



www.aquilafunds.com

Thought For the Month

“Dividends Each and Every Month – And Tax-Free* Too”

Since the inception of each tax-free bond fund in the AquilaSM Group of Funds, more than a decade ago, dividends have been paid each and every month to our shareholders. Not only have these dividends been consistent every month – but, they are also tax-free.

This tax-free dividend paying is in keeping with the objective of each of the tax-free bond funds - to provide you with as high a level of current income exempt from state and regular Federal income taxes as is consistent with preservation of capital.

With the stock market being so tumultuous over the past three years or so, it should be comforting to all our shareholders to receive these dividends each month. Moreover, the share price of the tax-free bond funds in the Aquila Group remains relatively stable.**

You probably won't be surprised to learn that a large percentage of shareholders in the Aquila Group of tax-free bond funds are pre-retirees or retirees who depend on monthly income to meet their living expenses. With this in mind, we purposefully arrange to have the number of days for each dividend payment fluctuate only slightly from month to month. In this way, we provide you with as consistent a level of income as possible.

With the dividends being tax-free, you and our other shareholders get to utilize the full purchasing power of **every** dollar earned. On the other hand, with a taxable investment, you have the situation of 20% or more of each dividend dollar being eaten away by state and Federal taxes.

For those shareholders who are on a fixed income, these additional dollars which **stay in your own pocket** could prove to be extremely beneficial to **you** - instead of going toward taxes.

So, each and every month when you receive your dividend statement or check, it is important to remember that every dollar you earn is **yours and yours alone**.

* For certain investors, some dividends may be subject to Federal and state taxes, including the Alternative Minimum Tax (AMT).

** Share value and dividend rate vary with interest rate fluctuations; redemptions are at the then current net asset value, which may be more or less than original cost.

This “Thought” is not authorized for distribution unless a current Prospectus precedes or accompanies it.