AQUILA®
Churchill Tax-Free
Fund of Kentucky

Annual Report

March 31, 2023

AQUILA®
GROUP OF FUNDS

Aquila Churchill Tax-Free Fund of Kentucky

Navigating Changing Market Conditions

Serving Kentucky investors since 1987

May, 2023

Dear Fellow Shareholder:

The financial markets have a way of reminding us that it isn't always smooth sailing. As history has demonstrated, investments can be influenced to varying degrees by changing market conditions. That's why charting a course for your financial future, and being prepared for inevitable twists and turns, may be important to help one navigate times of volatility and uncertainty. And while the municipal bond market has shown some signs of improvement following a particularly challenging period in 2022, some investors remain leery, wondering what lies ahead. What is the future direction of interest rates? Will inflation continue, or might the economy be headed for a recession? These and other market drivers remain to be seen, which is why we believe it's important to maintain perspective, as well as a long-term focus.

What's Driving Fixed Income Markets

The Federal Reserve (the "Fed") remains front and center when to comes to factors that influence fixed income markets, including the municipal bonds in which your Fund invests. The Fed has continued with a "tight" monetary policy in its quest to manage the U.S. economy. The primary tool employed by the Fed has been to increase interest rates, specifically the Federal Funds rate (the rate that banks charge one another to borrow or lend excess reserves overnight). To date, the Federal Reserve has implemented 10 rate hikes since March of 2022, bringing the Fed Funds rate to a 16-year high, and representing the first time that the Fed's target rate has been above 5% since 2007. This has had a significant impact on fixed income securities, including municipal bonds, and continues to work its way through the economy.

As a result, interest rates rose fairly dramatically over the past year. And as interest rates rise (along with the resulting yields on fixed income securities), prices of bonds generally fall commensurately. When rising rates and declining prices occur at a relatively rapid pace, this normally creates a shift in market dynamics, and in the overall tenor among investors.

The Federal Reserve has also engaged in efforts to reduce its balance sheet, as it attempts to combat inflation, while also trying to avoid the possibility of an economic recession. The state of the U.S. economy continues to be another key driver of fixed income markets. Although certain economic indicators suggest a resilient economy, the future direction of the economy remains a question mark. As the Fed attempts to perform a delicate balancing act, market participants are left wondering if the Fed can successfully achieve a so-called "soft landing," or if the economy may slip into a recession.

Additional factors also contribute to market movements. One such example is recent turmoil in the banking industry which resulted in several high-profile bank failures and subsequent takeovers beginning in March. While the bank failures triggered some concern and uncertainty, they did not necessarily appear to have changed the Fed's outlook on the economy. With continued elevated inflation data, the Fed went ahead with yet another rate increase on May 3, 2023. Comments by Fed Chair Jerome Powell at a subsequent news conference did, however, indicate to many market observers that the Fed may push pause on further rate hikes. The markets, of course, will be paying close attention as we approach the Fed's June meeting date, and beyond.

The Effect on Municipal Bonds

The municipal bond market is currently being supported by strong credit fundamentals. Generally speaking, municipalities around the country have recorded high levels of tax receipts and added liquidity. Credit conditions appear to be solid even in the face of interest rate volatility. Moreover, credit rating upgrades continued to significantly outpace downgrades through year-end 2022, based on data from Standard & Poor's.

Bond issuance has remained relatively low on a year-over-year basis. The combination of robust tax receipts and federal aid programs have left many municipalities with excess budgets. Additionally, bond issuers remain wary given interest rate changes and overall volatility swings. Issuance is generally expected to pick up as the year progresses, although many believe it is likely to remain rather muted.

Maintain a Long-Term Focus

At Aquila Group of Funds, we remain optimistic in the long term for the municipal bond market. Municipal bonds are vital to financing the infrastructure of our local communities and states. Moreover, they may play an important role for investors' asset allocation. We, therefore, believe it's important to keep in mind the key benefits that municipal bond funds offer, particularly during periods of market change and uncertainty.

Your Fund has been specifically designed bearing in mind the fact that most people are more sensitive to potential investment losses than they are eager for outsized gains. Important characteristics of your Fund therefore include:

- **High-quality municipal bonds –** Invests in investment-grade bonds; those in the four highest rating categories, or determined to be of comparable credit quality
- **Intermediate bond portfolio –** Seeks to minimize share price volatility or interest rate risk
- **Broad portfolio diversification –** Supports a wide range of projects in communities of all sizes throughout your state, not only reducing risk but also improving the quality of life throughout the state
- **Local portfolio management –** Provides an up-close perspective and valuable insights on the issuers and economy in the state

Rest assured that your dedicated team of investment professionals continually draws upon their many years of experience in analyzing securities, observing market and economic cycles, and recognizing risks and opportunities. Our goal is to achieve your Fund's investment objective of delivering the highest level of income exempt from regular federal and state income taxes, as is consistent with preservation of capital.

As always, we encourage you to consult with a trusted financial professional who can help ensure that your investment portfolio remains aligned with your individual needs to meet your long-term financial goals. It's prudent to focus on your goals, your time frame for achieving them, and your tolerance for risk.

Thank you for your investment and continued confidence in Aquila Group of Funds.

Sincerely,

Diana P. Herrmann, Vice Chair and President

Any information in this Shareholder Letter regarding market or economic trends or the factors influencing the Fund's historical or future performance are statements of opinion as of the date of this report. These statements should not be relied upon for any other purposes. Past performance is no guarantee of future results, and there is no guarantee that any market forecasts discussed will be realized.

Aquila Churchill Tax-Free Fund of Kentucky

ANNUAL REPORT

Management Discussion

Serving Kentucky investors since 1987

AQUILA® GROUP OF FUNDS

AQUILA® Churchill Tax-Free Fund of Kentucky

Introduction

During the annual reporting period of April 1, 2022 through March 31, 2023, the Federal Reserve (the "Fed") continued the path it began in March 2022 to tighten monetary policy. The Fed rapidly raised interest rates from 50 basis points ("b.p.", one basis point equals 0.01%) beginning March 16, 2022 to the target range of 4.75% – 5.00%, as of your Fund's March 31, 2023 fiscal year end. (On May 3rd, following your Fund's year end, the Fed raised rates an additional 25 b.p. and Fed Chair Jerome Powell's comments at a news conference were generally interpreted by market observers to indicate that the Fed may push pause on further increases.) This increase in interest rates created volatility in the fixed income markets. An example of this volatility is illustrated by the Thomson Reuters Municipal Market Data ("MMD") AAA 10-year maturity yield which was 2.18% on April 1, 2022, reached its highest yield on October 27, 2022 of 3.41%, before settling in at a yield of 2.27% on March 31, 2023.

The Aquila Group of Funds ("AGOF") single state municipal bond funds have consistently believed that a high quality, intermediate fund strategy helps to mitigate interest rate volatility. The AGOF single state funds generally performed well versus longer, lower rated national funds during the fiscal year ended March 31, 2023. It appears the high quality intermediate sector was one of the best performing municipal sectors during this time.

Throughout 2023 we believe there will be interest in how the Fed will respond to the economic conditions facing the United States. The "soft landing" versus a recession continues to be debated among economists. As this debate continues, Congress is currently busy trying to solve the debt ceiling issue with the Administration. Any fiscal stimulus that could increase inflation will be a major point of contention between the legislative and executive branches of government. As a result of this uncertainty, there may be market opportunities that the Aquila Group of Funds can implement to mitigate interest rate volatility.

U.S. Economy

Inflation, and how the Federal Reserve responds, remain the key macroeconomic topics. The era of low interest rates has come to an end, as the Fed continues to raise rates in its fight against inflation. As of the year ended March 31, 2023, the Fed had hiked rates nine straight times since it met on March 16, 2022, including March 22, 2023. (And, a 10th increase was implemented on May 3, 2023.) Although yields have risen from their lows, rates remain well below current inflation levels, as inflation over the past year has been running at its fastest pace in decades. U.S. Treasury yields rose and began to invert in April, 2022 and the Treasury yield curve continues to maintain its distinctly inverted shape. The impact on rates of the Fed's battle has been astonishing with 2-year Treasury yields increasing 428 b.p. from, March 31, 2022 to 5.06% as of March 8, 2023 and the 30-year U.S. Treasury rose 200 b.p. to 4.02%, as of the beginning of March 2023.

Rising interest rates have also significantly impacted bank portfolios. Deposits in the U.S. banking system rapidly increased by $5.2 trillion from 2019 to the end of 2021, following the onset of the COVID-19 pandemic. However, loan volumes did not keep pace with deposits due to the uncertainty created by the pandemic. As a result, banks added to their securities portfolios and loans as their share of total asset base decreased until 2022. Prior to the sharp increase in interest rates last year, banks were holding elevated levels of long-dated fixed income securities purchased with lower yields, which incurred substantial mark-to-market losses as rates increased. Toward the end of February 2023, Federal Deposit Insurance Corporation (FDIC) Chair, Martin Gruenberg, made cautionary statements regarding the impact higher rates could have on the banking sector and on bank unrealized losses. Two weeks later, Silicon Valley Bank ("SVB"), which was the 16th largest commercial bank in the U.S., collapsed following a run on deposits. The failure of SVB and two other banks prompted the Fed to create an emergency lending facility. Moody's Investor Service has since lowered its outlook on the U.S. banking system to "Negative" from "Stable", citing the "rapidly deteriorating operating environment."

The Fed's outlook continues to favor additional interest rate hikes as it seeks to contain current inflation levels and the recent banking crisis. Two main takeaways from recent inflation data are that inflation remains both too high relative to the Fed's 2% target and the rate of inflation has shown signs of decelerating. This slowing began in October 2022, with the release of Consumer Price Index ("CPI") data. More recently, CPI data released in March 2023 reported the all items CPI increased 5.0% year-to-date, the smallest 12-month gain since May 2021. However, the largest contributor to the increase was the cost of shelter, which remains a concern. Although supply chains have shown signs of recovery, the war in Ukraine continues to pressure commodities and energy prices. Furthermore, recently announced production cuts by the oil cartel OPEC (Organization of the Petroleum Exporting Countries) and its allies have placed upward pressure on the energy components of CPI.

Municipal Market

The past year through the period ending March 31, 2023, was an exceptionally challenging year for municipal bonds, with the Bloomberg Municipal Bond Index*, a broad measure of the overall municipal bond market, performance declining 8.53%, reporting its worst annual performance since 1980. The 10-Year Bloomberg AAA municipal yield more than doubled during the reporting period, from 1.05% on March 31, 2022 to 2.62% on December 31, 2022, to finish up the 12-month period at 2.26% on March 31, 2023. The Bloomberg Municipal Bond Index returns turned positive in the fourth quarter of 2022 and ended-up delivering a 2.20% return in March 2023, the strongest March performance since 2008. As of March 31, 2023, the overall municipal bond market had actually recovered to produce a positive total return for the trailing twelve-month period with the Bloomberg Municipal Bond Index eking out a positive 0.26% total return from March 31, 2022 to March 31, 2023.

One of the most significant developments in the municipal bond market over the past year has been the decline in new issuance. Over the first quarter of 2023, new issuance declined a dramatic 23.8% after falling 21.3% for calendar-year 2022. This lack of new issue supply has made sourcing bonds more challenging. The decline in new issuance is primarily due to the substantial increase in interest rates and the accelerated pace of rate hikes over this past year. This lower new issue environment has resulted in a positive credit trend for municipals, given many local governments are sitting on significant amounts of federal pandemic relief cash and running budget surpluses. In addition, taxable municipal yields have risen in parallel with U.S. Treasury yields, which has rendered many taxable municipal refunding bonds uneconomical. As a result, national taxable municipal issuance was approximately 59% of last year's issuance over the same period ending March 31, 2023.

However, declining new issue volume trends have been largely offset by a surge in secondary market trading. In 2022, the overall number of trades rose by 66% from 2021 and 17% higher than the previous high reached in 2008, during the Credit Crisis. The total par value of fixed rate municipal securities traded in 2022 totaled $2.5 trillion, over 7x the amount of new issue volume during the year. This was 40% above the $1.6 trillion in total par value traded in 2021. This secondary market environment can be advantageous to the active portfolio efforts that professional municipal bond mutual fund managers seek to exploit on behalf of their shareholders.

With low new issuance and elevated secondary market trading activity, it is not surprising that demand for municipal bonds remains high. The demand for municipal bonds can be seen in the ratio of municipal yields versus U.S. Treasury yields. As of March 31, 2023, the 5-year maturity range of 'AAA' rated municipals was yielding 61% of U.S. Treasuries, which compares to 81% as of March 31, 2022. For the 10-year maturity range, municipals were yielding 65% of U.S. Treasuries as of March 31, 2023, compared to 94% as of March 31, 2022. While these ratios can be primarily attributed to high demand in a low issuance market, they are also an indication of the value of the tax-exemption offered by municipal bonds and the credit quality of the municipal asset class in the wake of the banking crisis and current recession concerns.

Credit quality in the municipal sector remains high, although there are specific pockets of concern. The uncertainty experienced in the banking sector last month reinforced the concept that investors view municipal bonds, particularly investment grade state and local government issuers, as high-quality investments. This strong perception of credit quality can largely be attributed to the unprecedented level of federal stimulus programs related to the pandemic and local government budgeting practices, which tend to be risk averse. However, there are certain sectors, such as assisted living and student housing, where investors are typically more cautious when investing.

Kentucky State Economy

The Kentucky State economy continues on a growth trajectory with higher revenue success and finished the State's fiscal year-end on June 30, 2022 with General Revenues rising 14.6%, while Road Revenues increased 2.0%. Revenue growth for 2021 was reported at 10.9% and 2022 experienced growth of 14.6%, these were the two highest growth rates reported in consecutive years since 1991. Kentucky ended fiscal year 2022 with a $945 million General Fund surplus, the second highest on record. This placed second to the $1.1 billion surplus of fiscal year 2021. As a result of the December 2021 tornadoes and the 2022 major spring floods in Eastern Kentucky, the State surplus was cut by major expenditures from a legislative perspective to assist the victimized counties.

As of March 31st, 2023, for nine months of fiscal year 2023, General Fund receipts were up 5.8% and the $1,046 billion March 2023 reported tax revenue was the highest on record. The State budget calls for an increase of 3.4% growth, which the State revenue has exceeded so far. Kentucky Budget Director John Hicks stated that increases in sales tax and wage growth continue to be strong. He also noted that General Fund receipts have risen over the last eleven quarters, which reflects the overall sustained prosperity in the Kentucky economy. Hicks commented, "Consistent growth in state revenue reflects business investment, improving wage conditions, and higher levels of ongoing consumption, which in turn feeds back through the economy to create more demand for business activity. Tax revenues rise as a consequence of economic growth."

Further economic gains are reflected with the fact that the state announced its 3.8% Unemployment Rate in March 2023, which was an all time low for the State. Announcements by major companies regarding future employment opportunities should help the Unemployment Rate go even lower. The following business investment amounts and factory buildouts have recently been announced:

- Ford/SK Industries: $5.8 billion
- Microvast - Lithium Battery Separators: $504 million
- Ascend Elements - Lithium Battery Reclamation: $310 million
- Toyota Motors -EV Interiors, Filters and Power Trains: $225 million
- EnerVenue - Metal Hydrogen Batteries For Utility Storage: $264 million
- Envision Automotive Energy Supply Corp. (AESC) - Battery Cells: $2 billion

These projects should help create new sources of revenue for the State and enable the legislature to continue to generate enough general revenues to offset current state income taxes and eventually eliminate the state income tax in roughly 7-8 years, as prescribed in Kentucky House Bill 8. This, in turn, will move Kentucky towards consumption taxes and away from production taxes.

Fund Performance

Aquila Churchill Tax-Free Fund of Kentucky Performance:

	March 31, 2023 1-Year Total Return
Class A Share at NAV (without sales charge)	0.05%
Class Y Share	0.10%
Bloomberg Municipal Bond Quality Intermediate Index	2.04%

Aquila Churchill Tax-Free Fund of Kentucky Portfolio Characteristics:

	March 31, 2022	March 31, 2023
Weighted Average Maturity	7.78 yrs.	7.47 yrs.
Option Adj. (Effective) Duration	4.28 yrs.	4.17 yrs.
Modified Duration	4.22 yrs.	4.05 yrs.

Bloomberg Municipal Bond Quality Intermediate Index Characteristics:

	March 31, 2022	March 31, 2023
Weighted Average Maturity	6.34 yrs.	6.46 yrs.
Effective Duration	4.12 yrs.	4.00 yrs.
Modified Duration	3.86 yrs.	3.80 yrs.

Aquila Churchill Tax-Free Fund of Kentucky (the "Fund") Class Y Shares underperformed the Bloomberg Municipal Bond Quality Intermediate Index (the "Index") over the reporting period ending March 31, 2023. The combination of the high (51.05%) Single A rated composition of the Fund versus the Index (as shown in the chart below) and the longer weighted average maturity, option adjusted duration and modified duration, resulted in the underperformance.

Aquila Churchill Tax-Free Fund of Kentucky versus the Index
Ratings Breakdown as of March 31, 2023

Rating	Fund	Index
A	51.05%	23.85%
AA	39.50%	57.62%
AAA	5.05% (incl. Pre-Refunded)	18.50%

During the Fund's fiscal year ended March 31, 2023, the Fund's Class Y Shares underperformed the Index by -194 b.p.. The vast majority of the underperformance occurred in the first fiscal quarter April 1, 2022 to June 30, 2022, during which time the Fund underperformed by -132 b.p.. It should be noted that the Index does not include any operating expenses nor sales charges, and being nationally oriented, does not reflect state-specific bond market performance.

According to Bloomberg, during the Fund's fiscal year, double AA rated securities outperformed single A rated securities by 62 b.p.. With this in mind, we believe the Fund's performance was consistent with its primarily single A credit positioning in a single A rated state.

Outlook and Strategy

Aquila Churchill Tax-Free Fund of Kentucky continues to implement the longstanding tenets of the Aquila Group of Funds, namely, local management, high quality and intermediate maturity focus. In this volatile market we are seeking to purchase and retain the highest quality securities that we believe the State offers based upon our analytics and credit perspective obtained over our long local tenure in the Kentucky market. Credit research remains a cornerstone for the Fund. The Fund continues to be positioned with

44.56% of the portfolio securities rated AA or higher and 51.05% single A rated. While we have maintained approximately the same rating percentage relationships as in past years, we currently have a slightly higher Non Rated position, given a recent purchase of a Kentucky Housing Private Placement security, structured with a short maturity of 2025 and an above market yield of 4.65%. With the volatility we are experiencing in the fixed income markets, in our opinion, we are keenly aware of value when we see it and are therefore holding a slightly higher percentages of cash which should enable us to purchase securities that we deem will add value to the portfolio, as they become available in both the Primary and Secondary markets.

We believe our current fund maturity and duration exposure leaves us in a desirable position to respond to any favorable shifts that may occur in the yield curve and credit spreads as monetary policy continues to unfold. The volatility the municipal market has experienced in the past quarter may likely continue if the Federal Reserve continues with their strategy of increasing interest rates, along with inflation at recent elevated levels. These periods can introduce valuable opportunities to leverage our demonstrated active management techniques that have enabled the Fund to limit erosion in the monthly distributions, while maintaining a conservative intermediate maturity position.

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* *Source: Bloomberg Index Services Limited. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Bloomberg does not approve or endorse this material or guarantee the accuracy or completeness of any information therein, nor does Bloomberg make any warranty, express or implied, as to results to be obtained therefrom, and, to the maximum extent allowed by the law, Bloomberg shall not have any liability or responsibility for any injury or damages arising in connection therewith.*

Mutual fund investing involves risk and loss of principal is possible.

The market prices of the Fund's securities may rise or decline in value due to general market conditions, such as real or perceived adverse economic, political or regulatory conditions, recessions, inflation, changes in interest rates, lack of liquidity in the bond markets, the spread of infectious illness or other public health issues, armed conflict including Russia's military invasion of Ukraine, sanctions against Russia, other nations or individuals or companies and possible countermeasures, market disruptions caused by tariffs, trade disputes or other factors, or adverse investor sentiment. When market prices fall, the value of your investment may go down. In the past several years, financial markets have experienced increased volatility, depressed valuations, decreased liquidity and heightened uncertainty. These conditions may continue, recur, worsen or spread. Recently, inflation and interest rates have increased and may rise further. These circumstances could adversely affect the value and liquidity of the Fund's investments, impair the Fund's ability to satisfy redemption requests, and negatively impact the Fund's performance. Raising the ceiling on U.S. government debt has become increasingly politicized. Any failure to increase the ceiling on U.S. government debt could lead to a default on U.S. government obligations, with unpredictable consequences for economies and markets.

The global pandemic of the novel coronavirus respiratory disease designated COVID-19 has resulted in major disruption to economies and markets around the world, including the United States. Global financial markets have experienced extreme volatility and severe losses, and trading in many instruments has been disrupted. Liquidity for many instruments has been greatly reduced for periods of time. Some sectors of the economy and individual issuers have experienced particularly large losses. These circumstances may continue to affect adversely the value and liquidity of the Fund's investments. Following Russia's invasion of Ukraine, Russian securities have lost all, or nearly all, their market value. Other securities or markets could be similarly affected by past or future geopolitical or other events or conditions.

MANAGEMENT DISCUSSION (continued)

Governments and central banks, including the U.S. Federal Reserve, have taken extraordinary and unprecedented actions to support local and global economies and the financial markets. These actions have resulted in significant expansion of public debt, including in the U.S. The consequences of high public debt, including its future impact on the economy and securities markets, may not be known for some time.

The U.S. and other countries are periodically involved in disputes over trade and other matters, which may result in tariffs, investment restrictions and adverse impacts on affected companies and securities. For example, the U.S. has imposed tariffs and other trade barriers on Chinese exports, has restricted sales of certain categories of goods to China, and has established barriers to investments in China. Trade disputes may adversely affect the economies of the U.S. and its trading partners, as well as companies directly or indirectly affected and financial markets generally. If the political climate between the U.S. and China does not improve or continues to deteriorate, if China were to attempt unification of Taiwan by force, or if other geopolitical conflicts develop or get worse, economies, markets and individual securities may be severely affected both regionally and globally, and the value of the Fund's assets may go down.

The value of your investment will generally go down when interest rates rise. A rise in interest rates tends to have a greater impact on the prices of longer term or longer duration securities. In recent years, interest rates and credit spreads in the U.S. have been at historic lows. The U.S. Federal Reserve has raised certain interest rates, and interest rates may continue to go up. A general rise in interest rates may cause investors to move out of fixed income securities on a large scale and could also result in increased redemptions from the Fund.

Investments in the Fund are subject to possible loss due to the financial failure of the issuers of underlying securities and their inability to meet their debt obligations.

The value of municipal securities can be adversely affected by changes in the financial condition of one or more individual municipal issuers or insurers of municipal issuers, regulatory developments, legislative actions, and by uncertainties and public perceptions concerning these and other factors. The Fund may be affected significantly by adverse economic, political or other events affecting state and other municipal issuers in which it invests, and may be more volatile than a more geographically diverse fund. The municipal bond market can be susceptible to unusual volatility, particularly for lower-rated and unrated securities. Liquidity can be reduced unpredictably in response to overall economic conditions or credit tightening. Municipal issuers may be adversely affected by rising health care costs, increasing unfunded pension liabilities, and by the phasing out of federal programs providing financial support. Unfavorable conditions and developments relating to projects financed with municipal securities can result in lower revenues to issuers of municipal securities, potentially resulting in defaults. Municipal securities may be more susceptible to downgrades or defaults during a recession or similar periods of economic stress. Financial difficulties of municipal issuers may continue or get worse, particularly in the event of political, economic or market turmoil or a recession.

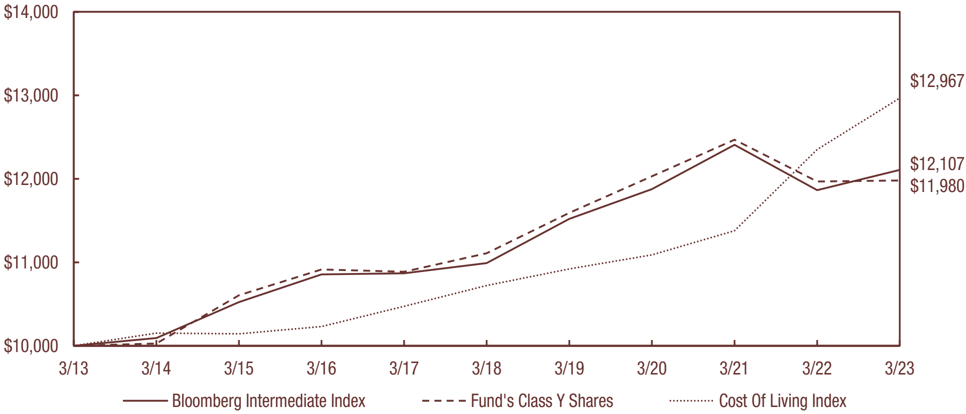
A portion of income may be subject to local, state, Federal and/or alternative minimum tax. Capital gains, if any, are subject to capital gains tax.

These risks may result in share price volatility.

Any information in this Annual Report regarding market or economic trends or the factors influencing the Fund's historical or future performance are statements of opinion as of the date of this report. These statements should not be relied upon for any other purposes. Past performance is no guarantee of future results, and there is no guarantee that any market forecasts discussed will be realized.

PERFORMANCE REPORT

The following graph illustrates the value of $10,000 invested in the Class Y shares of Aquila Churchill Tax-Free Fund of Kentucky (the "Fund") for the 10-year period ended March 31, 2023 as compared with the Bloomberg Municipal Bond: Quality Intermediate TR Unhedged Index** (the "Bloomberg Intermediate Index") and the Consumer Price Index (a cost of living index). The performance of each of the other classes is not shown in the graph but is included in the table below. It should be noted that the Bloomberg Intermediate Index does not include any operating expenses nor sales charges, and being nationally oriented, does not reflect state-specific bond market performance.



Class and Inception Date	Average Annual Total Return for periods ended March 31, 2023			
	1 Year	5 Years	10 Years	Since Inception
Class A since 5/21/87				
With Maximum Sales Charge	(2.98)%	0.54%	1.26%	4.48%
Without Sales Charge	0.05	1.37	1.68	4.60
Class C since 4/01/96				
With CDSC*	(1.78)	0.53	0.83	2.74
Without CDSC	(0.80)	0.53	0.83	2.74
Class F since 12/21/22				
No Sales Charge	N/A	N/A	N/A	1.88
Class I since 8/06/01				
No Sales Charge	(0.20)	1.22	1.52	3.04
Class Y since 4/01/96				
No Sales Charge	0.10	1.52	1.82	3.77
Bloomberg Intermediate Index	2.04	1.96	1.93	4.77 (Class A)
				3.92 (Class C & Y)
				1.92 (Class F)
				3.45 (Class I)

Total return figures shown for the Fund reflect any change in price and assume all distributions, including capital gains, within the period were invested in additional shares. The returns shown do not reflect the deductions of taxes that a shareholder would pay on Fund distributions or the redemption of Fund Shares. The rates of return will vary and the principal value of an investment will fluctuate with market conditions. Shares, if redeemed, may be worth more or less than their original cost. A portion of each class's income may be subject to Federal and state income taxes and/or the Federal Alternative Minimum Tax ("AMT"). Past performance is not predictive of future investment results.

* CDSC = 1% contingent deferred sales charge imposed on redemptions made within the first 12 months after purchase

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** *Source: Bloomberg Index Services Limited. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Bloomberg does not approve or endorse this material or guarantee the accuracy or completeness of any information therein, nor does Bloomberg make any warranty, express or implied, as to results to be obtained therefrom, and, to the maximum extent allowed by the law, Bloomberg shall not have any liability or responsibility for any injury or damages arising in connection therewith.*

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees of Aquila Municipal Trust and the Shareholders of Aquila Churchill Tax-Free Fund of Kentucky:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Aquila Churchill Tax-Free Fund of Kentucky (the "Fund"), including the schedule of investments, as of March 31, 2023, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and financial highlights for each of the five years in the period then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of March 31, 2023, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and its financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We have served as the auditor for the Trust since 2005.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of March 31, 2023 by correspondence with the custodian and brokers. We believe that our audit provides a reasonable basis for our opinion.

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania
May 30, 2023

AQUILA CHURCHILL TAX-FREE FUND OF KENTUCKY
SCHEDULE OF INVESTMENTS
MARCH 31, 2023

Principal Amount	General Obligation Bonds (5.8%)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	Bowling Green, Kentucky		
$ 1,605,000	2.000%, 09/01/44 Series 2021A	Aa1/NR/NR	$ 1,060,359
	Lexington-Fayette Urban County, Kentucky		
3,600,000	4.000%, 09/01/29	Aa2/AA/NR	3,666,744
	Louisville/Jefferson County, Kentucky Metro Government		
2,000,000	4.000%, 04/01/35 Series 2022A	Aa1/NR/AAA	2,150,780
	Newport, Kentucky		
620,000	2.000%, 02/01/38 Series 2021 AGMC Insured	NR/AA/NR	470,499
	Rowan County, Kentucky		
835,000	4.000%, 06/01/30 AGMC Insured	A1/AA/NR	866,997
865,000	4.000%, 06/01/31 AGMC Insured	A1/AA/NR	896,720
	Warren County, Kentucky		
695,000	1.750%, 12/01/35 Series 2020	Aa1/NR/NR	553,456
	Total General Obligation Bonds.		9,665,555
	Revenue Bonds (89.0%)		
	State Agency (26.2%)		
	Kentucky Asset & Liability Commission Federal Highway Notes		
2,000,000	5.250%, 09/01/25 Series A	A2/AA/A+	2,018,780
2,000,000	5.000%, 09/01/26 Series A	A2/AA/A+	2,058,720
1,000,000	5.000%, 09/01/27 Series A	A2/AA/A+	1,049,920
	Kentucky Rural Water Finance Corp.		
240,000	4.500%, 08/01/23 NPFG Insured.	Baa2/A+/NR	240,276
255,000	4.500%, 08/01/24 NPFG Insured.	Baa2/A+/NR	255,291
290,000	4.500%, 08/01/27 NPFG Insured.	Baa2/A+/NR	290,334
245,000	4.600%, 08/01/28 NPFG Insured.	Baa2/A+/NR	245,287
315,000	4.625%, 08/01/29 NPFG Insured.	Baa2/A+/NR	315,372
175,000	4.000%, 02/01/28 Series 2012C	NR/A+/NR	175,144
100,000	4.000%, 02/01/29 Series 2012C	NR/A+/NR	100,081
120,000	4.000%, 02/01/26 Series 2012F.	NR/A+/NR	120,103
125,000	4.000%, 02/01/27 Series 2012F.	NR/A+/NR	125,105
130,000	4.000%, 02/01/28 Series 2012F.	NR/A+/NR	130,107

AQUILA CHURCHILL TAX-FREE FUND OF KENTUCKY
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2023

Principal Amount	Revenue Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	State Agency (continued)		
	Kentucky Rural Water Finance Corp. (continued)		
$ 140,000	4.000%, 02/01/29 Series 2012F.	NR/A+/NR	$ 140,113
265,000	2.000%, 02/01/35 Series 2020I	NR/A+/NR	225,412
475,000	2.000%, 02/01/36 Series 2020I	NR/A+/NR	386,621
280,000	2.000%, 02/01/37 Series 2020I	NR/A+/NR	217,725
615,000	3.000%, 08/01/31 Series 2021D	NR/A+/NR	612,583
625,000	3.000%, 08/01/32 Series 2021D	NR/A+/NR	620,487
580,000	3.000%, 08/01/33 Series 2021D	NR/A+/NR	571,085
	Kentucky State Office Building COP		
2,250,000	4.000%, 04/15/27	A1/NR/NR	2,357,910
1,640,000	5.000%, 06/15/34	A1/NR/NR	1,717,260
	Kentucky State Property and Buildings Commission		
625,000	4.000%, 04/01/26 Project 105.	A1/A-/A+	625,688
655,000	4.000%, 04/01/27 Project 105.	A1/A-/A+	655,694
3,000,000	5.000%, 08/01/33 Project 108.	A1/A-/A+	3,134,130
5,000,000	5.000%, 08/01/32 Project 110.	A1/A-/A+	5,240,800
2,040,000	5.000%, 11/01/27 Project 112.	A1/A-/A+	2,214,094
1,425,000	5.000%, 11/01/28 Project 112.	A1/A-/A+	1,546,610
2,500,000	5.000%, 02/01/31 Project 112.	A1/A-/A+	2,662,150
1,400,000	4.000%, 10/01/30 Project 114.	A1/A-/A+	1,457,680
1,000,000	5.000%, 04/01/29 Project 115.	A1/A-/A+	1,085,920
2,000,000	5.000%, 05/01/30 Project 117.	A1/NR/A+	2,169,280
500,000	5.000%, 05/01/36 Project 117.	A1/NR/A+	536,980
1,490,000	5.000%, 05/01/24 Project 119.	A1/A-/A+	1,527,786
1,015,000	5.000%, 05/01/25 Project 119.	A1/A-/A+	1,062,340
1,000,000	5.000%, 02/01/28 Project 121.	A1/NR/A+	1,105,910
1,000,000	5.000%, 05/01/33 Project 126.	A1/NR/A+	1,181,550
3,000,000	5.000%, 06/01/33 Project 127A	A1/NR/A+	3,547,650
	Total State Agency		43,727,978

AQUILA CHURCHILL TAX-FREE FUND OF KENTUCKY
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2023

Principal Amount	Revenue Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	Airports (3.8%)		
	Louisville, Kentucky Regional Airport Authority		
$ 2,070,000	5.000%, 07/01/23 AMT	NR/A+/A+	$ 2,079,129
2,325,000	5.000%, 07/01/26 AMT	NR/A+/A+	2,365,618
1,895,000	5.000%, 07/01/27 Series A AMT	NR/A+/A+	1,925,528
	Total Airports		6,370,275
	City (1.2%)		
	River City Parking Authority of River City, Inc., Kentucky First Mortgage Refunding		
780,000	2.000%, 12/01/33 Series 2021A	Aa3/AA-/NR	673,709
800,000	2.000%, 12/01/34 Series 2021A	Aa3/AA-/NR	672,648
810,000	2.000%, 12/01/35 Series 2021A	Aa3/AA-/NR	655,371
	Total City		2,001,728
	City & County (0.5%)		
	Louisville & Jefferson County Visitors & Convention Commission (Kentucky International Convention Center Expansion Project)		
1,000,000	3.125%, 06/01/41 Series 2016	Aa3/A/NR	860,240
	Excise Tax (1.0%)		
	Kentucky Bond Development Corp. Transient Room Tax Revenue (Lexington Center Corporation) Subordinate		
1,585,000	5.000%, 09/01/27 Series 2018B	A3/NR/NR	1,725,621
	Healthcare (5.7%)		
	City of Ashland, Kentucky, Medical Center (King's Daughter)		
460,000	5.000%, 02/01/31 Series 2019	Baa1/BBB+/A-	495,659
450,000	5.000%, 02/01/32 Series 2019	Baa1/BBB+/A-	483,741
2,600,000	3.000%, 02/01/40 Series 2019 AGMC Insured	A1/AA/A-	2,141,256

Principal Amount	Revenue Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	Healthcare (continued)		
	Louisville & Jefferson County, Kentucky Metropolitan Government Health System, Norton Healthcare, Inc.		
$ 2,710,000	5.000%, 10/01/27 Series A	NR/A/A+	$ 2,734,661
2,500,000	5.000%, 10/01/31 Series A	NR/A/A+	2,641,075
	Louisville & Jefferson County, Kentucky Metropolitan Government, Louisville Medical Center, Laundry Facility Project		
355,000	4.250%, 05/01/23 Series 2012	NR/A-/NR	355,298
	Warren County, Kentucky, Warren County Community Hospital Corp.		
680,000	4.000%, 10/01/29	NR/AA-/NR	680,612
	Total Healthcare		9,532,302
	Higher Education (13.8%)		
	Boyle County, Kentucky Educational Facilities Refunding (Centre College)		
2,050,000	5.000%, 06/01/28 Series 2017	A3/A/NR	2,218,920
1,000,000	5.000%, 06/01/29 Series 2017	A3/A/NR	1,082,560
	Eastern Kentucky University General Receipts		
1,230,000	5.000%, 10/01/30 Series A	A1/NR/NR	1,361,487
870,000	4.500%, 04/01/32 Series A	A1/NR/NR	892,046
	Kentucky Bond Development Corp. Educational Facilities, City of Danville (Centre College)		
305,000	4.000%, 06/01/34 Series 2021	A3/A/NR	314,760
	Kentucky Bond Development Corp. Educational Facilities Revenue Refunding, City of Stamping Ground (Transylvania University Project)		
645,000	3.000%, 03/01/38 Series 2021A	NR/A-/NR	547,986
	Kentucky Bond Development Corp. Industrial Building Revenue, City of Stamping Ground (Transylvania University Project)		
510,000	4.000%, 03/01/33 Series 2019B	NR/A-/NR	524,652
610,000	4.000%, 03/01/34 Series 2019B	NR/A-/NR	624,494

AQUILA CHURCHILL TAX-FREE FUND OF KENTUCKY
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2023

Principal Amount	Revenue Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	Higher Education (continued)		
	Kentucky State University COP		
$ 300,000	4.000%, 11/01/34 Series 2021 BAMI Insured	NR/AA/NR	$ 321,072
310,000	4.000%, 11/01/36 Series 2021 BAMI Insured	NR/AA/NR	320,937
740,000	4.000%, 11/01/38 Series 2021 BAMI Insured	NR/AA/NR	748,036
	Louisville & Jefferson County, Kentucky Metropolitan Government College Improvement (Bellarmine University Project)		
2,270,000	5.000%, 05/01/33	Ba1/NR/NR	2,203,035
	Morehead State University, Kentucky General Receipts		
1,000,000	5.000%, 04/01/29 Series A	A1/NR/NR	1,040,610
1,000,000	4.000%, 04/01/31 Series A	A1/NR/NR	1,024,840
	Murray State University Project, Kentucky General Receipts		
1,850,000	4.500%, 03/01/30 Series A	A1/NR/NR	1,907,461
1,230,000	3.000%, 09/01/35 Series 2022A	A1/NR/NR	1,167,332
	Northern Kentucky University, Kentucky General Receipts		
990,000	3.000%, 09/01/40 Series A AGMC Insured	A1/AA/NR	829,580
	University of Kentucky COP		
1,000,000	4.000%, 05/01/39 2011 Series 2019A	Aa3/AA/NR	1,013,010
	University of Kentucky, Kentucky General Receipts		
2,715,000	3.000%, 04/01/39 Series A	Aa2/AA+/NR	2,445,401
	University of Louisville, Kentucky General Receipts		
1,235,000	3.000%, 09/01/32 Series 2021B BAMI Insured	A1/AA/NR	1,235,284
1,275,000	3.000%, 09/01/33 Series 2021B BAMI Insured	A1/AA/NR	1,259,216
	Total Higher Education		23,082,719

AQUILA CHURCHILL TAX-FREE FUND OF KENTUCKY
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2023

Principal Amount	Revenue Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	Housing (2.4%)		
	Kentucky Housing Corp. Multifamily (Churchill Park)		
$ 3,000,000	4.650%, 05/01/25 144A	NR/NR/NR*	$ 2,999,310
	Kentucky Housing Multifamily Mortgage Revenue		
1,010,000	5.000%, 06/01/35 AMT (mandatory put 6/01/23)	NR/NR/NR*	1,011,555
	Total Housing		4,010,865
	Local Public Property (6.4%)		
	Jefferson County, Kentucky Capital Projects		
1,950,000	4.375%, 06/01/24 AGMC Insured	A1/NR/AA+	1,952,535
1,640,000	4.375%, 06/01/28 AGMC Insured	A1/NR/AA+	1,642,083
1,070,000	4.375%, 06/01/27 Series A AGMC Insured	A1/NR/AA+	1,071,359
	Kentucky Association of Counties Finance Corp. Financing Program		
515,000	4.000%, 02/01/25	NR/AA-/NR	515,546
30,000	4.250%, 02/01/24 Series A	NR/AA-/NR	30,037
345,000	5.000%, 02/01/24 Series B	NR/AA-/NR	351,790
365,000	5.000%, 02/01/25 Series B	NR/AA-/NR	380,607
385,000	5.000%, 02/01/26 Series B	NR/AA-/NR	410,945
380,000	3.000%, 02/01/30 Series C	NR/AA-/NR	383,241
460,000	3.000%, 02/01/32 Series D	NR/AA-/NR	460,354
470,000	3.000%, 02/01/33 Series D	NR/AA-/NR	465,328
1,210,000	3.000%, 02/01/38 Series E.	NR/AA-/NR	1,069,507
	Kentucky Bond Corp. Financing Program		
575,000	2.000%, 02/01/37 First Series A.	NR/AA-/NR	429,174
590,000	2.000%, 02/01/38 First Series A.	NR/AA-/NR	428,476
600,000	2.000%, 02/01/39 First Series A.	NR/AA-/NR	425,394
730,000	3.000%, 02/01/41 Series F.	NR/AA-/NR	609,360
	Total Local Public Property		10,625,736

Principal Amount	Revenue Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	School Building (16.1%)		
	Beechwood, Kentucky Independent School District Finance Corp.		
$ 645,000	4.000%, 08/01/31 Series 2022	A1/NR/NR	$ 682,894
	Bullitt County, Kentucky School District Finance Corp.		
970,000	1.875%, 12/01/36 Series 2020	A1/NR/NR	776,921
	Fayette County, Kentucky School District Finance Corp.		
3,000,000	5.000%, 08/01/31	Aa3/AA-/NR	3,145,170
	Hopkins County, Kentucky School District Finance Corp.		
1,500,000	2.000%, 02/01/39 Series 2021	A1/NR/NR	1,112,655
	Jefferson County, Kentucky School District Finance Corp.		
805,000	5.000%, 04/01/28 Series A	Aa3/AA-/NR	839,446
1,075,000	4.500%, 04/01/32 Series A	Aa3/AA-/NR	1,112,410
4,000,000	4.000%, 07/01/26 Series B	Aa3/AA-/NR	4,014,080
1,655,000	4.000%, 11/01/29 Series C	Aa3/AA-/NR	1,667,694
	Johnson County, Kentucky School District Finance Corp.		
1,080,000	4.000%, 04/01/32 Series 2023	A1/NR/NR	1,136,419
	Kenton County, Kentucky School District Finance Corp.		
2,040,000	3.000%, 02/01/31 Series 2022	A1/NR/NR	1,985,634
	Lewis County, Kentucky School District Finance Corp.		
1,600,000	2.000%, 02/01/39 Series 2021	A1/NR/NR	1,204,400
	Logan County, Kentucky School District Finance Corp., Energy Conservation Revenue Bonds		
575,000	4.000%, 04/01/33 Series 2016	A1/NR/NR	593,377
615,000	4.000%, 04/01/34 Series 2016	A1/NR/NR	633,862
	Scott County, Kentucky School District Finance Corp. School Building		
2,000,000	4.000%, 02/01/32	Aa3/NR/NR	2,156,340

AQUILA CHURCHILL TAX-FREE FUND OF KENTUCKY
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2023

Principal Amount	Revenue Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	School Building (continued)		
	Shelby County, Kentucky School District Finance Corp. School Building		
$ 3,200,000	4.000%, 02/01/28	A1/NR/NR	$ 3,349,856
2,440,000	4.000%, 02/01/29	A1/NR/NR	2,550,703
	Total School Building		26,961,861
	Student Loan (2.3%)		
	Kentucky Higher Education Student Loan		
400,000	5.000%, 06/01/24 Senior Series A AMT	NR/A/A	407,868
600,000	5.000%, 06/01/26 Senior Series A AMT	NR/A/A	632,202
500,000	4.000%, 06/01/34 Senior Series A AMT	NR/A/A	496,670
750,000	5.000%, 06/01/28 Senior Series 2019A-1 AMT	NR/A/A	804,765
1,000,000	5.000%, 06/01/28 Senior Series 2021A-1 AMT	NR/A/A	1,073,020
350,000	5.000%, 06/01/31 Senior Series 2021A-1 AMT	NR/A/A	383,880
	Total Student Loan		3,798,405
	Turnpike/Highway (7.0%)		
	Kentucky State Turnpike Authority		
4,030,000	5.000%, 07/01/30 Series A	Aa3/A-/A+	4,216,105
1,200,000	5.000%, 07/01/31 Series A	Aa3/NR/NR	1,422,108
1,715,000	5.000%, 07/01/31 Series B	Aa3/A-/NR	1,836,319
2,925,000	5.000%, 07/01/33 Series B	Aa3/A-/NR	3,129,077
900,000	5.000%, 07/01/28 Series 2022B	Aa3/NR/NR	1,012,158
	Total Turnpike/Highway		11,615,767
	Utilities (2.6%)		
	Boone County, Kentucky Pollution Control		
1,000,000	3.700%, 08/01/27 Series 2008A	Baa1/BBB+/NR	1,001,310
	Louisville & Jefferson County, Kentucky Metropolitan Sewer District		
1,920,000	4.500%, 05/15/30 Series A	Aa3/AA/NR	1,974,125

AQUILA CHURCHILL TAX-FREE FUND OF KENTUCKY
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2023

Principal Amount	Revenue Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	Utilities (continued)		
	Murray, Kentucky Electric Plant Board		
$ 1,380,000	3.000%, 12/01/35 Series 2021 AGMC Insured	A1/AA/NR	$ 1,301,271
	Total Utilities		4,276,706
	Total Revenue Bonds		148,590,203
	Pre-Refunded\Escrowed to Maturity Bonds (3.7%)††		
	Pre-Refunded Revenue Bonds\ Escrowed to Maturity Bonds (3.7%)		
	Healthcare (3.7%)		
	Hardin County, Kentucky, Hardin Memorial Hospital		
675,000	5.500%, 08/01/23 AGMC Insured ETM	A1/AA/NR	681,055
500,000	5.250%, 08/01/24 AGMC Insured	A1/AA/NR	504,085
	Warren County, Kentucky, Warren County Community Hospital Corp.		
4,975,000	5.000%, 04/01/28	NR/AA-/NR	4,975,000
	Total Pre-Refunded\Escrowed to Maturity Bonds		6,160,140
	Total Municipal Bonds (cost $169,969,941)		164,415,898
Shares	**Short-Term Investment (1.2%)**		
2,124,680	Dreyfus Treasury Obligations Cash Management - Institutional Shares, 4.69%** (cost $2,124,680)	Aaa-mf/AAAm/NR	2,124,680
	Total Investments (cost $172,094,621 - note 4)	99.7%	166,540,578
	Other assets less liabilities	0.3	441,248
	Net Assets	100.0%	$ 166,981,826

Portfolio Distribution By Quality Rating (unaudited)	Percentage of Investments†
AAA of Fitch	1.3%
Pre-refunded bonds\ETM bonds††	3.7
Aa of Moody's or AA of S&P or Fitch	39.5
A of Moody's or S&P or Fitch	51.1
Baa of Moody's or BBB of S&P	0.6
Ba1 of Moody's	1.4
Not Rated*	2.4
	100.0%

PORTFOLIO ABBREVIATIONS

AGMC - Assured Guaranty Municipal Corp.
AMT - Alternative Minimum Tax
BAMI - Build America Mutual Insurance
COP - Certificates of Participation
ETM - Escrowed to Maturity
NPFG - National Public Finance Guarantee
NR - Not Rated

* Any security not rated ("NR") by any of the Nationally Recognized Statistical Rating Organizations ("NRSRO") has been determined by the Investment Adviser to have sufficient quality to be ranked in the top four credit ratings if a credit rating were to be assigned by a NRSRO.

** The rate is an annualized seven-day yield at period end.

† Where applicable, calculated using the highest rating of the three NRSRO. Percentages in this table do not include the Short-Term Investment.

†† Pre-refunded bonds are bonds for which U.S. Government Obligations usually have been placed in escrow to retire the bonds at their earliest call date. Escrowed to Maturity bonds are bonds where money has been placed in the escrow account which is used to pay principal and interest through the bond's originally scheduled maturity date. Escrowed to Maturity are shown as ETM. All other securities in the category are pre-refunded.

Note: 144A – Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At March 31, 2023, these securities amounted to a value of $2,999,310 or 1.8% of net assets.

See accompanying notes to financial statements.

AQUILA CHURCHILL TAX-FREE FUND OF KENTUCKY
STATEMENT OF ASSETS AND LIABILITIES
MARCH 31, 2023

ASSETS	
Investments at value (cost $172,094,621)	$ 166,540,578
Interest receivable	2,023,250
Receivable for Fund Shares sold	10,968
Other assets	26,443
Total assets	168,601,239
LIABILITIES	
Payables:	
Investment securities purchased	1,128,730
Fund shares redeemed	280,025
Dividends	56,721
Management fee	56,150
Distribution and service fees payable	93
Other expenses	97,694
Total liabilities	1,619,413
NET ASSETS	$ 166,981,826
Net Assets consist of:	
Capital Stock – Authorized an unlimited number of shares, par value $0.01 per share	$ 166,678
Additional paid-in capital	173,058,415
Total distributable earnings (losses)	(6,243,267)
	$ 166,981,826
CLASS A	
Net Assets	$ 112,565,080
Capital shares outstanding	11,237,271
Net asset value and redemption price per share	$ 10.02
Maximum offering price per share (100/97 of $10.02)	$ 10.33
CLASS C	
Net Assets	$ 2,261,639
Capital shares outstanding	225,806
Net asset value and offering price per share	$ 10.02
CLASS F	
Net Assets	$ 256,579
Capital shares outstanding	25,633
Net asset value, offering and redemption price per share	$ 10.01
CLASS I	
Net Assets	$ 6,198,573
Capital shares outstanding	618,958
Net asset value, offering and redemption price per share	$ 10.01
CLASS Y	
Net Assets	$ 45,699,955
Capital shares outstanding	4,560,150
Net asset value, offering and redemption price per share	$ 10.02

See accompanying notes to financial statements.

AQUILA CHURCHILL TAX-FREE FUND OF KENTUCKY
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2023

Investment Income		
Interest income		$ 5,108,842
Expenses		
Management fee (note 3)	$ 675,688	
Distribution and service fee (note 3)	208,520	
Transfer and shareholder servicing agent fees (note 3)	97,921	
Trustees' fees and expenses (note 7)	57,728	
Fund accounting fees	57,372	
Legal fees	44,641	
Registration fees and dues	25,215	
Auditing and tax fees	22,700	
Shareholders' reports	12,285	
Compliance services (note 3)	9,827	
Insurance	8,830	
Custodian fees	5,782	
Credit facility fees (note 10)	4,746	
Miscellaneous	21,148	
Total expenses		1,252,403
Net investment income		3,856,439
Realized and Unrealized Gain (Loss) on Investments:		
Net realized gain (loss) from securities transactions	(694,653)	
Change in unrealized appreciation (depreciation) on investments	(3,502,698)	
Net realized and unrealized gain (loss) on investments		(4,197,351)
Net change in net assets resulting from operations		$ (340,912)

See accompanying notes to financial statements.

AQUILA CHURCHILL TAX-FREE FUND OF KENTUCKY
STATEMENT OF CHANGES IN NET ASSETS

	Year Ended March 31, 2023	Year Ended March 31, 2022
OPERATIONS:		
Net investment income	$ 3,856,439	$ 3,778,341
Realized gain (loss) from securities transactions	(694,653)	(5,762)
Change in unrealized appreciation (depreciation) on investments	(3,502,698)	(11,699,561)
Change in net assets resulting from operations	(340,912)	(7,926,982)
DISTRIBUTIONS TO SHAREHOLDERS (note 9):		
Class A Shares	(2,670,642)	(2,777,064)
Class C Shares	(42,566)	(56,656)
Class F Shares	(320)	—
Class I Shares	(133,166)	(129,140)
Class Y Shares	(1,094,253)	(986,166)
Change in net assets from distributions	(3,940,947)	(3,949,026)
CAPITAL SHARE TRANSACTIONS (note 6):		
Proceeds from shares sold	25,370,047	23,209,081
Reinvested dividends and distributions	3,233,465	3,208,855
Cost of shares redeemed	(36,245,727)	(22,813,782)
Change in net assets from capital share transactions	(7,642,215)	3,604,154
Change in net assets	(11,924,074)	(8,271,854)
NET ASSETS:		
Beginning of period	178,905,900	187,177,754
End of period	$ 166,981,826	$ 178,905,900

See accompanying notes to financial statements.

1. Organization

Aquila Churchill Tax-Free Fund of Kentucky (the "Fund") is one of six series of Aquila Municipal Trust, a Massachusetts business trust registered under the Investment Company Act of 1940 (the "1940 Act") as a non-diversified, open-end management investment company. The Fund, which commenced operations on October 12, 2013, is the successor to Churchill Tax-Free Fund of Kentucky. Churchill Tax-Free Fund of Kentucky transferred all of its assets and liabilities in exchange for shares of the Fund on October 11, 2013 pursuant to an agreement and plan of reorganization (the "reorganization"). The reorganization was approved by shareholders of Churchill Tax-Free Fund of Kentucky on September 17, 2013. The reorganization was accomplished by exchanging the assets and liabilities of the predecessor fund for shares of the Fund. Shareowners holding shares of Churchill Tax-Free Fund of Kentucky received corresponding shares of the Fund in a one-to-one exchange ratio in the reorganization. Accordingly, the reorganization, which was a tax-free exchange, had no effect on the Fund's operations. The Fund is authorized to issue an unlimited number of shares. Class A Shares are sold at net asset value plus a sales charge of varying size (depending upon a variety of factors) paid at the time of purchase and bear a distribution fee. Class C Shares are sold at net asset value with no sales charge payable at the time of purchase but with a level charge for service and distribution fees for six years thereafter. Class C Shares automatically convert to Class A Shares after six years. Class F and Class Y Shares are sold only through authorized financial institutions acting for investors in a fiduciary, advisory, agency, custodial or similar capacity and are not offered directly to retail customers. Class F and Class Y Shares are sold at net asset value with no sales charge, no redemption fee, no contingent deferred sales charge ("CDSC") and no distribution fee. Class I Shares are offered and sold only through financial intermediaries and are not offered directly to retail customers. Class I Shares are sold at net asset value with no sales charge and no redemption fee or CDSC, although a financial intermediary may charge a fee for effecting a purchase or other transaction on behalf of its customers. Class I Shares carry a distribution and a service fee. All classes of shares represent interests in the same portfolio of investments and are identical as to rights and privileges but differ with respect to the effect of sales charges, the distribution and/or service fees borne by each class, expenses specific to each class, voting rights on matters affecting a single class and the exchange privileges of each class.

2. Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements. The policies are in conformity with accounting principles generally accepted in the United States of America for investment companies.

a) *Portfolio valuation:* Municipal securities are valued each business day based upon information provided by a nationally prominent independent pricing service and periodically verified through other pricing services. In the case of securities for which market quotations are readily available, securities are valued by the pricing service at the mean of bid and ask quotations. If a market quotation or a valuation from the pricing service is not readily available, the security is valued using other fair value methods. Rule 2a-5 under the 1940 Act provides that in the event that market quotations are not readily available, such securities must be valued at their fair value as determined in good faith by each Fund's Board of Trustees. Rule 2a-5 further provides that the Board may choose to designate a "valuation designee" to perform the fair value determination. The Aquila Municipal Trust Board has designated Aquila Investment Management LLC as the valuation designee (the "Valuation Designee") to determine the fair value of Fund securities in good faith. Aquila Investment Management LLC as Valuation Designee, selects an appropriate methodology or methodologies for determining and calculating the fair value of Fund investments and applies such methodology or methodologies in a consistent manner, including specifying the key inputs and assumptions specific to each asset class or portfolio holding.

b) *Fair value measurements:* The Fund follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund's investments and are summarized in the following fair value hierarchy:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumptions about the assumptions a market participant would use in valuing the asset or liability, based on the best information available.

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

The following is a summary of the valuation inputs, representing 100% of the Fund's investments, used to value the Fund's net assets as of March 31, 2023:

Valuation Inputs*	Investments in Securities
Level 1 – Quoted Prices — Short-Term Investment	$ 2,124,680
Level 2 – Other Significant Observable Inputs — Municipal Bonds*	164,415,898
Level 3 – Significant Unobservable Inputs	—
Total	$ 166,540,578

* See schedule of investments for a detailed listing of securities.

c) *Subsequent events*: In preparing these financial statements, the Fund has evaluated events and transactions for potential recognition or disclosure through the date these financial statements were issued.

d) *Securities transactions and related investment income*: Securities transactions are recorded on the trade date. Realized gains and losses from securities transactions are reported on the identified cost basis. Interest income is recorded daily on the accrual basis and is adjusted for amortization of premium and accretion of original issue and market discount.

e) *Federal income taxes*: It is the policy of the Fund to continue to qualify as a regulated investment company by complying with the provisions of the Internal Revenue Code applicable to certain investment companies. The Fund intends to make distributions of income and securities profits sufficient to relieve it from all, or substantially all, Federal income and excise taxes.

Management has reviewed the tax positions for each of the open tax years (2020 – 2022) or expected to be taken in the Fund's 2023 tax returns and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

f) *Multiple Class Allocations*: All income, expenses (other than class-specific expenses), and realized and unrealized gains or losses are allocated daily to each class of shares based on the relative net assets of each class. Class-specific expenses, which include distribution and service fees and any other items that are specifically attributed to a particular class, are also charged directly to such class on a daily basis.

g) *Use of estimates*: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

h) *Reclassification of capital accounts*: Accounting principles generally accepted in the United States of America require that certain components of net assets relating to permanent differences be reclassified between financial and tax reporting. These reclassifications had no effect on net assets or net asset value per share. For the year ended March 31, 2023, there were no items identified that have been reclassified among components of net assets.

i) The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board ("FASB") Accounting Standard Codification Topic 946 "Financial Services-Investment Companies".

3. Fees and Related Party Transactions

a) *Management Arrangements*:

Aquila Investment Management LLC (the "Manager"), a wholly-owned subsidiary of Aquila Management Corporation, the Fund's founder and sponsor, serves as the Manager for the Fund under an Advisory and Administration Agreement with the Fund. Under the Advisory and Administration Agreement, the Manager provides all investment management and administrative services to the Fund. The Manager's services include providing the office of the Fund and all related services as well as managing relationships with all the various support organizations to the Fund such as the transfer and shareholder servicing agent, custodian, legal counsel, auditors and distributor. For its services, the Manager is entitled to receive a fee which is payable monthly and computed as of the close of business each day at the annual rate of 0.40% on the Fund's net assets.

Under a Compliance Agreement with the Manager, the Manager is compensated by the Fund for compliance related services provided to enable the Fund to comply with Rule 38a-1 of the Investment Company Act of 1940, as amended (the "1940 Act").

Specific details as to the nature and extent of the services provided by the Manager are more fully defined in the Fund's Prospectus and Statement of Additional Information.

b) *Distribution and Service Fees*:

The Fund has adopted a Distribution Plan (the "Plan") pursuant to Rule 12b-1 (the "Rule") under the 1940 Act. Under one part of the Plan, with respect to Class A Shares, the Fund is authorized to make distribution fee payments to broker-dealers or others ("Qualified Recipients") selected by Aquila Distributors LLC (the "Distributor") including, but not limited to, any principal underwriter of the Fund, with which the Distributor has entered into written agreements contemplated by the Rule and which have rendered assistance in the distribution and/or retention of the Fund's shares or servicing of shareholder accounts. The Fund makes payment of this distribution fee at the annual rate of 0.15% of the Fund's average net assets represented by Class A Shares. For the year ended March 31, 2023, distribution fees on Class A Shares amounted to $173,066 of which the Distributor retained $9,635.

Under another part of the Plan, the Fund is authorized to make payments with respect to Class C Shares to Qualified Recipients which have rendered assistance in the distribution and/or retention of the Fund's Class C shares or servicing of shareholder accounts. These payments are made at the annual rate of 0.75% of the Fund's average net assets represented by Class C Shares and for the year ended March 31, 2023, amounted to $21,979. In addition, under a Shareholder Services Plan, the Fund is authorized to make service fee payments with respect to Class C Shares to Qualified Recipients for providing personal services and/or maintenance of shareholder accounts. These payments are made at the annual rate of 0.25% of the Fund's average net assets represented by Class C Shares and for the year ended March 31, 2023, amounted to $7,326. For the year ended March 31, 2023, the total of these payments with respect to Class C Shares amounted to $29,305 of which the Distributor retained $8,236.

Under another part of the Plan, the Fund is authorized to make payments with respect to Class I Shares to Qualified Recipients. Class I payments, under the Plan, may not exceed for any fiscal year of the Fund a rate (currently 0.10%), set from time to time by the Board of Trustees, of not more than 0.25% of the average annual net assets represented by the Class I Shares. In addition, Class I has a Shareholder Services Plan under which it may pay service fees (currently 0.25%) of not more than 0.25% of the average annual net assets represented by Class I Shares. That is, the total payments under both plans will not exceed 0.50% of such net assets. For the year ended March 31, 2023, these payments were made at the average annual rate of 0.35% of such net assets and amounted to $21,522 of which $6,149 related to the Plan and $15,373 related to the Shareholder Services Plan.

Specific details about the Plans are more fully defined in the Fund's Prospectus and Statement of Additional Information.

Under a Distribution Agreement, the Distributor serves as the exclusive distributor of the Fund's shares. Through agreements between the Distributor and various brokerage and advisory firms ("financial intermediaries"), the Fund's shares are sold primarily through the facilities of these financial intermediaries having offices within Kentucky, with the bulk of any sales commissions inuring to such financial intermediaries. For the year ended March 31, 2023, total commissions on sales of Class A Shares amounted to $14,634 of which the Distributor received $3,393.

c) *Transfer and shareholder servicing fees*:

The Fund occasionally compensates financial intermediaries in connection with the sub-transfer agency related services provided by such entities in connection with their respective Fund shareholders so long as the fees are deemed by the Board of Trustees to be reasonable in relation to (i) the value of the services and the benefits received by the Fund and certain shareholders; and (ii) the payments that the Fund would make to another entity to perform similar ongoing services to existing shareholders.

4. Purchases and Sales of Securities

During the year ended March 31, 2023, purchases of securities and proceeds from the sales of securities aggregated $15,800,434 and $21,617,656, respectively.

At March 31, 2023, the aggregate tax cost for all securities was $172,094,621. At March 31, 2023, the aggregate gross unrealized appreciation for all securities in which there is an excess of value over tax cost amounted to $932,053 and aggregate gross unrealized depreciation for all securities in which there is an excess of tax cost over value amounted to $6,486,096 for a net unrealized depreciation of $5,554,043.

5. Portfolio Orientation

Since the Fund invests principally and may invest entirely in double tax-free municipal obligations of issuers within Kentucky, it is subject to possible risks associated with economic, political, or legal developments or industrial or regional matters specifically affecting Kentucky and whatever effects these may have upon Kentucky issuers' ability to meet their obligations. At March 31, 2023, the Fund had all of its long-term portfolio holdings invested in municipal obligations of issuers within Kentucky.

6. Capital Share Transactions

Transactions in Capital Shares of the Fund were as follows:

	Year Ended March 31, 2023		Year Ended March 31, 2022	
	Shares	Amount	Shares	Amount
Class A Shares				
Proceeds from shares sold..	616,846	$ 6,126,649	649,893	$ 7,077,451
Reinvested dividends and distributions	243,218	2,412,332	229,741	2,480,053
Cost of shares redeemed ...	(1,670,464)	(16,564,312)	(1,193,302)	(12,856,736)
Net change	(810,400)	(8,025,331)	(313,668)	(3,299,232)
Class C Shares				
Proceeds from shares sold..	1,154	11,555	25,109	270,493
Reinvested dividends and distributions	4,055	40,232	4,988	53,912
Cost of shares redeemed ...	(152,941)	(1,518,081)	(147,776)	(1,602,993)
Net change	(147,732)	(1,466,294)	(117,679)	(1,278,588)
Class F Shares				
Proceeds from shares sold..	25,603	253,677	—	—
Reinvested dividends and distributions	32	320	—	—
Cost of shares redeemed ...	(2)	(15)	—	—
Net change	25,633	253,982	—	—
Class I Shares				
Proceeds from shares sold..	1	5	—	—
Reinvested dividends and distributions	13,431	133,168	11,967	129,139
Cost of shares redeemed ..	(13,779)	(136,619)	(12,282)	(132,542)
Net change	(347)	(3,446)	(315)	(3,403)
Class Y Shares				
Proceeds from shares sold..	1,920,139	18,978,161	1,464,106	15,861,137
Reinvested dividends and distributions	65,232	647,413	50,592	545,751
Cost of shares redeemed ..	(1,830,572)	(18,026,700)	(764,925)	(8,221,511)
Net change.............	154,799	1,598,874	749,773	8,185,377
Total transactions in Fund shares	(778,047)	$ (7,642,215)	318,111	$ 3,604,154

7. Trustees' Fees and Expenses

At March 31, 2023, there were 9 Trustees, one of whom is affiliated with the Manager and is not paid any fees. The total amount of Trustees' service fees (for carrying out their responsibilities) and attendance fees paid during the year ended March 31, 2023 was $55,660. Attendance fees are paid to those in attendance at regularly scheduled quarterly Board Meetings and meetings of the independent Trustees held prior to each quarterly Board Meeting, as well as additional meetings (such as Audit, Nominating, Shareholder and special meetings). Trustees are reimbursed for their expenses such as travel, accommodations and meals incurred in connection with attendance at Board Meetings and at the Annual Meeting of Shareholders. For the year ended March 31, 2023, due to the COVID-19 pandemic, such meeting-related expenses were reduced and amounted to $2,068.

8. Securities Traded on a When-Issued Basis

The Fund may purchase or sell securities on a when-issued basis. When-issued transactions arise when securities are purchased or sold by the Fund with payment and delivery taking place in the future in order to secure what is considered to be an advantageous price and yield to the Fund at the time of entering into the transaction. These transactions are subject to market fluctuations and their current value is determined in the same manner as for other securities.

9. Income Tax Information and Distributions

The Fund declares dividends daily from net investment income and makes payments monthly. Net realized capital gains, if any, are distributed annually and are taxable. Dividends and capital gains distributions are paid in additional shares at the net asset value per share or in cash, at the shareholder's option.

The Fund intends to maintain, to the maximum extent possible, the tax-exempt status of interest payments received from portfolio municipal securities in order to allow dividends paid to shareholders from net investment income to be exempt from regular Federal and Commonwealth of Kentucky income taxes. Due to differences between financial statement reporting and Federal income tax reporting requirements, distributions made by the Fund may not be the same as the Fund's net investment income, and/or net realized securities gains. Further, a small portion of the dividends may, under some circumstances, be subject to taxes at ordinary income and/or capital gain rates. For certain shareholders, some dividend income may, under some circumstances, be subject to the Alternative Minimum Tax. As a result of the passage of the Regulated Investment Company Modernization Act of 2010 (the "Act"), losses incurred in this fiscal year and beyond retain their character as short-term or long-term, have no expiration date and are utilized before capital losses incurred prior to the enactment of the Act. At March 31, 2023, the Fund had capital loss carry forwards of $694,311 where the $675,352 retains its character of short-term and $18,959 retains is character of long-term; both have no expiration. This carryover is available to offset future net realized gains on securities transactions to the extent provided for in the Internal Revenue Code. As of March 31, 2023, the Fund had post-October losses of $6,104, which is deferred until fiscal 2023 for tax purposes.

The tax character of distributions was as follows:

	Year Ended March 31, 2023	Year Ended March 31, 2022
Net tax-exempt income	$ 3,869,954	$ 3,777,511
Ordinary Income	70,993	329
Capital gains	—	171,186
	$ 3,940,947	$ 3,949,026

As of March 31, 2023, the components of distributable earnings on a tax basis were:

Unrealized depreciation	$ (5,554,043)
Accumulated net realized loss on investments	(694,311)
Post October losses	(6,104)
Undistributed tax-exempt income	67,912
Other temporary differences	(56,721)
	$ (6,243,267)

The difference between book basis and tax basis undistributed income is due to the timing difference, and other temporary differences, in recognizing dividends paid and the tax treatment of market discount amortization and the deduction of distributions payable.

10. Credit Facility

Since August 30, 2017, Bank of New York Mellon and the Aquila Group of Funds (comprised of nine funds) have been parties to a $40 million credit agreement, which currently terminates on August 23, 2023 (per the August 24, 2022 amendment). In accordance with the Aquila Group of Funds Guidelines for Allocation of Committed Line of Credit, each fund is responsible for payment of its proportionate share of

a) a 0.17% per annum commitment fee; and,

b) interest on amounts borrowed for temporary or emergency purposes by the fund (at the applicable per annum rate selected by the Aquila Group of Funds at the time of the borrowing of either (i) the adjusted daily simple Secured Overnight Financing Rate ("SOFR") plus 1% or (ii) the sum of the higher of (a) the Prime Rate, (b) the Federal Funds Effective Rate, or (c) the adjusted daily simple Secured Overnight Financing Rate plus 1%).

There were no borrowings under the credit agreement during the year ended March 31, 2023.

11. Risks

Mutual fund investing involves risk and loss of principal is possible. The market prices of the Fund's securities may rise or decline in value due to general market conditions, such as real or perceived adverse economic, political or regulatory conditions, recessions, inflation, changes in interest rates, lack of liquidity in the bond markets, the spread of infectious illness or other public health issues, armed conflict including Russia's military invasion of Ukraine, sanctions against Russia, other nations or individuals or companies and possible countermeasures, market disruptions caused by tariffs, trade disputes or other factors, or adverse investor sentiment. When market prices fall, the value of your investment may go down. In the past several years, financial markets have experienced increased volatility, depressed valuations, decreased liquidity and heightened uncertainty. These conditions may continue, recur, worsen or spread. Recently, inflation and interest rates have increased and may rise further. These circumstances could adversely affect the value and liquidity of the Fund's investments, impair the Fund's ability to satisfy redemption requests, and negatively impact the Fund's performance. Raising the ceiling on U.S. government debt has become increasingly politicized. Any failure to increase the ceiling on U.S. government debt could lead to a default on U.S. government obligations, with unpredictable consequences for economies and markets.

The global pandemic of the novel coronavirus respiratory disease designated COVID-19 has resulted in major disruption to economies and markets around the world, including the United States. Global financial markets have experienced extreme volatility and severe losses, and trading in many instruments has been disrupted. Liquidity for many instruments has been greatly reduced for periods of time. Some sectors of the economy and individual issuers have experienced particularly large losses. These circumstances may continue to affect adversely the value and liquidity of the Fund's investments. Following Russia's invasion of Ukraine, Russian securities have lost all, or nearly all, their market value. Other securities or markets could be similarly affected by past or future geopolitical or other events or conditions.

Governments and central banks, including the U.S. Federal Reserve, have taken extraordinary and unprecedented actions to support local and global economies and the financial markets. These actions have resulted in significant expansion of public debt, including in the U.S. The consequences of high public debt, including its future impact on the economy and securities markets, may not be known for some time.

The U.S. and other countries are periodically involved in disputes over trade and other matters, which may result in tariffs, investment restrictions and adverse impacts on affected companies and securities. For example, the U.S. has imposed tariffs and other trade barriers on Chinese exports, has restricted sales of certain categories of goods to China, and has established barriers to investments in China. Trade disputes may adversely affect the economies of the U.S. and its trading partners, as well as companies directly or indirectly affected and financial markets generally. If the political climate between the U.S. and China does not improve or continues to deteriorate, if China were to attempt unification of Taiwan by force, or if other geopolitical conflicts develop or get worse, economies, markets and individual securities may be severely affected both regionally and globally, and the value of the Fund's assets may go down.

The value of your investment will generally go down when interest rates rise. A rise in interest rates tends to have a greater impact on the prices of longer term or longer duration securities. In recent years, interest rates and credit spreads in the U.S. have been at historic lows. The U.S. Federal Reserve has raised certain interest rates, and interest rates may continue to go up. A general rise in interest rates may cause investors to move out of fixed income securities on a large scale and could also result in increased redemptions from the Fund.

Investments in the Fund are subject to possible loss due to the financial failure of the issuers of underlying securities and their inability to meet their debt obligations.

The value of municipal securities can be adversely affected by changes in the financial condition of one or more individual municipal issuers or insurers of municipal issuers, regulatory developments, legislative actions, and by uncertainties and public perceptions concerning these and other factors. The Fund may be affected significantly by adverse economic, political or other events affecting state and other municipal issuers in which it invests, and may be more volatile than a more geographically diverse fund. The municipal bond market can be susceptible to unusual volatility, particularly for lower-rated and unrated securities. Liquidity can be reduced unpredictably in response to overall economic conditions or credit tightening. Municipal issuers may be adversely affected by rising health care costs, increasing unfunded pension liabilities, and by the phasing out of federal programs providing financial support. Unfavorable conditions and developments relating to projects financed with municipal securities can result in lower revenues to issuers of municipal securities, potentially resulting in defaults. Municipal securities may be more susceptible to downgrades or defaults during a recession or similar periods of economic stress. Financial difficulties of municipal issuers may continue or get worse, particularly in the event of political, economic or market turmoil or a recession.

A portion of income may be subject to local, state, Federal and/or alternative minimum tax. Capital gains, if any, are subject to capital gains tax.

These risks may result in share price volatility.

AQUILA CHURCHILL TAX-FREE FUND OF KENTUCKY
FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

	Class A				
	Year Ended March 31,				
	2023	2022	2021	2020	2019
Net asset value, beginning of period	$10.25	$10.93	$10.79	$10.64	$10.48
Income from investment operations:					
Net investment income[1]	0.22	0.22	0.23	0.24	0.25
Net gain (loss) on securities (both realized and unrealized)	(0.22)	(0.67)	0.14	0.15	0.18
Total from investment operations	—	(0.45)	0.37	0.39	0.43
Less distributions (note 9):					
Dividends from net investment income	(0.23)	(0.22)	(0.23)	(0.24)	(0.25)
Distributions from capital gains	—	(0.01)	—	—	(0.02)
Total distributions	(0.23)	(0.23)	(0.23)	(0.24)	(0.27)
Net asset value, end of period	$10.02	$10.25	$10.93	$10.79	$10.64
Total return (not reflecting sales charge)	0.05%	(4.25)%	3.48%	3.72%	4.10%
Ratios/supplemental data					
Net assets, end of period (in millions)	$113	$124	$135	$142	$144
Ratio of expenses to average net assets	0.76%	0.75%	0.77%	0.80%	0.79%
Ratio of net investment income to average net assets	2.26%	1.99%	2.14%	2.26%	2.36%
Portfolio turnover rate	10%	7%	7%	6%	6%

(1) Per share amounts have been calculated using the daily average shares method.

See accompanying notes to financial statements.

AQUILA CHURCHILL TAX-FREE FUND OF KENTUCKY
FINANCIAL HIGHLIGHTS (continued)

For a share outstanding throughout each period

	Class C				
	Year Ended March 31,				
	2023	2022	2021	2020	2019
Net asset value, beginning of period	$10.25	$10.93	$10.78	$10.64	$10.47
Income from investment operations:					
Net investment income[1]	0.14	0.12	0.14	0.15	0.16
Net gain (loss) on securities (both realized and unrealized)	(0.22)	(0.67)	0.15	0.14	0.19
Total from investment operations	(0.08)	(0.55)	0.29	0.29	0.35
Less distributions (note 9):					
Dividends from net investment income	(0.15)	(0.12)	(0.14)	(0.15)	(0.16)
Distributions from capital gains	—	(0.01)	—	—	(0.02)
Total distributions	(0.15)	(0.13)	(0.14)	(0.15)	(0.18)
Net asset value, end of period	$10.02	$10.25	$10.93	$10.78	$10.64
Total return (not reflecting CDSC)	(0.80)%	(5.06%)	2.70%	2.75%	3.32%
Ratios/supplemental data					
Net assets, end of period (in millions)	$2	$4	$5	$6	$7
Ratio of expenses to average net assets	1.61%	1.60%	1.62%	1.65%	1.64%
Ratio of net investment income to average net assets	1.41%	1.13%	1.29%	1.41%	1.50%
Portfolio turnover rate	10%	7%	7%	6%	6%

(1) Per share amounts have been calculated using the daily average shares method.

See accompanying notes to financial statements.

AQUILA CHURCHILL TAX-FREE FUND OF KENTUCKY
FINANCIAL HIGHLIGHTS (continued)

For a share outstanding throughout each period

	Class F
	For the Period December 21, 2022* through March 31, 2023
Net asset value, beginning of period	$9.91
Income (loss) from investment operations:	
Net investment income[(1)]	0.06
Net gain (loss) on securities (both realized and unrealized)	0.13
Total from investment operations	0.19
Less distributions (note 9):	
Dividends from net investment income	(0.09)
Distributions from capital gains	—
Total distributions	(0.09)
Net asset value, end of period	$10.01
Total return	1.88%[(2)]
Ratios/supplemental data	
Net assets, end of period (in millions)	$0.3
Ratio of expenses to average net assets	0.56%[(3)]
Ratio of net investment income to average net assets	2.30%[(3)]
Portfolio turnover rate	10%

* Commencement of operations.
(1) Per share amounts have been calculated using the daily average shares method.
(2) Not annualized.
(3) Annualized.

For a share outstanding throughout each period

	Class I				
	Year Ended March 31,				
	2023	2022	2021	2020	2019
Net asset value, beginning of period	$10.25	$10.92	$10.78	$10.64	$10.47
Income from investment operations:					
Net investment income(1)	0.21	0.20	0.22	0.23	0.23
Net gain on securities (both realized and unrealized)	(0.23)	(0.66)	0.14	0.14	0.19
Total from investment operations	(0.02)	(0.46)	0.36	0.37	0.42
Less distributions (note 9):					
Dividends from net investment income	(0.22)	(0.20)	(0.22)	(0.23)	(0.23)
Distributions from capital gains	—	(0.01)	—	—	(0.02)
Total distributions	(0.22)	(0.21)	(0.22)	(0.23)	(0.25)
Net asset value, end of period	$10.01	$10.25	$10.92	$10.78	$10.64
Total return	(0.20)%	(4.31)%	3.33%	3.48%	4.04%
Ratios/supplemental data					
Net assets, end of period (in millions)	$6	$6	$7	$7	$7
Ratio of expenses to average net assets	0.91%	0.91%	0.92%	0.93%	0.94%
Ratio of net investment income to average net assets	2.11%	1.84%	1.99%	2.12%	2.20%
Portfolio turnover rate	10%	7%	7%	6%	6%

(1) Per share amounts have been calculated using the daily average shares method.

See accompanying notes to financial statements.

AQUILA CHURCHILL TAX-FREE FUND OF KENTUCKY
FINANCIAL HIGHLIGHTS (continued)

For a share outstanding throughout each period

	Class Y				
	Year Ended March 31,				
	2023	2022	2021	2020	2019
Net asset value, beginning of period	$10.26	$10.93	$10.79	$10.65	$10.48
Income from investment operations:					
Net investment income[1]	0.24	0.23	0.25	0.26	0.26
Net gain (loss) on securities (both realized and unrealized)	(0.24)	(0.66)	0.14	0.14	0.19
Total from investment operations	—	(0.43)	0.39	0.40	0.45
Less distributions (note 9):					
Dividends from net investment income	(0.24)	(0.23)	(0.25)	(0.26)	(0.26)
Distributions from capital gains	—	(0.01)	—	—	(0.02)
Total distributions	(0.24)	(0.24)	(0.25)	(0.26)	(0.28)
Net asset value, end of period	$10.02	$10.26	$10.93	$10.79	$10.65
Total return	0.10%	(4.01)%	3.64%	3.78%	4.35%
Ratios/supplemental data					
Net assets, end of period (in millions)	$46	$45	$40	$27	$30
Ratio of expenses to average net assets	0.61%	0.60%	0.62%	0.65%	0.64%
Ratio of net investment income to average net assets	2.41%	2.14%	2.28%	2.41%	2.50%
Portfolio turnover rate	10%	7%	7%	6%	6%

(1) Per share amounts have been calculated using the daily average shares method.

See accompanying notes to financial statements.

Additional Information:

Statement Regarding Liquidity Risk Management Program

Rule 22e-4 under the Investment Company Act of 1940, as amended, requires open-end management investment companies to adopt and implement written liquidity risk management programs that are reasonably designed to assess and manage liquidity risk. Liquidity risk is defined in the rule as the risk that a fund could not meet requests to redeem shares issued by the fund without significant dilution of remaining investors' interests in the fund. In accordance with Rule 22e-4, Aquila Municipal Trust ("AMT") has adopted a Liquidity Risk Management ("LRM") program (the "program"). AMT's Board of Trustees (the "Board") has designated an LRM Committee consisting of employees of Aquila Investment Management LLC as the administrator of the program (the "Committee").

The Board met on June 17, 2022 to review the program. At the meeting, the Committee provided the Board with a report that addressed the operation of the program and assessed its adequacy and effectiveness of implementation, and any material changes to the program (the "Report"). The Report covered the period from May 1, 2021 through April 30, 2022 (the "Reporting Period").

During the Reporting Period, the Committee reviewed whether each Fund's strategy is appropriate for an open-end fund structure taking into account less liquid and illiquid assets.

The Committee reviewed each Fund's short-term and long-term cash flow projections during both normal and reasonably foreseeable stressed conditions. In classifying and reviewing each Fund's investments, the Committee considered whether trading varying portions of a position in a particular portfolio investment or asset class in sizes the Fund would reasonably anticipate trading, would be reasonably expected to significantly affect liquidity. The Committee considered the following information when determining the sizes in which each Fund would reasonably anticipate trading: historical net redemption activity, the Fund's concentration in an issuer, shareholder concentration, Fund performance, Fund size, and distribution channels.

The Committee considered each Fund's holdings of cash and cash equivalents, as well as borrowing arrangements. The Committee considered the terms of the credit facility applicable to the Funds, the financial health of the institution providing the facility and the fact that the credit facility is shared among multiple Funds. The Committee also considered other types of borrowing available to the Funds, such as the ability to use interfund lending arrangements.

The Committee also performed an analysis to determine whether a Fund is required to maintain a Highly Liquid Investment Minimum ("HLIM"), and determined that the requirement to maintain an HLIM was inapplicable to the Funds because each Fund primarily holds highly liquid investments.

There were no material changes to the program during the Reporting Period. The Report provided to the Board stated that the Committee concluded that the program is reasonably designed and operated effectively throughout the Review Period.

Additional Information (unaudited)

Trustees[1] and Officers

Name and Year of Birth[2]	Positions Held with Trust and Length of Service[3]	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During Past 5 Years
Interested Trustee[4]				
Diana P. Herrmann New York, NY (1958)	Vice Chair of Aquila Municipal Trust since 2014, Trustee since 1994 and President since 1998	Chair (since 2016 and previously Vice Chair since 2004) and Chief Executive Officer (since 2004) of Aquila Management Corporation, Founder and Sponsor of the Aquila Group of Funds[5] and parent of Aquila Investment Management LLC, Manager, President since 1997, Chief Operating Officer, 1997-2008, a Director since 1984, Secretary, 1986-2016, and previously its Executive Vice President, Senior Vice President or Vice President, 1986-1997; Chief Executive Officer (since 2004) and Chair (since 2016 and previously Vice Chair since 2004), President and Manager since 2003, and Chief Operating Officer (2003-2008), of the Manager; Chair, Vice Chair, President, Executive Vice President and/or Senior Vice President of funds in the Aquila Group of Funds since 1986; Manager of the Distributor since 1997; Governor, Investment Company Institute (the U.S. mutual fund industry trade organization dedicated to protecting shareholder interests and educating the public about investing) for various periods since 2004, and Chair of its Small Funds Committee, 2004-2009; active in charitable and volunteer organizations.	9	Director of ICI Mutual Insurance Company, a Risk Retention Group, for various periods since 2006; formerly Vice Chair and Trustee of Pacific Capital Funds of Cash Assets Trust (three money-market funds in the Aquila Group of Funds) 2004-2012 Vice Chair Board of Trustees (2003-2020), President (1998-2020) and Trustee (1994-2020) of The Cascades Trust (Predecessor Fund of Aquila Tax-Free Trust of Oregon)
Non-Interested Trustees				
Patricia L. Moss Bend, OR (1953)	Chair of the Board of Aquila Municipal Trust effective January 1, 2023; Trustee of Aquila Municipal Trust since 2020	Vice Chairman, Cascade Bancorp and Bank of the Cascades 2012-2017, President and Chief Executive Officer 1997-2012; member, Oregon Investment Council 2018-2021; active in community and educational organizations; Trustee of various funds in the Aquila Group of Funds 2002-2005 and since 2015	8	First Interstate BancSystem, Inc.; MDU Resources Group, Inc. Trustee of The Cascades Trust (Predecessor Fund of Aquila Tax-Free Trust of Oregon) 2015-2020, 2002-2005; Trustee Emerita 2005-2015

Name and Year of Birth[2]	Positions Held with Trust and Length of Service[3]	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During Past 5 Years
Non-Interested Trustees (cont'd)				
Thomas A. Christopher[6] Danville, KY (1947)	Trustee of Aquila Municipal Trust since 2009; Chair of the Board of Aquila Municipal Trust 2017 – December 31, 2022	Principal, Robinson, Hughes & Christopher, C.P.A.s, P.S.C., July 2017-August 2022, previously Senior Partner, since 1977; Chairman of the Board, A Good Place for Fun, Inc., a sports facility, since 1987, President, 1987-2012; Director, Global Outreach International, 2011-2018; member of the Kentucky Primary Care Technical Advisory Committee, 2017-2019; Director, Sunrise Children's Services Inc., 2010-2013; currently or formerly active with various professional and community organizations; Trustee of various funds in the Aquila Group of Funds since 1985.	6	None
Ernest Calderón Phoenix, AZ (1957)	Trustee of Aquila Municipal Trust since 2004	Attorney (currently, Partner, Calderón Law Offices, PLC); Regent emeritus and President emeritus Arizona Board of Regents; Adjunct Professor, Northern Arizona University; Doctor of Education in Organizational Change and Educational Leadership, University of Southern California; served seven Arizona governors by appointment; Past President, Grand Canyon Council of Boy Scouts of America; Past President, State Bar of Arizona, 2003-2004; member, American Law Institute; Trustee of various funds in the Aquila Group of Funds since 2004.	6	None
Gary C. Cornia St. George, UT (1948)	Trustee of Aquila Municipal Trust since 2009	Emeritus Dean and Professor, Marriott School of Management, Brigham Young University 2014-present; Professor, Marriott School of Management, Brigham Young University, 1980-2014; Chair, Utah State Securities Commission, 2019-2021, Commissioner, 2013–2021; Dean, Marriott School of Management, 2008-2013; Past President, National Tax Association; Fellow, Lincoln Institute of Land Policy, 2002-present; Trustee of various funds in the Aquila Group of Funds since 1993.	8	International Center for Land Policies and Training, Taipei, Taiwan, Director and Chair of Executive Committee Trustee of The Cascades Trust (Predecessor Fund of Aquila Tax-Free Trust of Oregon) 2002-2020

Name and Year of Birth[2]	Positions Held with Trust and Length of Service[3]	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During Past 5 Years
Non-Interested Trustees (cont'd)				
Grady Gammage, Jr. Phoenix, AZ (1951)	Trustee of Aquila Municipal Trust since 2001	Founding partner, Gammage & Burnham, PLC, a law firm, Phoenix, Arizona, since 1983; director, Central Arizona Water Conservation District, 1992-2004; Senior Fellow, Morrison Institute for Public Policy and Kyl Institute for Water Policy; Adjunct Professor, Sandra Day O'Connor College of Law; W. P. Carey School of Business; active with Urban Land Institute; Author, "The Future of the Suburban City" Island Press, 2016; Trustee of various funds in the Aquila Group of Funds since 2001.	8	None
Glenn P. O'Flaherty Granby, CO (1958)	Trustee of Aquila Municipal Trust since 2013	Chief Financial Officer and Chief Operating Officer of Lizard Investors, LLC, 2008; Co-Founder, Chief Financial Officer and Chief Compliance Officer of Three Peaks Capital Management, LLC, 2003-2005; Vice President – Investment Accounting, Global Trading and Trade Operations, Janus Capital Corporation, and Chief Financial Officer and Treasurer, Janus Funds, 1991-2002; Trustee of various funds in the Aquila Group of Funds since 2006.	9	Granby Ranch Metropolitan District (quasi-municipal corporation); formerly Trustee of Pacific Capital Funds of Cash Assets Trust (three money-market funds in the Aquila Group of Funds) 2009-2012
Heather R. Overby Prospect, KY (1971)	Aquila Municipal Trust: Trustee since September 2022	Vice President, Finance & Accounting/ Chief Financial Officer, Kentucky Municipal Energy Agency (wholesale electricity sale – governmental), June 2018 – Present; Chairman, Kentucky School Facilities Construction Commission (state commission), December 2018 – Present; Interim Chief Financial Officer, Kentucky Municipal Energy Agency (wholesale electricity sale – governmental), February 2017 – May 2018; Chief Financial Officer, Kentucky Municipal Power Agency, (wholesale electricity sale – governmental), November 2009 – May 2018.	6	None

Name and Year of Birth[(2)]	Positions Held with Trust and Length of Service[(3)]	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During Past 5 Years
Non-Interested Trustees (cont'd)				
Laureen L. White North Kingstown, RI (1959)	Trustee of Aquila Municipal Trust since 2013	President, Greater Providence Chamber of Commerce, since 2005, Executive Vice President 2004-2005 and Senior Vice President, 1989-2002; Executive Counselor to the Governor of Rhode Island for Policy and Communications, 2003-2004; Trustee of various funds in the Aquila Group of Funds since 2005.	6	None

(1) The Trust's Statement of Additional Information includes additional information about the Trustees and is available, without charge, upon request by calling 800-437-1020 (toll-free) or by visiting www.aquilafunds.com or the EDGAR Database at the SEC's internet site at www.sec.gov.

(2) The mailing address of each Trustee is c/o Aquila Municipal Trust, 120 West 45th Street, Suite 3600, New York, NY 10036.

(3) Each Trustee holds office until his or her successor is elected or his or her earlier retirement or removal.

(4) Ms. Herrmann is an "interested person" of the Trust, as that term is defined in the Investment Company Act of 1940, as amended (the "1940 Act"), as an officer of the Trust, as a director, officer and shareholder of the Manager's corporate parent, as an officer and Manager of the Manager, and as a Manager of the Distributor.

(5) The "Aquila Group of Funds" includes: Aquila Tax-Free Trust of Arizona, Aquila Tax-Free Fund of Colorado, Hawaiian Tax-Free Trust, Aquila Churchill Tax-Free Fund of Kentucky, Aquila Tax-Free Trust of Oregon, Aquila Narragansett Tax-Free Income Fund (Rhode Island) and Aquila Tax-Free Fund For Utah, each of which is a tax-free municipal bond fund and are called the "Aquila Municipal Bond Funds"; Aquila Opportunity Growth Fund, which is an equity fund; and Aquila High Income Fund, which is a high-income corporate bond fund.

(6) Mr. Christopher retired as a Trustee effective March 31, 2023.

Name and Year of Birth[1]	Positions Held with Trust and Length of Service[2]	Principal Occupation(s) During Past 5 Years
Officers[3]		
Stephen J. Caridi New York, NY (1961)	Senior Vice President of Aquila Municipal Trust since 2013	Regional Sales Manager (since 2009) and registered representative (since 1986) of the Distributor; Vice President of the Distributor 1995-2009; Vice President, Hawaiian Tax-Free Trust since 1998; Senior Vice President, Aquila Municipal Trust (which includes Aquila Narragansett Tax-Free Income Fund) since 2013; Vice President, Aquila Funds Trust since 2013; Senior Vice President, Aquila Narragansett Tax-Free Income Fund 1998-2013, Vice President 1996-1997; Senior Vice President, Aquila Tax-Free Fund of Colorado 2004-2009; Vice President, Aquila Opportunity Growth Fund 2006-2013.
Paul G. O'Brien New York, NY (1959)	Senior Vice President of Aquila Municipal Trust since 2010	President, Aquila Distributors LLC since 2019, Co-President 2010-2019, Managing Director, 2009-2010; Senior Vice President of all funds in the Aquila Group of Funds since 2010; held various positions to Senior Vice President and Chief Administrative Officer of Evergreen Investments Services, Inc., 1997-2008; Mergers and Acquisitions Coordinator for Wachovia Corporation, 1994-1997.
Robert C. Arnold Peoria, AZ (1973)	Vice President of Aquila Municipal Trust since 2019	Vice President, Aquila Municipal Trust (which includes Aquila Tax-Free Trust of Arizona) since 2019; Regional Sales Manager, Aquila Distributors LLC (since 2019); Financial Advisor, Prudential Advisors, 2017 – 2019
Royden P. Durham Louisville, KY (1951)	Vice President of Aquila Municipal Trust since 2013; Lead Portfolio Manager of Aquila Churchill Tax-Free Fund of Kentucky (since 2011); Portfolio Manager of Aquila Tax-Free Trust of Arizona (since 2017), Aquila Tax-Free Fund of Colorado (since 2023) and Aquila Tax-Free Fund For Utah (since 2017)	Portfolio Manager of Aquila Churchill Tax-Free Fund of Kentucky (since 2011) and Aquila Tax-Free Fund of Colorado (since 2023); Portfolio Manager of Aquila Tax-Free Trust of Arizona and Aquila Tax-Free Fund For Utah (since 2011); Vice President, Aquila Municipal Trust (since 2013) and Aquila Churchill Tax-Free Fund of Kentucky 2011-2013; President, advEnergy solutions LLC, 2007-2011; Vice President and Trust Advisor, JP Morgan Chase, 2005-2006; Vice President and Trust Officer, Regions Morgan Keegan Trust, 2003-2005; Vice President Fixed Income and Equity Portfolios, The Sachs Company / Louisville Trust Company, 1986-2003.
Vasilios Gerasopoulos Lakewood, CO (1973)	Assistant Vice President of Aquila Municipal Trust and Co-Portfolio Manager of Aquila Tax-Free Fund of Colorado since March 2023	Assistant Vice President of Aquila Municipal Trust and Co-Portfolio Manager of Aquila Tax-Free Fund of Colorado and Credit Analyst of Aquila Tax-Free Trust of Oregon since March 2023; Credit Analyst at Davidson Fixed Income Management, Inc., doing business as Kirkpatrick Pettis Capital Management, from 2015 to 2023; Senior Financial Analyst, Bond and Debt, for Jefferson County, Colorado from December 2012 to 2015.

Name and Year of Birth[1]	Positions Held with Trust and Length of Service[2]	Principal Occupation(s) During Past 5 Years
Officers (cont'd)[3]		
Timothy Iltz Happy Valley, OR (1975)	Vice President of Aquila Municipal Trust since March 2023; Portfolio Manager of Aquila Tax-Free Fund of Colorado (since December 2022) and Aquila Tax-Free Trust of Oregon (since 2018)	Vice President of Aquila Municipal Trust since March 2023, Portfolio Manager of Aquila Tax-Free Fund of Colorado since December 2022, and Aquila Tax-Free Trust of Oregon since 2018; Vice President and Municipal Bond Credit Analyst at Davidson Fixed Income Management, Inc., doing business as Kirkpatrick Pettis Capital Management, from 2011 to 2018. Vice President and Portfolio Manager at Davidson Fixed Income Management, Inc., doing business as Kirkpatrick Pettis Capital Management, from 2018 to 2023.
Troy Miller Louisville, KY (1971)	Vice President of Aquila Municipal Trust since March 2022	Vice President, Aquila Municipal Trust (which includes Aquila Churchill Tax-Free Fund of Kentucky) since March 2022; Regional Sales Manager of the Distributor since January 2022; Financial Consultant, Fidelity Investments (wealth management), May 2020 – February 2021; Vice President, Manager-Life Planning Strategies, June 2017 – October 2019, and Vice President, Manager-Retirement Products, April 2010 – June 2017, Baird Trust Company (formerly known as Hilliard Lyons Trust Company) (wealth management).
Christine L. Neimeth Portland, OR (1964)	Vice President of Aquila Municipal Trust since 2020	Vice President of Aquila Funds Trust since 2013 and Aquila Municipal Trust (which includes Aquila Tax-Free Trust of Oregon) since 2020; formerly Vice President, Aquila Opportunity Growth Fund 1999 – 2013 and Aquila Tax-Free Trust of Oregon 1998 – 2020; Regional Sales Manager and/or registered representative of the Distributor since 1999.
Anthony A. Tanner Phoenix, AZ (1960)	Vice President of Aquila Municipal Trust, Lead Portfolio Manager of Aquila Tax-Free Trust of Arizona; Portfolio Manager of Aquila Churchill Tax-Free Fund of Kentucky (since 2018), Aquila Tax-Free Trust of Oregon (since 2023) and Aquila Tax-Free Fund For Utah (since 2018)	Vice President of Aquila Municipal Trust (since 2018); Portfolio Manager of Aquila Tax-Free Trust of Arizona, Aquila Churchill Tax-Free Fund of Kentucky and Aquila Tax-Free Fund For Utah (since 2018) and Aquila Tax-Free Trust of Oregon (since 2023); Senior Portfolio Manager at BNY Mellon Wealth Management from 2016 to 2018; a Senior Client Advisor at BMO Private Bank from 2014 to 2015; and Senior Fixed Income Manager at Wells Fargo Private Bank from 2010 to 2014.

Name and Year of Birth[1]	Positions Held with Trust and Length of Service[2]	Principal Occupation(s) During Past 5 Years
Officers (cont'd)[3]		
James T. Thompson Bountiful, Utah (1955)	Vice President of Aquila Municipal Trust and Lead Portfolio Manager of Aquila Tax-Free Fund For Utah since 2009; Portfolio Manager, Aquila Tax-Free Trust of Arizona (since 2017), Aquila Churchill Tax-Free Fund of Kentucky (since 2017) and Aquila Tax-Free Trust of Oregon (since 2023)	Portfolio Manager of Aquila Tax-Free Fund For Utah, Aquila Churchill Tax-Free Fund of Kentucky and Aquila Tax-Free Trust of Arizona (since 2009) and Aquila Tax-Free Trust of Oregon (since 2023); Vice President Aquila Municipal Trust (since 2013) and Aquila Tax-Free Fund For Utah (2009 – 2013); Senior Vice President, First Security Bank/Wells Fargo Brokerage Services LLC, Salt Lake City, Utah 1991-2009.
M. Kayleen Willis South Jordan, UT (1963)	Vice President of Aquila Municipal Trust since 2013	Vice President, Aquila Municipal Trust (which includes Aquila Tax-Free Fund For Utah) since 2013; Vice President, Aquila Tax-Free Fund For Utah 2003-2013, Assistant Vice President, 2002-2003; Vice President, Aquila Opportunity Growth Fund, 2004-2013 and Aquila Funds Trust since 2013.
Eric D. Okerlund Highland, UT (1961)	Assistant Vice President of Aquila Municipal Trust since March 2021	Assistant Vice President, Aquila Municipal Trust (which includes Aquila Tax-Free Fund For Utah) since March 2021; Credit Analyst (for Aquila Tax-Free Fund For Utah and Aquila Tax-Free Fund of Colorado), Aquila Investment Management LLC, since January 2021; Budget Officer, City of West Jordan, Utah, 2000-2020; Senior Accountant, Provo City Corporation, Provo, Utah, 1989-2000; Auditor, Defense Contract Audit Agency, Anaheim, California, 1989; Revenue Agent, Internal Revenue Service, Los Angeles, California, 1987-1989.
Randall S. Fillmore New York, NY (1960)	Chief Compliance Officer of Aquila Municipal Trust since 2012	Chief Compliance Officer of all funds in the Aquila Group of Funds, the Manager and the Distributor since 2012; Managing Director, Fillmore & Associates, 2009-2012; Fund and Adviser Chief Compliance Officer (2002-2009), Senior Vice President - Broker Dealer Compliance (2004-2009), Schwab Funds Anti Money Laundering Officer and Identity Theft Prevention Officer (2004-2009), Vice President - Internal Audit (2000-2002), Charles Schwab Corporation; National Director, Information Systems Risk Management - Consulting Services (1999-2000), National Director, Investment Management Audit and Business Advisory Services (1992-1999), Senior Manager, Manager, Senior and Staff Roles (1983-1992), PricewaterhouseCoopers LLP.
Joseph P. DiMaggio New York, NY (1956)	Chief Financial Officer of Aquila Municipal Trust since 2003 and Treasurer since 2000	Chief Financial Officer of all funds in the Aquila Group of Funds since 2003 and Treasurer since 2000.

Name and Year of Birth[1]	Positions Held with Trust and Length of Service[2]	Principal Occupation(s) During Past 5 Years
Officers (cont'd)[3]		
Anita Albano, CPA New York, NY (1973)	Secretary of Aquila Municipal Trust since 2020, Assistant Secretary 2018-2019	Secretary of all funds in the Aquila Group of Funds since 2020, Assistant Secretary 2018 – 2019; Senior Vice President and Chief Financial Officer of Aquila Investment Management LLC and Aquila Management Corporation since 2018; Treasurer of Aquila Investment Management LLC and Aquila Management Corporation since 2005.
Yolonda S. Reynolds New York, NY (1960)	Assistant Treasurer of Aquila Municipal Trust since 2010	Assistant Treasurer of all funds in the Aquila Group of Funds since 2010; Director of Fund Accounting for the Aquila Group of Funds since 2007.
Lori A. Vindigni New York, NY (1966)	Assistant Treasurer of Aquila Municipal since 2000	Assistant Treasurer of all funds in the Aquila Group of Funds since 2000; Assistant Vice President of the Manager or its predecessor and current parent since 1998; Fund Accountant for the Aquila Group of Funds, 1995-1998.

(1) The mailing address of each officer is c/o Aquila Municipal Trust, 120 West 45th Street, Suite 3600, New York, NY 10036.

(2) The term of office of each officer is one year.

(3) The Trust's Statement of Additional Information includes additional information about the officers and is available, without charge, upon request by calling 800-437-1020 (toll-free) or by visiting www.aquilafunds.com or the EDGAR Database at the SEC's internet site at www.sec.gov.

Your Fund's Expenses (unaudited)

As a Fund shareholder, you may incur two types of costs: (1) transaction costs, including front-end sales charges with respect to Class A shares or contingent deferred sales charges ("CDSC") with respect to Class C shares; and (2) ongoing costs including management fees; distribution "12b-1" and/or service fees; and other Fund expenses. The table below is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The table below assumes a $1,000 investment held for the six months indicated.

Actual Fund Expenses

The table provides information about actual account values and actual expenses. You may use the information provided in this table, together with the amount you invested, to estimate the expenses that you paid over the period. To estimate the expenses that you paid on your account, divide your ending account value by $1,000 (for example, an $8,600 ending account value divided by $1,000 = 8.6), then multiply the result by the number under the heading "Expenses Paid During the Period".

Hypothetical Example for Comparison with Other Funds

Under the heading, "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

	Actual (actual return after expenses)			Hypothetical (5% annual return before expenses)		
Share Class	Beginning Account Value 10/1/22	Ending[1] Account Value 3/31/23	Expenses[2] Paid During Period 10/1/22 – 3/31/23	Ending Account Value 3/31/23	Expenses[2] Paid During Period 10/1/22 – 3/31/23	Net Annualized Expense Ratio
A	$1,000	$1,054.20	$3.99	$1,021.04	$3.93	0.78%
C	$1,000	$1,049.80	$8.33	$1,016.80	$8.20	1.63%
F*	$1,000	$1,019.40	$2.82	$1,022.14	$2.82	0.56%
I	$1,000	$1,052.40	$4.76	$1,020.29	$4.68	0.93%
Y	$1,000	$1,055.00	$3.23	$1,021.79	$3.18	0.63%

(1) Assumes reinvestment of all dividends and capital gain distributions, if any, at net asset value and does not reflect the deduction of the applicable sales charges with respect to Class A or the applicable CDSC with respect to Class C shares. Total return is not annualized and as such, it may not be representative of the total return for the year.

(2) Expenses are equal to the annualized expense ratio for the six-month period as indicated above - in the far right column - multiplied by the simple average account value over the period indicated, and then multiplied by 182/365 to reflect the one-half year period.

* Commencement of operations 12/21/22.

Information Available (unaudited)

Annual and Semi-Annual Reports and Complete Portfolio Holding Schedules

Your Fund's Annual and Semi-Annual Reports are filed with the SEC twice a year. Each Report contains a complete Schedule of Portfolio Holdings, along with full financial statements and other important financial statement disclosures. Additionally, your Fund files a complete Schedule of Portfolio Holdings with the SEC for the first and third quarters of each fiscal year as an exhibit to its Reports on Form N-PORT. Your Fund's Annual and Semi-Annual Reports and N-PORT reports are available free of charge on the SEC website at www.sec.gov. You may also review or, for a fee, copy the forms at the SEC's Public Reference Room in Washington, D.C. or by calling 1-800-SEC-0330.

In addition, your Fund's Annual and Semi-Annual Reports and complete Portfolio Holdings Schedules for each fiscal quarter end are also available, free of charge, on your Fund's website, www.aquilafunds.com (under the prospectuses & reports tab) or by calling us at 1-800-437-1000.

Portfolio Holdings Reports

In accordance with your Fund's Portfolio Holdings Disclosure Policy, the Manager also prepares a Portfolio Holdings Report as of each quarter end, which is typically posted to your Fund's individual page at www.aquilafunds.com by the 15th day after the end of each calendar quarter. Such information will remain accessible until the next Portfolio Holdings Report is made publicly available by being posted to www.aquilafunds.com. The quarterly Portfolio Holdings Report may be accessed, free of charge, by visiting www.aquilafunds.com or calling us at 1-800-437-1000.

Proxy Voting Record (unaudited)

During the 12 month period ended June 30, 2022, there were no proxies related to any portfolio instruments held by the Fund. As such, the Fund did not vote any proxies. Applicable regulations require us to inform you that the Fund's proxy voting information is available on the SEC website at www.sec.gov.

Federal Tax Status of Distributions (unaudited)

This information is presented in order to comply with a requirement of the Internal Revenue Code. **No action on the part of shareholders is required.**

For the fiscal year ended March 31, 2023, $3,940,947 of dividends paid by Aquila Churchill Tax-Free Fund of Kentucky, constituting 98.2% of total dividends paid, were exempt-interest dividends; and the balance was ordinary income.

Prior to February 15, 2024, shareholders will be mailed the appropriate tax form(s) which will contain information on the status of distributions paid for the **2023 calendar year.**

Further information is contained in the Prospectus,
which must precede or accompany this report.

AQL-KYAR-0523