



**AQUILA**  
GROUP OF FUNDS®

# Aquila Three Peaks High Income Fund

## Time-Tested Strategy

December 31, 2011

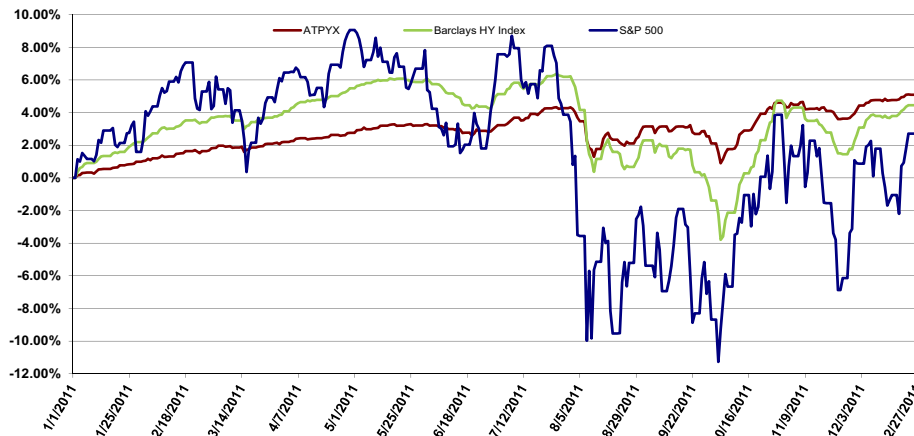


Research has demonstrated that high-yield corporate bonds, over the past 20 years, have produced returns that are competitive with equities, while generating approximately half the volatility. (*JPMorgan 2010 High Yield Annual Review*)

Aquila Three Peaks High Income Fund invests in high-yield corporate bonds, with an intensive focus on credit selection. We work to understand the cash flow capabilities of high-yield issuers, and then search for those issuers who want to, or are required to, pay down debt.

This strategy is time-tested through past market cycles.

### 2011 Performance - percent change January 1, 2011 - December 31, 2011 Aquila Three Peaks High Income Fund Class Y (ATPYX) vs. Barclays HY Index vs. S&P 500



The Barclays High Yield Index is an unmanaged index considered representative of the universe of fixed rate, non-investment grade debt. The S&P 500 is an unmanaged index of 500 large-cap U.S. companies whose common stock is traded on the New York Stock Exchange and NASDAQ. Performance of an index does not reflect management fees and expenses which are reflected in Fund performance. An investment cannot be made directly in an index.

### Performance Statistics as of December 31, 2011

	SEC Yield	Distribu- tion Rate	Cumulative Return		Average Annual Return				Inception Date	Max Sales Charge	Max CDSC	Total Operating Expense	Net Expense Ratio
			4th Qtr 2011	YTD	1 year	3 year	5 year	Since Inception					
A Shares NAV	--	5.24%	3.18%	5.20%	5.20%	13.23%	4.93%	5.15%	6/1/06	--	--	1.12%	1.12%
A Shares MOP	4.65%	5.03%	-0.96%	0.96%	0.96%	11.71%	4.08%	4.38%	6/1/06	4.00%	--	1.12%	1.12%
C Shares w/o CDSC	4.04%	4.04%	2.98%	4.37%	4.37%	12.33%	4.09%	4.33%	6/8/06	--	--	1.92%	1.92%
C Shares w/ CDSC	--	--	1.97%	3.34%	3.34%	--	--	--	6/8/06	--	1.00%	1.92%	1.92%
I Shares	4.81%	5.51%	3.07%	5.23%	5.23%	13.22%	4.97%	5.34%	6/29/06	--	--	1.09%	1.09%
Y Shares	5.05%	5.48%	3.23%	5.41%	5.41%	13.45%	5.13%	5.38%	6/8/06	--	--	0.92%	0.92%
Barclays US Corp HY			6.46%	4.98%	4.98%	24.47%	7.54%	8.23%					

This material must be preceded or accompanied by a copy of the Fund's current prospectus. Before investing in the Fund, read about and carefully consider the investment objectives, risks, charges, expenses and other information found in the Fund prospectus.

Performance data represents past performance, but does not guarantee future results. Investment return and principal value will fluctuate; shares, when redeemed, may be worth more or less than their original cost; current performance may be lower or higher than the data presented. Performance current to the most recent month-end is available at: 800-437-1020 or [www.aquilafunds.com](http://www.aquilafunds.com).

Class A shares have a maximum sales charge of 4.00%; Class C shares have no initial sales charge, but a 1.00% contingent deferred sales charge applies to Class C shares redeemed within 12 months of their purchase date. Class I and Class Y shares have no initial or contingent deferred sales charge and may only be purchased through an investment professional or certain financial institutions. Class A MOP returns reflect deduction of the maximum 4.00% sales charge; Class A NAV returns do not reflect deduction of the sales charge and would be lower if that charge were reflected. Class C returns without CDSC do not reflect deduction of the 1% CDSC applicable in the first 12 months; if applied, the CDSC would reduce the performance quoted. An explanation of the share classes appears in the Fund prospectus. Management has contractually undertaken to waive fees and/or reimburse Fund Expenses through April 30, 2011. Returns would have been less if full management fees and expenses were applied.

**Investment Considerations:** Mutual fund investing involves risk; loss of principal is possible. Investments in bonds may decline in value due to rising interest rates, a real or perceived decline in credit quality of the issuer, borrower, counterparty, or collateral, adverse tax or legislative changes, court decisions, market or economic conditions. The Fund's portfolio will typically include a high proportion, perhaps even 100%, of high-yield / high-risk securities rated below investment grade. High-yield corporate bonds generally have greater credit risk than other types of fixed-income securities and may be especially sensitive to economic and political changes or adverse developments specific to the company that issued the bond.

**- NOT FDIC INSURED - NO BANK GUARANTEE - MAY LOSE VALUE -**

Aquila Distributors, Inc., 380 Madison Avenue, Suite 2300, New York, NY, 10017 800-437-1020 [www.aquilafunds.com](http://www.aquilafunds.com)



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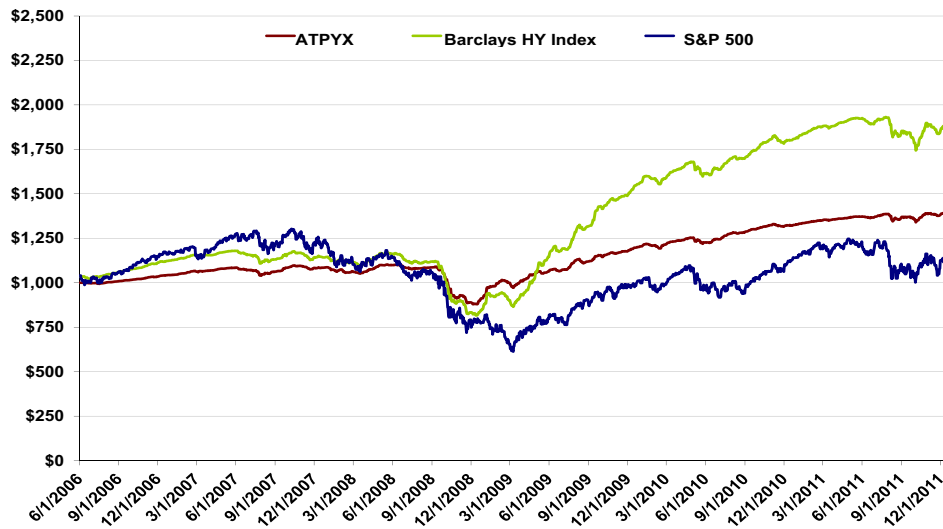
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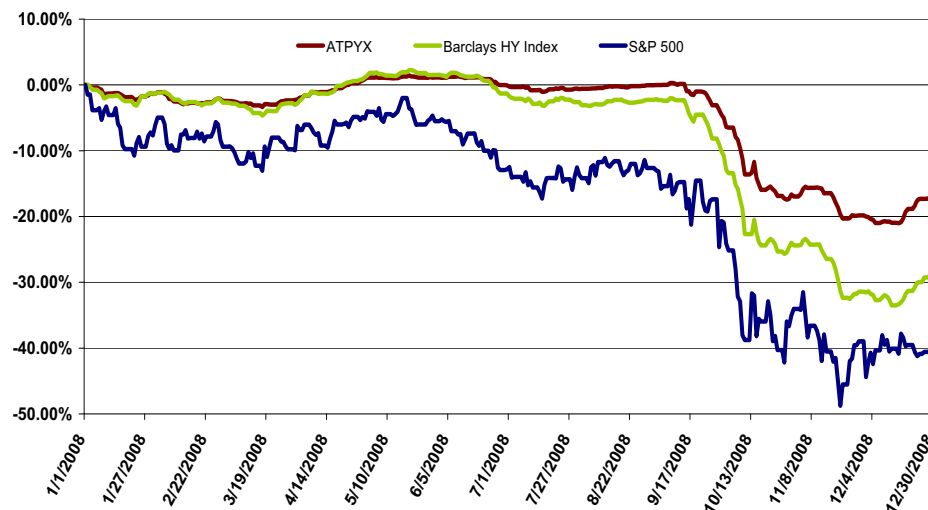
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### Past Market Cycles

**Growth of \$1,000 from June 1, 2006 - December 31, 2011**  
**Aquila Three Peaks High Income Fund Class Y (ATPYX) vs. Barclays HY Index vs. S&P 500**



**2008 Performance - percent change January 1, 2008 - December 31, 2008**  
**Aquila Three Peaks High Income Fund Class Y (ATPYX) vs. Barclays HY Index vs. S&P 500**



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For more information on this fund and the entire Aquila Group of Funds, please visit [www.aquilafunds.com](http://www.aquilafunds.com)