolio transactions with brokers or dealers who recommend the purchase of the Fund's shares. The Adviser may not allocate brokerage on the basis of recommendations to purchase shares of the Fund.

PERFORMANCE DATA

The average annual total return of the Fund is calculated according to the following formula:

$$P(1+T)^n = ERV$$

where P equals a hypothetical initial payment of \$1,000; T equals average annual total return; n equals the number of years; and ERV equals the ending redeemable value at the end of the period of a hypothetical \$1,000 payment made at the beginning of the period.

Average annual total return, or "T" in the above formula, is computed by finding the average annual compounded rates of return over the period that would equate the initial amount invested to the ending redeemable value. Average annual total return assumes the reinvestment of all dividends and distributions.

Cumulative total return represents the simple change in value of an investment over a stated period and may be quoted as a percentage or as a dollar amount. Total returns may be broken down into their components of income and capital (including capital gains and changes in share price) in order to illustrate the relationship between these factors and their contributions to total return.

The Fund's standard yield quotations, which may appear in advertising and sales material, are calculated according to the methods prescribed by the Securities and Exchange Commission. Under these methods, the current yield is based on a seven day period and computed by dividing the net investment income per share by the price per share during the period (expected to remain constant at \$1.00) to arrive at a "base period return," and the result is divided by seven and multiplied by 365 carried out to the nearest 1/100 of 1%. Net investment income per share includes accrued interest on the Fund's investments, plus or minus purchase discount or premiums less accrued expenses. Excluded from the calculations are realized gains and losses on the sale of securities and unrealized appreciation and depreciation on the Fund's current portfolio. The Fund's effective yield, which also may appear in advertisements and sales material, is determined by taking the "base period return" and calculating the effect of compounding. All performance figures are based on historical earnings and are not intended to indicate future results.

The following formulas are used:

$$\text{Standard Current Yield} = (\text{Net Investment Income} \div \text{Price Per Share}) \times (365 \div 7)$$

$$\text{Effective Yield} = \left[(\text{Base Period Return} + 1)^{365/7} \right] - 1$$

The Fund's performance data represents past performance and is not intended to predict or indicate future results. The return, principal value and yield of an investment in the Fund will fluctuate, and an investor's redemption proceeds may be more or less than the original investment amount.

CAPITAL STRUCTURE

Nicholas Money Market Fund, Inc. is authorized to issue 3,000,000,000 shares of common stock, par value \$0.0001 per share. Each full share has one vote and all shares participate equally in dividends and other distributions by the Fund and in the residual assets of the Fund in the event of liquidation. There are no conversion or sinking fund provisions applicable to shares, and shareholders have no preemptive rights and may not cumulate their votes in the election of directors. Shares are redeemable and are transferable. Fractional shares entitle the holder to the same rights as whole shares except fractional shares have no voting rights.

STOCK CERTIFICATES

The Fund will not issue certificates evidencing shares purchased. Since certificates are not issued, the shareholder's account will be credited with the number of shares purchased. Written confirmations are issued for all purchases of shares.

ANNUAL MEETING

Under the laws of the State of Maryland, registered investment companies, such as the Fund, may operate without an annual meeting of shareholders under specified circumstances if an annual meeting is not required by the 1940 Act. The Fund has adopted the appropriate provisions in its Articles of Incorporation and will not hold annual meetings of shareholders unless otherwise required to do so.

In the event the Fund is not required to hold annual meetings of shareholders to elect directors, the Board of Directors of the Fund will promptly call a meeting of shareholders of the Fund for the purpose of voting upon the question of removal of any director when requested in writing to do so by the record holders of not less than 10% of the outstanding shares of common stock of the Fund. The affirmative vote of two-thirds of the outstanding shares, cast in person or by proxy at a meeting called for such purpose, is required to remove a director of the Fund. The Fund will assist shareholders in communicating with each other for this purpose pursuant to the requirements of Section 16(c) of the 1940 Act.

SHAREHOLDER REPORTS

Shareholders will be provided at least semiannually with a report or a current prospectus showing the Fund's portfolio and other information. After the close of the Fund's fiscal year, which ends December 31, an annual report or current prospectus containing audited financial statements audited by the Fund's Independent Registered Public Accounting Firm, Deloitte & Touche LLP, will be sent to shareholders.

CUSTODIAN AND TRANSFER AGENT

U.S. Bank N.A. ("U.S. Bank") acts as Custodian of the Fund. U.S. Bancorp Fund Services, LLC, 615 East Michigan Street, Milwaukee, Wisconsin 53202, acts as Transfer Agent and Dividend Disbursing Agent of the Fund. As custodian, U.S. Bank holds all securities and cash of the Fund, delivers and receives payment for securities sold, receives and pays for securities purchased, collects income from investments and performs other duties, all as directed by officers of the Fund. U.S. Bank and U.S. Bancorp Fund Services, LLC do not exercise any supervisory function over the management of the Fund, the purchase and sale of securities or the payment of distributions to shareholders.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM AND LEGAL COUNSEL

Deloitte & Touche LLP, served as the Fund's Independent Registered Public Accounting Firm for the year ended December 31, 2011.

Michael Best & Friedrich LLP, 100 East Wisconsin Avenue, Milwaukee, Wisconsin 53202, have passed on the legality of the shares of the Fund being offered by the current Prospectus.

FINANCIAL INFORMATION

The schedule of investments, the financial statements, the financial highlights and notes thereto and the Report of Independent Registered Public Accounting Firm contained in the Annual Report of the Fund for the fiscal year ended December 31, 2011, which have been filed with the SEC pursuant to Rule 30e-1 of the 1940 Act, are incorporated herein by reference. You may obtain a free copy of the Annual Report by writing or calling the Fund or view a copy on the SEC's website at <http://www.sec.gov>.