

NEWS ADVISORY

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Aquila Investment Management Praises Supreme Court Ruling on Municipal Bonds as Victory for States and Shareholders

New York, NY 5-19-08 – Aquila Investment Management LLC, adviser to a family of seven single-state tax-free municipal bond funds, today applauded the United States Supreme Court’s ruling in *Kentucky v. Davis*, which upheld the right of states to tax interest on out-of-state municipal bonds while exempting their own bond interest from taxation.

“This ruling, which allows the states to continue to exempt their own bonds from taxation, represents a victory for the single-state municipal bond market and re-emphasizes the fundamental role it plays in financing vital municipal projects, such as roads, schools, and hospitals at both the state and local levels,” stated Diana Herrmann, Aquila’s Chief Executive Officer.

The ruling came as a result of a Kentucky lawsuit filed in 2003, in which the plaintiffs challenged the constitutionality of Kentucky’s practice of taxing other states’ bonds, while exempting its own.

“In addition to re-emphasizing the importance of tax-exempt status for municipal bonds as a means for states to support their infrastructures, it also represents a victory for local shareholders, who can continue to invest in their own backyards and communities,” Herrmann added.

The Aquila Group of Fundssm has made its mark as a niche player in the mutual-fund industry, with seven single-state municipal bond funds, including one in Arizona, Colorado, Hawaii, Kentucky, Oregon, Rhode Island and Utah. The funds invest in each state through municipal securities issued by various state, county and community agencies to provide shareholders of those states with income exempt from both state and federal taxes. In addition, the Aquila Group of Fundssm also manages a regional equity fund, a high-yield corporate bond fund and three money market funds.

For a free prospectus, contact your Financial Professional, or call 1-800-437-1020 or visit www.aquilafunds.com. Please read it carefully before you invest or send money.

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