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Thought For the Month

“The Value of Experienced Eyes and Steady Hands”

A sound investment, like a seaworthy ship, should be capable of withstanding adverse conditions. Since we cannot control the financial and economic forces affecting the marketplace, we make every effort to position the Aquilasm Group of Funds to safely ride out any storms that might appear on the horizon.

Not unlike the prudent ship's captain who ensures that the cargo is properly balanced and positioned, each fund's portfolio manager constantly monitors the investment portfolio and the economic weather conditions and strives to provide a stable net asset value. One way the Aquila funds safeguard principal and income stream for its shareholders is through a broadly diversified portfolio of high-quality, investment-grade bonds. Varying maturities among portfolio securities also provides share price stability, while diversification and the sheer size of the portfolio serve as buffers against changing credit and economic conditions.

As with a ship in choppy seas, constant vigilance and a steady hand are required in all phases of each fund's management.

Our experienced and professional investment managers see to it that the continuing inflow of new capital is put to work as quickly and as safely as possible. Will we experience some up and down movement in share value and in dividend payout? Certainly, as interest rates move up and down, each fund's share price will experience some change. However, we do everything possible to minimize price fluctuations and achieve the smoothest passage possible.

Many investors take advantage of these inevitable price fluctuations by maintaining a regular investment schedule. By investing an equal dollar amount on a regular basis, over time the average value of one's shares will balance out one's overall investment cost. While a fixed dollar amount investment will buy fewer shares when the share price is up (such as at present when interest rates are low), a similar amount investment will buy more shares when the share price declines as interest rates rise. This is called “dollar cost averaging.” This investment approach effectively puts the fluctuations of share prices to work for the investor.

For shareholders in the Aquila Group to appreciate the relative stability of their fund's share price performance over the years, they need only observe the dramatic volatility of other investments. Our shareholders, like seasoned travelers, can remain calm, knowing that there are experienced eyes watching the waters and steady hands on the helm.

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