

THE MP63 FUND, INC.

Ticker: DRIPX

ANNUAL REPORT

February 28, 2023

THE MP63 FUND, INC.

SHAREHOLDER LETTER FEBRUARY 28, 2023 (UNAUDITED)

Dear Fellow Shareholders,

Your Fund continues to follow the investing guidelines that were established at its inception in March 1999: At least 80% of our assets are invested in what we consider to be high-quality companies that pay dividends and offer the option to invest directly through the company-sponsored Dividend Reinvestment Plan (DRIP). As portfolio managers, we make an effort to minimize fund expenses and we are mindful of the effect of capital gains on your taxable income.

The calendar year 2022 was tough for virtually every type of equity fund, as evidenced by the S&P 500® Index decline of 19.44% --the worst result since 2008. Your fund was down 8.41% during the same period and the Russell Value 1000 Index was down 7.66%. Fund assets totaled about \$104 million on January 4, 2022 (it's historic high) as we recovered from the Covid-19-related drop to about \$52 million! Fund assets were volatile since that January 2022 high--declining by as little as 0.6% in January to as much as 16% in October. First quarter 2023 results have Fund's assets reaching close to \$90 million (\$89,809.593.77).

As usual, DRIPX benefitted from the disciplined investing approach followed by your fellow shareholders--most of whom had the courage to maintain their positions during those volatile market conditions and even purchase additional shares during good times and bad. Our shareholders continue to display the good judgment and commitment that has been the hallmark of the Fund's success over the years. We believe that this disciplined investing approach has contributed to the Fund's Gold Medal* and Morningstar® overall 4-Star ranking.

The best performing stocks in the portfolio during the fiscal year were: Genuine Parts Co. (GPC), with a cumulative return (including dividends) of 50.66%, Exxon Mobil Corp. (XOM): 43.81%, Merck & Co., Inc. (MRK): 43.60%, MDU Resources Group, Inc. (MDU): 26.86%, General Mills, Inc. (GIS): 22.36% and Magellan Midstream Partners LP (MMP): 17.90%

The worst performing stocks in the portfolio during the period were: VF Corp. (VFC), with a cumulative loss (including dividends) of 53.04%, Intel Corp. (INTC), with a loss of 44.37%, Stanley Black & Decker Inc. (SWK), with a loss of 44.14%, Amazon.com, Inc. (AMZN), with a loss of 37.65%, Alphabet, Inc. Class A (GOOGL), with a loss of 32.82% and The Walt Disney Co. (DIS), with a loss of 31.63%.

The Fund's expense ratio during the 2023 fiscal year, which spans from 3/1/2022 to 2/28/23 (when assets were under pressure), was remarkably low at 0.72%. When assets grow, assuming expenses remain constant, expense ratios are expected to decline and when assets decline, as they did in fiscal 2023, the ratio of assets to expenses would be expected to go up.

We are comfortable with our approach to building wealth over the long term and thank you for your confidence and, again, we congratulate you for the restraint you have shown during market sell-offs.

The DRIPX Management Team, Vita Nelson, Mario Medina, Lee Nelson, and Byron Perez
April 4th, 2023

** The Medalist Ratings indicate which investments Morningstar believes are likely to outperform a relevant index or peer group average on a risk-adjusted basis over time. Investment products are evaluated on three key pillars (People, Parent, and Process) which, when coupled with a fee assessment, forms the basis for Morningstar's conviction in those products' investment merits and determines the Medalist Rating they're assigned.*

Disclaimer:

Past performance is not a guarantee of future results. Must be preceded or accompanied by a prospectus. Mutual fund investing involves risk. Principal loss is possible.

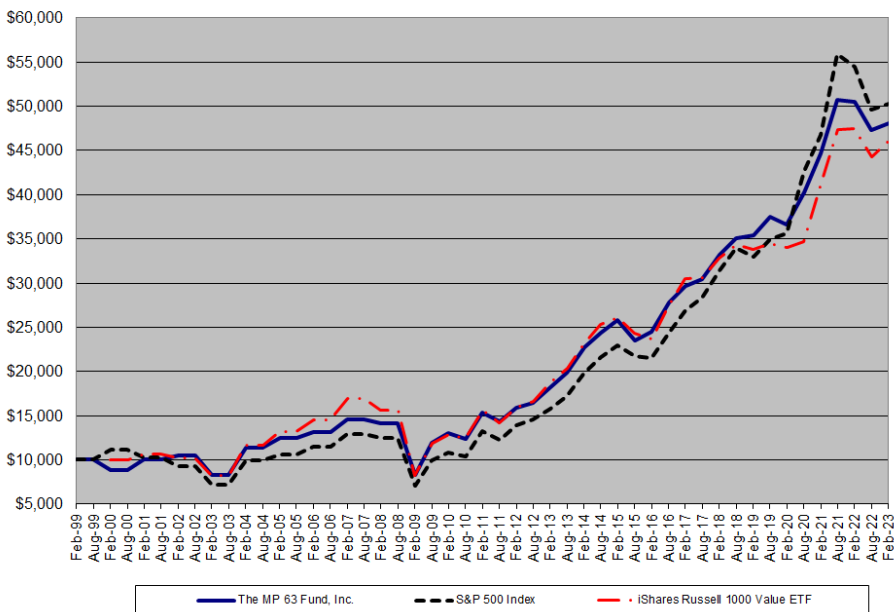
Fund holdings are subject to change and should not be considered a recommendation to buy or sell any security. Please refer to the schedule of investments in the report for complete holdings information.

THE MP63 FUND, INC.

PERFORMANCE ILLUSTRATION FEBRUARY 28, 2023 (UNAUDITED)

AVERAGE ANNUAL RATE OF RETURN (%) FOR PERIODS ENDING FEBRUARY 28, 2023

	<u>1 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>Cumulative Since Inception</u>	<u>Ending Value</u>
The MP63 Fund, Inc.	-4.71%	7.73%	10.19%	382.11%	\$ 48,124
S&P 500 Index	-7.69%	9.82%	12.24%	403.02%	\$ 50,249
iShares Russell 1000 Value ETF	-2.98%	7.03%	9.42%	360.45%	\$ 46,046



This chart assumes an initial investment of \$10,000 made on the closing of February 28, 1999. Total return is based on the net change in NAV and assuming reinvestment of all dividends and other distributions. Performance figures represent past performance which is not predictive of future performance. Investment return and principal value will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

The Standard & Poor's 500 Index ("S&P 500") is a market value-weighted index, representing the aggregate market value of the common equity of 500 stocks primarily traded on the New York Stock Exchange. The S&P 500 is a widely recognized, unmanaged index of common stock prices. The figures for the S&P 500 reflect all dividends reinvested but do not reflect any deductions for fees, expenses or taxes.

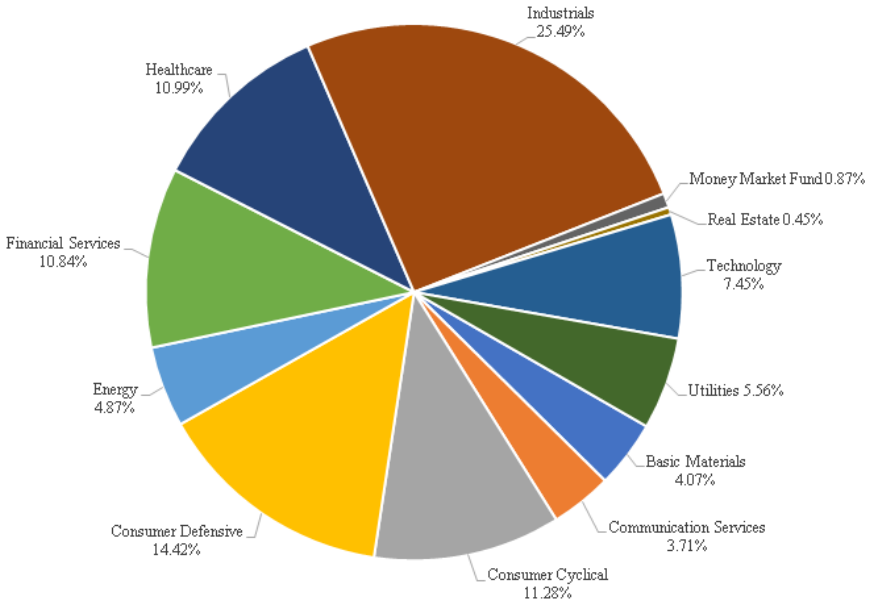
The iShares Russell 1000 Value ETF seeks to track the investment results of an index composed of large- and mid-capitalization U.S. equities that exhibit value characteristics. The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

The performance information shown represents past performance and should not be interpreted as indicative of The MP63 Fund, Inc.'s future performance. The performance also reflects reinvestment of all dividend and capital gain distributions. The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the redemption of fund shares.

THE MP63 FUND, INC.

PORTFOLIO ILLUSTRATION FEBRUARY 28, 2023 (UNAUDITED)

The following chart gives a visual breakdown of the Fund by the industry sectors the underlying securities represent as a percentage of the schedule of investments.



Sectors are categorized using Morningstar® classifications.

THE MP63 FUND, INC.

SCHEDULE OF INVESTMENTS FEBRUARY 28, 2023

Shares	Fair Value
COMMON STOCKS (United States) - 97.04%	
Aerospace/Aircrafts/Defense - 3.91%	
5,256 The Boeing Co. *	\$ 1,059,347
24,922 Raytheon Technologies Corp.	2,444,599
	3,503,946
Auto Parts - Retail/Wholesale - 2.19%	
11,103 Genuine Parts Co.	1,963,676
Banks - 4.70%	
44,283 Bank of America Corp.	1,518,907
25,666 Truist Financial Corp.	1,205,019
31,141 US Bancorp	1,486,360
	4,210,286
Beverages - 2.66%	
20,938 The Coca-Cola Co.	1,246,020
6,556 PepsiCo, Inc.	1,137,663
	2,383,683
Cable & Other Pay Television Services - 1.38%	
33,187 Comcast Corp., Class A	1,233,561
Chemicals - Diversified - 2.09%	
21,077 RPM International, Inc.	1,868,054
Commercial Services - 1.42%	
7,970 Ecolab, Inc.	1,270,179
Communication Equipment - 1.67%	
12,132 Qualcomm, Inc.	1,498,666
Consumer, Durable & Apparel - 0.50%	
5,365 Sony Group Corp. ADR	448,407
Containers - Paper/Plastic - 1.35%	
108,379 Amcor PLC (Jersey)	1,207,342
Cosmetics & Personal Care - 1.15%	
14,004 Colgate-Palmolive Co.	1,026,493
Diversified Operations - 2.41%	
6,023 3M Co.	648,918
44,427 Corning, Inc.	1,508,297
	2,157,215
Electronic Equipment - 2.16%	
11,861 Carrier Global Corp.	534,101
16,896 Emerson Electric Co.	1,397,468
	1,931,569

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

THE MP63 FUND, INC.

SCHEDULE OF INVESTMENTS (CONTINUED) FEBRUARY 28, 2023

Shares		Fair Value
Electronic - Semiconductors - 0.97%		
34,898	Intel Corp.	\$ 870,007
Financial Services - 2.70%		
4,688	American Express Co.	815,665
14,544	Paychex, Inc.	1,605,658
		2,421,323
Food - Misc. Preparation - 5.73%		
20,684	Archer Daniels-Midland Co.	1,646,446
32,730	Conagra Brands, Inc.	1,191,699
12,999	General Mills, Inc.	1,033,550
28,473	Hormel Foods Corp.	1,263,632
		5,135,327
General Household Products - 1.08%		
11,240	Stanley Black & Decker, Inc.	962,256
Guided Missiles & Space Vehicles & Parts - 0.07%		
135	Lockheed Martin Corp.	64,025
Healthcare - 2.30%		
8,740	AbbVie, Inc.	1,345,086
1,505	UnitedHealth Group, Inc.	716,290
		2,061,376
Industrial Inorganic Chemicals - 0.03%		
100	Air Products & Chemicals, Inc.	28,598
Insurance - Life/Property/Casual - 3.84%		
22,718	AFLAC, Inc.	1,548,232
10,239	The Travelers Companies, Inc.	1,895,444
		3,443,676
Leisure Products - 1.28%		
10,100	Polaris, Inc.	1,148,875
Leisure Services - 0.79%		
7,069	The Walt Disney Co. *	704,143
Machinery - Const./Mining/Farming - 4.56%		
8,762	Caterpillar, Inc.	2,098,937
4,746	Deere & Co.	1,989,713
		4,088,650
Machinery - Electrical Equipment - 4.01%		
10,968	Dover Corp.	1,644,103
10,998	Johnson Controls International PLC (Ireland)	689,794
17,780	Tennant Co.	1,259,180
		3,593,077

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THE MP63 FUND, INC.

SCHEDULE OF INVESTMENTS (CONTINUED) FEBRUARY 28, 2023

Shares	Fair Value
Manufacturing - 2.12%	
8,142 Illinois Tool Works, Inc.	\$ 1,898,389
Materials - 0.53%	
2,805 Nucor Corp.	469,669
Medical/Dental - Supplies - 1.96%	
7,491 Becton Dickinson & Co.	1,757,014
Medical Instruments/Products - 1.25%	
13,562 Medtronic PLC (Ireland)	1,122,934
Medical Drugs - 5.44%	
13,775 Abbott Laboratories	1,401,193
10,607 Johnson & Johnson	1,625,629
11,787 Merck & Co., Inc.	1,252,251
14,738 Pfizer, Inc.	597,921
	4,876,994
National Commercial Banks - 1.35%	
8,443 JPMorgan Chase & Co.	1,210,304
Paper & Paper Products - 1.52%	
10,900 Kimberly Clark Corp.	1,363,045
Petroleum Refining - 2.38%	
2,002 Chevron Corp.	321,861
16,477 Exxon Mobil Corp.	1,810,987
	2,132,848
Refuse Systems - 1.86%	
11,126 Waste Management, Inc.	1,666,230
Retail - Catalog & Mail Order Houses - 0.59%	
5,632 Amazon.com, Inc. *	530,703
Retail - Food & Restaurant - 2.38%	
8,387 Starbucks Corp.	856,229
10,048 Yum! Brands, Inc.	1,277,704
	2,133,933
Retail - Variety Stores - 1.68%	
3,105 Costco Wholesale Corp.	1,503,379
Retail/Wholesale - Building Products - 1.99%	
6,000 The Home Depot, Inc.	1,779,240
Services - Computer Programming, Data Processing, Etc. - 1.30%	
12,951 Alphabet, Inc. Class A *	1,166,367
Services - Prepackaged Software - 2.17%	
7,794 Microsoft Corp.	1,943,979

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THE MP63 FUND, INC.

SCHEDULE OF INVESTMENTS (CONTINUED) FEBRUARY 28, 2023

Shares	Fair Value
Shoes & Related Apparel - 0.95%	
7,175 Nike, Inc. Class B	\$ 852,318
Soap, Detergent, Cleaning Preparations, Perfumes, Cosmetics - 1.63%	
10,637 The Proctor & Gamble Co.	1,463,226
Telecommunications Services - 0.66%	
4,950 AT&T, Inc.	93,604
8,015 Cisco Systems, Inc.	388,086
2,900 Verizon Communications, Inc.	112,549
	594,239
Textile - Apparel/Mill Products - 0.51%	
18,513 VF Corp.	459,493
Transportation - Railroads - 2.00%	
8,624 Union Pacific Corp.	1,787,583
Utility - Electric - 4.86%	
5,084 Dominion Energy, Inc.	282,772
13,883 Duke Energy Corp.	1,308,612
31,994 MDU Resources Group, Inc.	1,019,009
24,593 NextEra Energy, Inc.	1,746,841
	4,357,234
Utility - Gas Distribution - 1.14%	
17,785 National Fuel Gas Co.	1,018,725
Utility - Water - 1.82%	
38,043 Essential Utilities, Inc.	1,627,479
	86,939,735
TOTAL FOR COMMON STOCK (Cost \$41,003,952) - 97.04%	
LIMITED PARTNERSHIPS (United States) - 1.34%	
Natural Gas Transmission - 0.80%	
28,221 Enterprise Products Partners LP	720,482
Pipe Lines (No Natural Gas) - 0.54%	
9,068 Magellan Midstream Partners LP	482,055
	1,202,537
TOTAL FOR LIMITED PARTNERSHIPS (Cost \$899,209) - 1.34%	
REAL ESTATE INVESTMENT TRUST (United States) - 0.45%	
3,287 Simon Property Group, Inc.	401,310
	401,310
TOTAL FOR REAL ESTATE INVESTMENT TRUST (Cost \$346,056) - 0.45%	
MONEY MARKET FUND - 0.86%	
772,755 Fidelity Investments Money Market Funds - Gov't Portfolio, Class I 4.46% (Cost \$772,755) **	\$ 772,755

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

THE MP63 FUND, INC.

SCHEDULE OF INVESTMENTS (CONTINUED) FEBRUARY 28, 2023

	Fair Value
TOTAL INVESTMENTS - 99.69% (Cost \$43,021,972) (Note 4)	89,316,337
OTHER ASSETS LESS LIABILITIES - 0.31%	<u>273,528</u>
NET ASSETS - 100.00%	<u>\$ 89,589,865</u>

* Non-income producing securities during the year.

** Variable rate security; the money market rate shown represents the yield at February 28, 2023.

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

THE MP63 FUND, INC.

STATEMENT OF ASSETS AND LIABILITIES FEBRUARY 28, 2023

Assets	
Investments at Fair Value (Cost \$43,021,972)	\$ 89,316,337
Cash	453
Receivables	
Dividends and Interest	223,669
Shareholder Subscriptions	10,275
Portfolio Securities Sold	196,167
Prepaid Expenses	25,458
Total Assets	89,772,359
Liabilities	
Payables	
Portfolio Securities Purchased	64,887
Shareholder Redemptions	25,992
Other Accrued Expenses	20,920
Accrued Directors Fees (Note 3)	12,534
Accrued Administrative and Operating Services Fees (Note 3)	10,278
Accrued Accounting, Administration and Transfer Agency Fees (Note 3)	22,114
Accrued Chief Compliance Officer Fees (Note 3)	1,066
Accrued Advisor Fees (Note 3)	24,703
Total Liabilities	182,494
Net Assets	\$ 89,589,865
Net Assets Consist of:	
Capital Stock, \$0.001 par value; 1 billion shares authorized; 3,568,950 shares issued and outstanding	\$ 3,569
Additional Paid in Capital	43,064,404
Distributable Earnings	46,521,892
Net Assets	\$ 89,589,865
Net Asset Value and Offering Price (\$89,589,865/3,568,950)	\$ 25.10
Redemption Price Per Share (\$25.10 x 0.99)*	\$ 24.85

* The Fund will deduct a 1% redemption fee from redemption proceeds if purchased and redeemed within 6 months.

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

THE MP63 FUND, INC.

STATEMENT OF OPERATIONS

For the year ended FEBRUARY 28, 2023

Investment Income:	
Dividend Income	\$ 2,153,793
Interest Income	27,164
Total Investment Income	<u>2,180,957</u>
Expenses:	
Advisor fees (Note 3)	320,514
Accounting, Administrative and Transfer Agency fees (Note 3)	76,388
Legal fees	42,985
Administrative and Operating Services fees (Note 3)	90,778
Registration fees	37,200
Compliance fees (Note 3)	12,066
Custody fees	18,200
Audit fees	14,401
Printing and postage expense	13,558
Insurance expense	10,539
Miscellaneous expense	8,441
Director fees (Note 3)	13,344
Total Expenses	<u>658,414</u>
Net Investment Income	<u>1,522,543</u>
Realized and Unrealized Gain on Investments:	
Realized Gain on Investments	1,156,269
Change in Unrealized Appreciation on Investments	(7,276,168)
Net Realized and Unrealized Gain (Loss) on Investments	<u>(6,119,899)</u>
Net Decrease in Net Assets from Operations	<u><u>\$ (4,597,356)</u></u>

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

THE MP63 FUND, INC.

STATEMENTS OF CHANGES IN NET ASSETS

	For the Year Ended February 28, 2023	For the Year Ended February 28, 2022
From Operations:		
Net Investment Income	\$ 1,522,543	\$ 1,429,661
Realized Gain on Investments	1,156,269	2,804,270
Change in Unrealized Appreciation on Investments	<u>(7,276,168)</u>	<u>6,999,852</u>
Increase (Decrease) in Net Assets from Operations	<u>(4,597,356)</u>	<u>11,233,783</u>
From Distributions to Shareholders:		
Distributions	<u>(3,741,069)</u>	<u>(3,536,717)</u>
Change in Net Assets from Distributions	<u>(3,741,069)</u>	<u>(3,536,717)</u>
From Capital Share Transactions		
Proceeds From Sale of Shares	2,380,669	8,667,198
Shares Issued on Reinvestment of Dividends	3,655,612	3,452,774
Cost of Shares Redeemed (net of redemption fees \$508 and \$1,607, respectively)	<u>(6,224,053)</u>	<u>(7,299,514)</u>
Net Increase (Decrease) from Shareholder Activity	<u>(187,772)</u>	<u>4,820,458</u>
Net Increase (Decrease) in Net Assets	(8,526,197)	12,517,524
Net Assets at Beginning of Year	<u>98,116,062</u>	<u>85,598,538</u>
Net Assets at End of Year	<u>\$ 89,589,865</u>	<u>\$ 98,116,062</u>
Share Transactions:		
Issued	89,721	312,460
Reinvested	143,301	119,680
Redeemed	<u>(237,407)</u>	<u>(259,152)</u>
Net Increase (Decrease) in shares	(4,385)	172,988
Shares outstanding beginning of year	<u>3,573,335</u>	<u>3,400,347</u>
Shares outstanding end of year	<u>3,568,950</u>	<u>3,573,335</u>

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

THE MP63 FUND, INC.

FINANCIAL HIGHLIGHTS

Selected data for a share outstanding throughout the year:

	For the Year Ended <u>February 28, 2023</u>	For the Year Ended <u>February 28, 2022</u>	For the Year Ended <u>February 28, 2021</u>	For the Year Ended <u>February 29, 2020</u>	For the Year Ended <u>February 28, 2019</u>
Net Asset Value - Beginning of Year	\$ 27.46	\$ 25.17	\$ 21.31	\$ 21.32	\$ 21.26
Net Investment Income **	0.43	0.41	0.41	0.39	0.40
Net Gains (Losses) on Securities (realized and unrealized)	(1.71)	2.91	4.32	0.42	0.85
Total from Investment Operations	(1.28)	3.32	4.73	0.81	1.25
Early Redemption Fees	0.00 *	0.00 *	0.00 *	0.00 *	0.00 *
Distributions (From Net Investment Income)	(0.44)	(0.41)	(0.41)	(0.39)	(0.40)
Distributions (From Capital Gains)	(0.64)	(0.62)	(0.46)	(0.43)	(0.79)
Total Distributions	(1.08)	(1.03)	(0.87)	(0.82)	(1.19)
Net Asset Value - End of Year	\$ 25.10	\$ 27.46	\$ 25.17	\$ 21.31	\$ 21.32
Total Return (a)	(4.71)%	12.98%	22.26%	3.42%	6.61%
Ratios/Supplemental Data					
Net Assets - End of Year (Thousands)	89,590	98,116	85,599	69,862	67,931
Ratio of Expenses to Average Net Assets	0.72%	0.63%	0.71%	0.69%	0.72%
Ratio of Net Investment Income to Average Net Assets	1.66%	1.47%	1.79%	1.72%	1.89%
Portfolio Turnover Rate	5.90%	5.96%	9.73%	5.66%	5.87%

(a) Total returns are historical and assume changes in share price, reinvestment of dividends and capital gain distributions and assume no redemption fees.

* Amount is less than \$0.005

** Per share amounts are calculated using the average shares method.

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

THE MP63 FUND, INC.

NOTES TO FINANCIAL STATEMENTS FEBRUARY 28, 2023

NOTE 1. ORGANIZATION

The MP63 Fund, Inc. (the "Fund") is organized as a Maryland Corporation, incorporated on October 13, 1998, and registered as an open-end, diversified, management investment company under the Investment Company Act of 1940, as amended. The Fund's business and affairs are managed by its officers under the direction of its Board of Directors (the "Board"). The Fund's investment objective is to seek long-term capital appreciation for shareholders.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the Fund in the preparation of its financial statements. The Fund is an investment company that follows the accounting and reporting guidance of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 946 applicable to investment companies.

- A. Security Valuation - Portfolio securities traded on a national securities exchange are stated at the last reported sales price or a market's official close price on the day of valuation. Portfolio securities for which market quotations are readily available are valued at fair value. Portfolio securities for which market quotations are not considered readily available are valued at fair value on the basis of valuations furnished by a pricing service approved by the Board. Portfolio companies during this reporting period are all widely traded and pricing information is readily available. The Board maintains responsibilities for the fair value determinations under Rule 2a-5 under the Investment Company Act of 1940.

Mutual Funds must utilize various methods to measure the fair value of most of its investments on a recurring basis. Accounting principles generally accepted in the United States of America ("U.S. GAAP") establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

Level 1 - Unadjusted quoted prices in active markets for identical assets the Fund has the ability to access.

Level 2 - Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 - Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumptions about the assumptions a market participant would use in valuating the asset or liability, and would be based on the best information available.

To the extent that valuation is based on models or inputs that are less observable or unobservable, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair

THE MP63 FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FEBRUARY 28, 2023

value is greatest for instruments categorized in Level 3. However, the inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following table summarizes the valuation of the Fund's investments by the above fair value hierarchy levels as of February 28, 2023:

(Assets)	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$86,939,735	\$ -	\$ -	\$86,939,735
Limited Partnerships	1,202,537	-	-	1,202,537
Real Estate Investment Trust	401,310	-	-	401,310
Money Market Fund	722,755	-	-	722,755
Total	<u>\$89,316,337</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$89,316,337</u>

The Fund did not hold any Level 3 assets during the year ended February 28, 2023. The Fund did not engage in any derivative transactions during the year ended February 28, 2023.

- B. Security Transactions and Related Investment Income - Securities transactions are accounted for on the trade date. Gains and losses on sales of securities are determined on a specific identification basis. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis.
- C. Federal Income Taxes - The Fund's policy is to continue to comply with requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its net investment income as dividends to its shareholders. The Fund intends to distribute its net long-term capital gains and net short-term capital gains at least once a year. Therefore, no provision for federal income taxes is required.

The Fund recognizes the tax benefits of certain tax positions only where the position is "more likely than not" to be sustained assuming examination by tax authorities. As of and during the year ended February 28, 2023, management has analyzed the Fund's tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken in the Fund's open tax years or expected to be taken in the Fund's 2023 tax returns. The Fund identifies its major tax jurisdictions as U.S. Federal and certain State tax authorities; however, the Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. As of and during the year ended February 28, 2023, the Fund did not incur any interest or penalties.

- D. Dividends and Distributions to Shareholders - The Fund records dividends and distributions to shareholders on the ex-dividend date. The Fund will distribute its net investment income, if any, and net realized capital gains, if any, annually.

THE MP63 FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FEBRUARY 28, 2023

- E. Cash – The Fund maintains cash at its custodian which, at times, may exceed United States federally insured limits. Financial instruments that potentially subject the Fund to credit risk include cash deposits in excess of federally insured limits.
- F. Use of Estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.
- G. Share Valuation – The net asset value (the “NAV”) is generally calculated as of the close of trading on the New York Stock Exchange (the “Exchange”) (normally 4:00 p.m. Eastern time) every day the Exchange is open. The NAV is calculated by taking the total value of the Fund’s assets, subtracting its liabilities, and then dividing by the total number of shares outstanding, rounded to the nearest cent. The offering price and redemption price per share are equal to the net asset value per share, except for shares redeemed within 6 months.

NOTE 3. INVESTMENT ADVISORY AGREEMENT AND OTHER RELATED PARTY TRANSACTIONS

The Fund has entered into an investment advisory agreement (the "Agreement") with The Moneypaper Advisor, Inc. (the "Advisor"). Under this Agreement, the Advisor provides the Fund with investment advice and supervises the Fund's investments. As compensation for the services rendered, the Fund pays the Advisor a fee accrued daily based on an annualized rate of 0.35% of the daily net asset value. For the year ended February 28, 2023, the Advisor earned fees of \$320,514. At February 28, 2023, the Fund owed the Advisor \$24,703 for advisory fees.

The Advisor has voluntarily agreed to waive its fee and to reimburse the Fund for other expenses if the total operating expenses of the Fund exceed an annual rate of 1.25% of average daily net assets. The Advisor did not waive any fees or reimburse the Fund during the year ended February 28, 2023.

The Fund has agreements in place with Mutual Shareholder Services ("MSS") to provide administrative, transfer agency, and fund accounting services. Under these agreements, MSS is paid a fixed annual fee for accounting and administration services which increases incrementally at specified asset thresholds, plus blue sky servicing fees paid on a per filing basis. For transfer agency services, MSS receives a fixed fee per account, subject to an annual minimum. For the year ended February 28, 2023, the Fund paid MSS \$76,388 for the services that it provided to the Fund, comprised of \$42,000 in accounting and administrative services and \$34,388 in transfer agency services. At February 28, 2023, \$22,114 was due to MSS for services provided.

The Fund entered into an Administrative and Operating Services Agreement with Moneypaper Publications LLC, the parent of the Advisor. Under this agreement, Moneypaper Publications LLC provides services to the Fund that are necessary for operation and not

THE MP63 FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FEBRUARY 28, 2023

provided by other parties. For these services, the Fund is contractually obligated to pay Moneypaper Publications LLC a flat monthly fee which is not to exceed \$18,500. However, effective December 1, 2022, Moneypaper Publications LLC will be charging the Fund \$10,500 per month for these services. Moneypaper Publications LLC does not currently intend to increase the fee, although it may seek to do so in the future. These fund servicing expenses amounted to \$90,778 for the year ended February 28, 2023. At February 28, 2023, the Fund owed \$10,278 for fund servicing expenses.

Certain officers of the Advisor are also officers and a director of the Fund. The Fund currently pays each Independent Director an annual retainer of \$2,000 for regular compensation. The Fund currently does not pay special compensation to any Director. Vita Nelson, as the Interested Director, does not receive any compensation from the Fund for her services as a Director. For the year ended February 28, 2023, the Fund incurred \$13,344 in regular compensation director fees and expenses. The Fund paid the Chief Compliance Officer \$12,066 for the year ended February 28, 2023.

NOTE 4. INVESTMENT TRANSACTIONS

For the year ended February 28, 2023, purchases and sales of securities, excluding short-term investments, aggregated \$5,316,705 and \$6,460,403, respectively.

NOTE 5. TAX INFORMATION

Cumulative unrealized appreciation (depreciation) on a tax basis amounted to the following: Unrealized appreciation \$47,368,194, Unrealized depreciation (\$1,182,817), Net unrealized appreciation \$46,185,377.

For Federal income tax purposes, the cost of investments owned at February 28, 2023 was \$43,130,960. The difference between book and tax cost of investments represents the deferral of losses on wash sales and partnership basis adjustments.

Distributions are determined on a tax basis and may differ from net investment income and realized capital gains for financial reporting purposes. Differences may be permanent or temporary. Permanent differences are reclassified among the components of net assets in the financial statements to reflect their tax character. Temporary differences arise when certain items of income, expense, gain or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. Differences in classification may also result from the treatment of short-term gain as ordinary income for tax purposes. Due to permanent book to tax differences the following adjustments have been made by management as of February 28, 2023. Reclassifications have no effect on net assets, results of operations or net asset value per share of the Fund.

Paid In Capital	\$ (170)
Distributable Earnings	\$ 170

The permanent differences were mainly due to non-deductible partnership expenses.

As of February 28, 2022, the components of distributable earnings on a tax basis were as follows: undistributed capital gains \$336,515, net unrealized appreciation \$46,185,377, for a total distributable earnings of \$46,521,892.

THE MP63 FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FEBRUARY 28, 2023

The tax character of distributions paid during the fiscal year ended February 28, 2023 was as follows:

Distributions paid from: Ordinary income \$1,523,739, Long term capital gains \$2,217,330.

The tax character of distributions paid during the fiscal year ended February 28, 2022 was as follows:

Distributions paid from: Ordinary income \$1,533,272, Long term capital gains \$2,003,445.

NOTE 6. INDEMNIFICATIONS

In the normal course of business, the Fund enters into contracts that contain general indemnification to other parties. The Fund's maximum exposure under these contracts is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. The Fund expects the risk of loss to be remote.

NOTE 7. MARKET RISK

Overall market risks may also affect the value of the Fund. Factors such as domestic economic growth and market conditions, interest rate levels and political events affect the securities markets. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, sanctions, recessions and depressions, or other events could have a significant impact on the Fund and its investments, and may impair market liquidity, thereby increasing liquidity risk. The Fund could lose money over short periods due to short-term market movements and over longer periods during more prolonged market downturns. During a general market downturn, multiple asset classes may be negatively affected. Changes in market conditions and interest rates can have the same impact on all types of securities and instruments.

An outbreak of infectious respiratory illness caused by a novel coronavirus known as COVID-19 was first detected in China in December 2019 and has now been detected globally. This coronavirus has resulted in travel restrictions, closed international borders, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, prolonged quarantines, cancellations, supply chain disruptions, and lower consumer demand, as well as general concern and uncertainty. The impact of COVID-19, and other infectious illness outbreaks that may arise in the future, could adversely affect the economies of many nations or the entire global economy, individual issuers and capital markets in ways that cannot necessarily be foreseen. In addition, the impact of infectious illnesses in emerging market countries may be greater due to generally less established healthcare systems. Public health crises caused by the COVID-19 outbreak may exacerbate other pre-existing political, social and economic risks in certain countries or globally. The duration of the COVID-19 outbreak and its effects cannot be determined with certainty.

NOTE 8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date the financial statements were issued. Based upon this evaluation, the Fund has determined no subsequent events have occurred which would require adjustment to or disclosure in the financial statements.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
The MP63 Fund, Inc.

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of The MP63 Fund, Inc. (the “Fund”), as of February 28, 2023, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the related notes, and the financial highlights for each of the three years in the period then ended (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of February 28, 2023, the results of its operations for the year then ended, the changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the three years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

The Fund’s financial highlights for the years ended February 29, 2020, and prior, were audited by other auditors whose report dated April 22, 2020, expressed an unqualified opinion on those financial highlights.

Basis for Opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of February 28, 2023, by correspondence with the custodian and broker; when replies were not received from brokers, we performed other auditing procedures. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Fund’s auditor since 2020.

Cohen & Company, Ltd.

COHEN & COMPANY, LTD.
Cleveland, Ohio
April 28, 2023

THE MP63 FUND, INC.

EXPENSE ILLUSTRATION FEBRUARY 28, 2023 (UNAUDITED)

Expense Example

As a shareholder of the MP63 Fund, you incur two types of costs: (1) transaction costs, including brokerage and other costs associated with portfolio purchases and sales, reinvested dividends, or other distributions; and redemption fees; and (2) ongoing costs, including management fees; service provider fees and expenses and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period, September 1, 2022 through February 28, 2023.

Actual Expenses

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

Hypothetical Example for Comparison Purposes

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

	Beginning Account Value	Ending Account Value	Expenses Paid During the Period*
	<u>September 1, 2022</u>	<u>February 28, 2023</u>	<u>September 1, 2022 to February 28, 2023</u>
Actual	\$1,000.00	\$1,016.16	\$0.04
Hypothetical (5% Annual Return before expenses)	\$1,000.00	\$1,024.79	\$0.04

* Expenses are equal to the Fund's annualized expense ratio of 0.77%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

THE MP63 FUND, INC.

TRUSTEES & OFFICERS FEBRUARY 28, 2023 (UNAUDITED)

The Board of Directors supervises the business activities of the Fund. The names of the Directors and principal officers of the Fund are shown below. For more information regarding the Directors, please refer to the Statement of Additional Information, which is available free upon request by calling 1-877-676-3386.

Name, Address and Age	Position(s) Held with the Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held By Director
Disinterested Directors:					
Susan Ryan Age: 72 241 Perkins Street, Unit A602 Jamaica Plain, MA 02130	Director	Indefinite – since March 2016	Vice President, C.A. White (real estate development and management company)	1	Board member, Shambhala USA and Shambhala Canadian, both religious non- profit organizations
Edward Shashoua Age: 63 8000 Town Centre Dr., Suite 400 Broadview Heights, OH 44147	Director	Indefinite – since December 2016	Primary Care Internist, Newton-Wellesley Physicians; Owner/Trustee, Brandywine Development Co. (real estate development)	1	Director, Ischemix, Inc.
Daniel Mandell Age: 59 8000 Town Centre Dr., Suite 400 Broadview Heights, OH 44147	Director	Indefinite – since December 2016	General Council and Vice President, DialogueDirect Inc.; Founding member, Carabello & Mandell (law firm)	1	DialogueDirect, Inc. - Director

THE MP63 FUND, INC.

TRUSTEES & OFFICERS (CONTINUED) FEBRUARY 28, 2023 (UNAUDITED)

The Board of Directors supervises the business activities of the Fund. The names of the Directors and principal officers of the Fund are shown below. For more information regarding the Directors, please refer to the Statement of Additional Information, which is available free upon request by calling 1-877-676-3386.

Name, Address and Age	Position(s) Held with the Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held By Director
Interested Directors:					
Vita Nelson ^{1,2} Age: 85 8000 Town Centre Dr., Suite 400 Broadview Heights, OH 44147	Director, President	Indefinite – since 1998	President, Editor and Publisher of The Moneypaper, Inc. (newsletter)	1	Director, The Moneypaper Advisor, Inc.; Director, Temper of the Times Communications, Inc. Director, Moneypaper, Inc.
Principal Officers who are not Directors:					
J. Mario Medina Age: 56 8000 Town Centre Dr., Suite 400 Broadview Heights, OH 44147	Treasurer	Indefinite – since 2017	Co-manager of the Fund since July 1, 2017; Editor for JST Online Solutions.	1	None
Leonard Barenboim Age: 61 8000 Town Centre Dr., Suite 400 Broadview Heights, OH 44147	Chief Compliance Officer	Indefinite – since 2017	CEO and Chief Compliance Officer, Temper of the Times Investor Services, Inc.; Principal and project manager, ELBI Systems LLC; Chief Compliance Officer, Moneypaper Advisor Inc.	1	None
Lee Reiner Nelson ¹ Age: 60 8000 Town Centre Dr., Suite 400 Broadview Heights, OH 44147	Secretary	Indefinite – since 2016	President and CEO, EMA, LLC	1	Director, Moneypaper Publications LLC; Temper of the Times Investor Service, Inc.; Moneypaper Advisor, Inc.; Temper of the Times Foundation.

(1) Lee Reiner Nelson is Vita Nelson's son.

(2) Vita Nelson is President of the Fund and a Director of the Fund's Advisor, The Moneypaper Advisor, Inc. and therefore, is an "Interested Director" of the Fund.

THE MP63 FUND, INC.

ADDITIONAL INFORMATION
FEBRUARY 28, 2023 (UNAUDITED)

INFORMATION REGARDING PROXY VOTING

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities and information regarding how the Fund voted proxies during the most recent 12-month period ended June 30, are available without charge upon request by (1) calling the Fund at 1-877-676-3386 and (2) from Fund's documents filed with the Securities and Exchange Commission ("SEC") on the SEC's website at www.sec.gov.

INFORMATION REGARDING PORTFOLIO HOLDINGS

The Fund files a complete schedule of investments with the SEC for the first and third quarter of each fiscal year on Form N-PORT. The Fund's first and third fiscal quarters end on May 31 and November 30. The Fund's Form N-PORT's are available on the SEC's website at <http://sec.gov>, or they may be reviewed and copied at the SEC's Public Reference Room in Washington, DC (call 1-800-732-0330 for information on the operation of the Public Reference Room). You may also obtain copies by calling the Fund at 1-877-676-3386.

LIQUIDITY RISK MANAGEMENT PROGRAM

The Fund has adopted and implemented a liquidity risk management program as required by Rule 22e-4 (the "Liquidity Rule") under the Investment Company Act. The program is reasonably designed to assess and manage the Fund's liquidity risk, taking into consideration, among other factors, the Fund's investment strategy and the liquidity of its portfolio investments during normal and reasonably foreseeable stressed conditions; its short and long-term cash flow projections; and its cash holdings and access to other funding sources.

During the year ended February 28, 2023, the Advisor to the Fund reviewed the Fund's investments and determined that the Fund held adequate levels of cash and highly liquid investments to meet shareholder redemption activities in accordance with applicable requirements. Accordingly, the Advisor concluded that (i) the Fund's liquidity risk management program is reasonably designed to prevent violations of the Liquidity Rule and (ii) the Fund's liquidity risk management program has been effectively implemented. The Board then approved the liquidity risk report the Advisor provided.

Investment Adviser
Moneypaper Advisor, Inc.

Distributor
Arbor Court Capital, LLC

**Administrator, Transfer Agent, &
Shareholder Servicing Agent**
Mutual Shareholder Services, LLC

Custodian
U.S. Bank, N.A.

Legal Counsel
Ropka Law, LLC

Independent Registered Public Accounting Firm
Cohen & Company, Ltd.

This report is provided for the general information of MP63 Fund, Inc. shareholders. It is not authorized for distribution unless preceded or accompanied by an effective prospectus, which contains more complete information about the Fund.