



AQUILA
GROUP OF
FUNDS®

AQUILA THREE PEAKS HIGH INCOME FUND

CRITICAL POINTS IN A CRITICAL TIME



AQUILA THREE PEAKS
HIGH INCOME FUND

Aquila Three Peaks High Income Fund adheres to a highly disciplined research and investment process, in all market environments, by building a portfolio of well-capitalized high-yield issuers with transparent management teams and free cash flow that is being used to pay down debt. Following are several key points, published September 18, 2008, regarding the investment strategy at that time, amid unprecedented market turmoil. A conservative approach to investing in high-yield corporate bonds is a constant characteristic of the Aquila Three Peaks High Income Fund investment process, in all market environments.

Aquila Three Peaks High Income Fund strategy, as published September 18, 2008

- does not trade in credit default swaps (CDS)
- has no current financial sector exposure and no investments in Lehman Brothers., Goldman Sachs, or Morgan Stanley
- has no current insurance industry exposure and no exposure to AIG
- has no exposure to airlines, autos, GMAC or Ford Motor Credit, homebuilders, restaurants, or retailers
- does not invest in preferreds, convertibles, common stock or emerging markets (even though the fund is permitted to invest in foreign securities)
- is currently heavy in anti-recessionary industries such as health care (i.e. Davita – maker of dialysis equipment, 2.45% of portfolio), oil & energy, cable TV, death care, and forced lodging (i.e. Corrections Corp., 2.02% of portfolio)
- has a portfolio made up of brand-name companies, such as Del Monte (2.63% of portfolio), DirecTV (4.13% of portfolio) and Boston Scientific (1.70% of portfolio); names that are among the better capitalized high-yield issuers with high cash balances, and in debt pay-down mode
- has experienced no trade or settlement issues associated with Lehman Brothers or Goldman Sachs
- has seen good liquidity in the high-yield market, both for buy and sell orders
- has a current cash position of approximately 10%
- continues to experience positive net flows; in fact over the life of the fund (2+ years), there have been very few individual days on which net flows were negative
- has an average portfolio rating of B+ and is a very conservatively positioned high-yield fund

Please contact Aquila Distributors, Inc. for additional information. 800-437-1020 or www.aquilafunds.com

Thank you for your continued support and investment.

For Internal/Broker Dealer Use Only

June 30, 2009

Please Note: current and future portfolio holdings are subject to risk. Before investing in the Fund, carefully read about and consider the investment objectives, risks, charges, expenses, and other information found in the Fund prospectus. The prospectus is available when you call 800-437-1020 or visit www.aquilafunds.com. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. 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 purchase. Class Y shares have no initial and no contingent deferred sales charge and are available only through certain financial institutions. Other classes of shares are offered and their performance will vary due to differences in sales charges and fees. An explanation of the share classes appears in the Fund prospectus. Management has contractually undertaken to waive fees and/or reimburse Fund Expenses through December 31, 2009. Returns would have been less if full management fees and expenses were applied.