



AQUILA[®]
Narragansett
Tax-Free Income Fund

Annual Report

March 31, 2021





Aquila Narragansett Tax-Free Income Fund

“It has been Quite the Year”

Serving Rhode Island investors since 1992



May, 2021

Dear Fellow Shareholder:

More than likely, you became a fellow shareholder based on our Fund’s investment objective, which is to provide as high a level of double tax-free income as is consistent with preservation of capital.

The COVID-19 pandemic brought a lot of uncertainty to the U.S. beginning in March 2020. Given that uncertainty oftentimes results in market volatility, you may have wondered how the Aquila Group of Funds handles changes in the market and potential volatility. And, are there any regulatory safeguards related to investments in the Fund?

Let’s begin with your Fund’s investment strategy. By design, the investment strategy we formulated with our first municipal bond fund back in 1985 was designed with potential market volatility in mind. This strategy includes:

High-Quality Investments – When selecting securities we have always focused on the source and reliability of revenue and income streams, the management teams and the financial decisions they make, and the discipline those teams apply to executing their strategic and budget plans. You may be aware that organizations such as Moody’s, S&P, and Fitch register with the U.S. Securities and Exchange Commission (“SEC”) as Nationally Recognized Statistical Rating Organizations (“NRSROs”), subject to the SEC’s oversight and examination authority. Each of the NRSROs uses a wide variety of financial analysis and modeling techniques to evaluate municipal issuers’ financial data and collateral and consider such other factors they believe to be pertinent. Ultimately, the NRSRO ratings reflect their professional assessment of an issuer’s ability to pay interest as well as a bond’s face value at maturity. This review process continues through routine ongoing analysis and evaluation. And, in the interim, any major events or news announcements that affect an issuer’s debt may cause rating agencies to reassess, and possibly revise their opinions. Similar reviews may also be conducted across an entire sector, such as hospitals or schools. Our goal with the Aquila Group of Funds is, as feasible, to conduct our own review and ongoing monitoring of securities in which your Fund invests.

Intermediate maturities – Our goal with maintaining an average intermediate maturity is to limit volatility with any change in interest rates.

Diversification – This part of our strategy is quite simple – “don’t put all of your eggs in one basket.” To the maximum extent possible, we have sought to invest, on behalf of our shareholders, in as many types of projects as possible throughout the state. This limits exposure in any particular situation (and, it enhances the quality of life throughout the state by financing worthy municipal projects).

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Local Expertise – In line with our guiding principles, we have always believed that local makes a real difference. With portfolio investment professionals that generally reside in the states in which we invest, we don't have to read about issues affecting the state, because we have our local eyes and ears. Our portfolio management teams are attuned to the nuances of the local municipal markets, the economy and policy decisions.

Now, let's talk about regulatory safeguards related to investments in the Fund – of course, please bear in mind that past performance is no guarantee of future results. Mutual funds are highly regulated in large part because they are one of the primary savings and investment vehicles for U.S. investors. The Investment Company Act of 1940 (the "1940 Act") -- an act of Congress that regulates mutual funds -- is enforced and regulated by the SEC, whose mission includes protecting investors. Two important areas of focus by the SEC and your Fund's management are as follows:

Portfolio Valuation – Your Fund's portfolio securities are valued based upon information provided by a nationally prominent independent pricing service. As an added precaution, we periodically assess the reasonableness of these prices through other pricing services. If a market quotation or a valuation from the pricing service is not readily available for a particular security, we seek to value the security in good faith under procedures established by and under the general supervision of your Fund's Board of Trustees.

Liquidity Risk Management – The SEC recently adopted Rule 22e-4 with the goal to reduce the risk that funds will be unable to meet shareholder requests to redeem shares without significantly reducing the value of other remaining shareholders' investments in the fund. Your shareholder report now includes a Statement Regarding Liquidity Risk Management Program.

As always, thank you for your continued confidence in the Fund. We remain committed to our disciplined strategy as we manage your Fund, keeping in mind the trust you have placed in us.

Sincerely,



A handwritten signature in black ink that reads "Diana P. Herrmann". The signature is fluid and cursive, with a large, sweeping flourish at the end.

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.

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Aquila Narragansett Tax-Free Income Fund

ANNUAL REPORT

Management Discussion

Serving Rhode Island investors since 1992



Aquila Narragansett Tax-Free Income Fund (the “Fund”) seeks to provide the highest level of double tax-free income possible as is consistent with preservation of capital while staying within self-imposed quality constraints. The Fund strives to accomplish this by constructing a diversified investment portfolio of investment-grade Rhode Island municipal securities. As an extra measure of credit protection to shareholders, some securities owned by the Fund are insured in an attempt to provide the timely payment of principal and interest when due. A maturity range of between 5 and 15 years has been maintained for the Fund’s portfolio to produce a reasonable level of income return with relatively high stability for the Fund’s share price. We intend to maintain a similar profile going forward. As of March 31, 2021, the portfolio had an average maturity of 8.82 years.

U.S. Economy

The U.S. economy has shown considerable resiliency. After contending with a pandemic that essentially shut down the economy for three months, economic growth rebounded to a level not previously seen. In addition, the country endured a contentious Presidential election and inauguration while maintaining considerable economic growth. While employment has returned to over half of pre-pandemic levels, unemployment remains about twice its pre-pandemic rate. Reopening of the economy has been spotty while fiscal stimulus and vaccinations appear to be the driving force behind the Biden Administration’s efforts to bring the unemployment rate back to pre-pandemic levels. The American Jobs Plan was recently introduced to help put people back to work while fixing the roads and bridges, public schools, water systems, and broadband, expanding public transit, and encouraging alternative energy. The aggressive plan has initially been given a \$2 trillion price tag and is expected to be funded through higher corporate and personal income taxes. While the fate of this bill remains to be seen, additional stimulus during an economic recovery has many on edge about higher inflation and thus higher interest rates. In its initial draft, the plan has no municipal provisions, but these could be part of negotiations as the plan gets hammered out in Congress. The Federal Reserve (the “Fed”) in the meantime has kept monetary policy accommodative and has stated it has “resolute patience” with respect to keeping rates in this manner even if inflation should begin to move higher than its targeted level of 2%.

Municipal Market

The municipal bond market had another good year in 2020, as falling supply and increased demand from investors who sought both tax-free income and taxable income kept yield spreads tight. While tax-exempt municipal bonds didn’t quite have the year their taxable brethren did in 2020, they enjoyed reasonable returns nonetheless. The lack of supply and the increased issuance of taxable municipal bonds to refund outstanding bond issues led to a tightening of spreads both at the beginning and the end of the year. In between these two periods, we saw spreads

MANAGEMENT DISCUSSION (continued)

widen significantly as markets feared the worst as the pandemic took hold in the U.S. Just as quickly as the pandemic hit, we saw spreads snap back to pre-pandemic levels as the Fed and White House moved to assure the country that things would be all right. Concerns over potential tax law changes for both corporations and individuals took hold towards the end of 2020 causing municipal bonds to tighten even further. Both pre and post-election stimulus led municipal issuers to bring deals to market to lock in lower rates before the onset of potentially rising inflation. The recently passed American Rescue Plan included significant funding for state and local governments which should help fill current budget shortfalls and other costs arising from the pandemic. These funds arrived even as tax revenues have exceeded expectations in many states that have opened up their economies and have shown fiscal restraint during the past year.

Rhode Island Economy

Prior to the pandemic, the Rhode Island economy had reached its all-time high of 508.4 thousand Rhode Island-based workers. The State was one of the first to shut down during the pandemic, and as a result, the unemployment rate rose to a high of 17.4% in April 2020. This was also a time when several industries within Rhode Island were getting geared up for the summer tourist season. While the unemployment rate dropped from its April high, it remained in double digits through the summer and did not fall into the single digits until October 2020. During most of the pandemic, the State was operating without a budget, anticipating direction from the federal government for relief. Ultimately, a skinny budget was passed allowing for the State government to continue to operate until clarity from federal elections was finalized. Rhode Island also experienced a change in Governors during the first quarter of 2021. Former Governor, Gina Raimondo, was confirmed as Secretary of Commerce under the Biden Administration and Lieutenant Governor Dan McKee assumed the Governorship. Governor McKee, a former mayor, has been focused on getting small businesses back to work. He is challenged with filling a budget deficit somewhere north of \$300 million for the current fiscal year. It is expected that the recently passed American Rescue Plan will provide funding to cover the shortfall. In addition, State revenues have come in higher than expected, while non-COVID related expenses have also come in under budget.

Fund Performance

Returns for the Class Y Share of Aquila Narragansett Tax-Free Income Fund were 4.25% for the calendar year 2020, below the 4.58% return of the Bloomberg Barclays Quality Intermediate Municipal Bond Index (the "Index"). For the fiscal year ending March 31, 2021, performance for the Fund's Class Y Share class was 3.24%, also below the Index's 4.47% return for the same period. (The Index, which does not include any operating expenses, is nationally oriented.) The Fund underperformed the Index due to having a higher than normal cash position. The high cash balance was a result of a lack of Rhode Island municipal bond supply and, at the pandemic's outset, increased cash in anticipation of potential shareholder redemptions. Originally, the State planned to issue approximately \$400 million in bonds during November for various infrastructure projects. This did not occur as Rhode Island was not prepared in time for the November election and the governor had not produced a current fiscal year budget. The referenda did not come to fruition until March 2021, through a special election to approve the bond proposal. Several issuers came to market

MANAGEMENT DISCUSSION (continued)

during the second half of 2020 with refunding bonds that were federally taxable, causing some issues to be called or pre-refunded without corresponding new tax-free purchases. While this caused some performance drag, it was helpful during the first quarter of 2021 as intermediate and long-term interest rates began to rise. Purchases of new and secondary market issues at higher interest rates have helped keep the portfolio yield and income moving in the desired direction.

Outlook and Strategy

For the first time in many years, we are hearing concerns about inflation. While the Federal Reserve has said it will not let it get out of hand, the increased fiscal stimulus continues to stoke inflationary fears. Additional stimulus payments and increased vaccinations have provided people with a much-needed boost of confidence after a very stressful twelve months. Whether this translates into increased spending remains to be seen, but as economies open up, the urge to travel, take vacations, and increase discretionary purchases, has economists concerned about the broader inflationary impacts. During the pandemic, increased cash reserves and liquidity were encouraged. The impact of excess cash was detractive to overall performance, particularly while the Fed kept short-term interest rates near 0%. Longer-term rates have moved relatively higher, providing a much steeper yield curve than we saw over the past twelve months. The challenge now becomes, the attractiveness of extending bond maturities now or holding off to see if inflationary expectations and perhaps increased risk premium impact municipal bonds. Funds for state and local governments in the latest stimulus package should calm most fears of municipal credit deterioration; however, spreads could widen in sympathy with the broader credit market. We believe our current portfolio positioning provides for the opportunity to selectively extend maturity and potentially take advantage of additional yield curve steepening while maintaining sufficient liquidity to take advantage of higher rates and expected bond issuance during the remainder of the year. A major part of our long-standing disciplined approach is to maintain a balance between the two. While analysis and decisions are made with the most current information available at the time, the tradeoff between current income and interest rate risk remains a portfolio manager's challenge while considering the Fund's hallmark of a relatively stable share price. Despite the potential for more volatile interest rates, we remain steadfast in our commitment to our shareholders in an attempt to provide value regardless of the market environment as we have since 1992.

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 or political conditions, inflation, changes in interest rates, lack of liquidity in the bond markets 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.

The respiratory illness COVID-19 caused by a novel coronavirus has resulted in a global pandemic and major disruption to economies and markets around the world, including the United States. Governments and central banks, including the Federal Reserve in the U.S., have taken extraordinary and unprecedented actions to support local and global economies and the financial markets. The impact of these measures, and whether they will be effective to mitigate the economic and market disruption, will not be known for some time.

MANAGEMENT DISCUSSION (continued)

Some interest rates are very low. The value of your investment may go down if and when interest rates rise. A rise in interest rates tends to have a greater impact on the prices of longer term securities. A general rise in interest rates may cause investors to move out of fixed income securities 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.

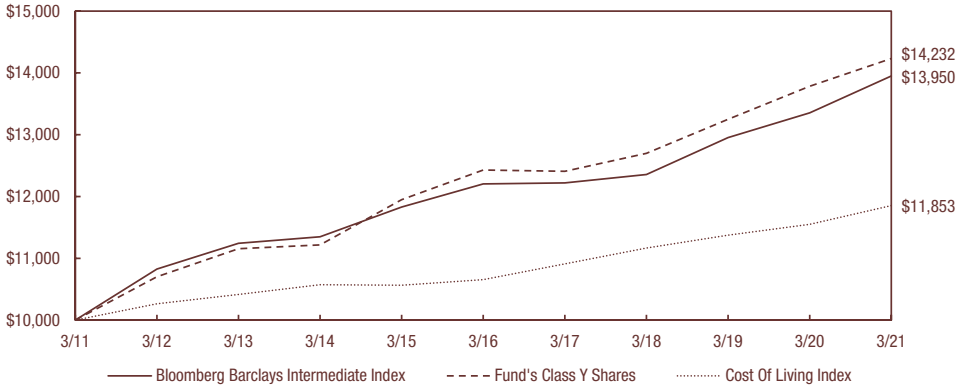
A portion of income may be subject to local, state, Federal and/or alternative minimum tax. Capital gains, if any, are subject to capital gains tax.

These risks may result in share price volatility.

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PERFORMANCE REPORT

The following graph illustrates the value of \$10,000 invested in the Class Y shares of Aquila Narragansett Tax-Free Income Fund (the "Fund") for the 10-year period ended March 31, 2021 as compared with the Bloomberg Barclays Quality Intermediate Municipal Bond Index (the "Bloomberg Barclays 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 Barclays Intermediate Index does not include any operating expenses nor sales charges, and being nationally oriented, does not reflect state-specific bond market performance.



Average Annual Total Return for periods ended March 31, 2021

Class and Inception Date	Since			
	1 Year	5 Years	10 Years	Inception
Class A since 9/10/92				
With Maximum Sales Charge	(1.00)%	1.75%	3.02%	4.28%
Without Sales Charge	3.09	2.59	3.44	4.43
Class C since 5/01/96				
With CDSC*	1.21	1.73	2.56	3.24
Without CDSC	2.21	1.73	2.56	3.24
Class F since 11/30/18				
No Sales Charge	3.27	N/A	N/A	4.54
Class I since 11/04/98				
No Sales Charge	3.03	2.49	3.32	3.66
Class Y since 5/01/96				
No Sales Charge	3.24	2.75	3.59	4.32
Bloomberg Barclays Intermediate Index	4.47	2.71	3.39	4.57 (Class A)
				4.35 (Class C & Y)
				4.74 (Class F)
				4.07 (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 deduction 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. 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.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees of Aquila Municipal Trust and the
Shareholders of Aquila Narragansett Tax-Free Income Fund:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Aquila Narragansett Tax-Free Income Fund (the "Fund"), including the schedule of investments, as of March 31, 2021, 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, 2021, 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 Fund since 2005.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits 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 the Fund's internal control over financial reporting. As part of our audits 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 audits 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, 2021 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania
May 28, 2021

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
SCHEDULE OF INVESTMENTS
MARCH 31, 2021

Principal Amount	General Obligation Bonds (27.6%)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	Barrington, Rhode Island		
\$ 1,120,000	2.500%, 08/01/25	Aa1/NR/NR	\$ 1,147,702
	Bristol, Rhode Island		
865,000	3.500%, 08/01/31	NR/AA+/NR	999,895
	Coventry, Rhode Island		
1,605,000	3.625%, 03/15/27 MAC Insured	A1/AA/NR	1,767,550
	Cranston, Rhode Island		
1,325,000	4.000%, 07/01/28	A1/AA-/AA+	1,517,882
1,170,000	5.000%, 08/01/32 Series 2018 A	A1/AA-/AA+	1,459,401
1,000,000	4.000%, 08/01/33 Series 2019 A BAMI Insured	A1/AA/AA+	1,164,676
615,000	4.000%, 08/01/35 Series 2019 A BAMI Insured	A1/AA/AA+	713,018
1,515,000	4.250%, 07/15/24 Series B BAMI Insured	A1/AA/AA+	1,698,788
1,000,000	4.250%, 07/15/25 Series B BAMI Insured	A1/AA/AA+	1,151,886
	Cumberland, Rhode Island		
500,000	4.250%, 11/01/27 Series 2011 A	NR/AA+/NR	509,791
500,000	4.625%, 11/01/31 Series 2011 A	NR/AA+/NR	509,885
700,000	4.500%, 03/15/32 Series 2018 A	NR/AA+/NR	841,660
	East Providence, Rhode Island Bond Anticipation Note		
3,000,000	2.000%, 06/17/21 Series 2021-1	NR/SP-1+/NR	3,011,644
	East Providence, Rhode Island Tax Anticipation Note		
2,500,000	2.000%, 07/29/21 Series 2021-1	NR/SP-1+/NR	2,515,231
	Hopkinton, Rhode Island		
500,000	4.375%, 08/15/31	Aa3/NR/NR	506,929
	Johnston, Rhode Island		
1,020,000	3.450%, 06/01/29 Series A	A2/AA/NR	1,074,953
1,020,000	3.700%, 06/01/33 Series A	A2/AA/NR	1,073,727
	Lincoln, Rhode Island		
1,500,000	3.500%, 08/01/24 Series A	Aa2/NR/AAA	1,653,351
2,225,000	3.500%, 08/01/25 Series A	Aa2/NR/AAA	2,505,115
	Narragansett, Rhode Island		
1,025,000	3.500%, 07/15/28	Aa2/AA+/NR	1,112,768

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2021

Principal Amount	General Obligation Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	North Kingstown, Rhode Island		
\$ 720,000	3.000%, 04/15/24 Series A	Aa2/AA+/NR	\$ 749,453
1,500,000	3.500%, 04/01/37 Series 2021 A	NR/AA+/NR	1,756,349
	North Smithfield, Rhode Island		
825,000	3.000%, 06/15/26 Series A	Aa2/NR/NR	919,019
1,075,000	3.500%, 05/15/34	Aa2/NR/NR	1,244,408
	Pawtucket, Rhode Island		
1,010,000	4.000%, 11/01/25 AGMC Insured	A2/AA/A+	1,106,915
890,000	4.500%, 07/15/33 Series C AGMC Insured	A2/AA/NR	1,087,577
935,000	4.500%, 07/15/34 Series C AGMC Insured	A2/AA/NR	1,138,746
975,000	4.500%, 07/15/35 Series C AGMC Insured	A2/AA/NR	1,176,909
	Portsmouth, Rhode Island		
1,140,000	3.750%, 02/01/31 Series A	Aa2/AAA/NR	1,283,660
	Providence, Rhode Island		
975,000	3.625%, 01/15/29 Series A AGMC Insured	A2/AA/A-	1,011,696
2,010,000	3.750%, 01/15/30 Series A AGMC Insured	A2/AA/A-	2,085,532
1,000,000	3.750%, 01/15/32 Series A AGMC Insured	A2/AA/A-	1,035,034
	Rhode Island State & Providence Plantations Consolidated Capital Development Loan		
2,000,000	3.750%, 11/01/23 Series A	Aa2/AA/AA	2,178,959
2,110,000	4.250%, 10/15/25 Series A	Aa2/AA/AA	2,307,471
2,000,000	3.000%, 05/01/31 Series A	Aa2/AA/AA	2,156,222
2,500,000	4.000%, 04/01/32 Series A	Aa2/AA/AA	2,976,996
2,000,000	3.000%, 05/01/32 Series A	Aa2/AA/AA	2,145,419
2,000,000	3.000%, 05/01/36 Series A	Aa2/AA/AA	2,196,288
1,150,000	4.000%, 10/15/24 Series B	Aa2/AA/AA	1,213,368
1,000,000	3.250%, 10/15/31 Series B	Aa2/AA/AA	1,027,481
1,500,000	5.000%, 11/01/34 Series B	Aa2/AA/AA	1,729,126
2,000,000	5.000%, 08/01/23 Series D	Aa2/AA/AA	2,221,520
2,000,000	5.000%, 08/01/24 Series D	Aa2/AA/AA	2,305,529

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2021

Principal Amount	General Obligation Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	Richmond, Rhode Island		
\$ 1,020,000	3.000%, 08/01/24	Aa3/NR/NR	\$ 1,070,429
	Warren, Rhode Island		
1,170,000	4.000%, 02/15/33 Series 2018 A	Aa3/NR/NR	1,349,257
	Warwick, Rhode Island		
2,000,000	4.000%, 08/01/22 Series 2015 B AGMC Insured	NR/AA/NR	2,095,117
	West Greenwich, Rhode Island		
1,175,000	3.000%, 08/15/26	NR/AA+/NR	1,294,680
	West Warwick, Rhode Island		
795,000	5.000%, 10/01/32 Series A BAMI Insured	Baa1/AA/NR	942,146
	Total General Obligation Bonds		70,741,158
	<u>Revenue Bonds (62.5%)</u>		
	<u>Development (9.2%)</u>		
	Providence, Rhode Island Public Building Authority (Capital Improvement Program Projects)		
3,000,000	4.000%, 09/15/34 Series A AGMC Insured	A2/AA/NR	3,407,737
3,000,000	4.000%, 09/15/35 Series A AGMC Insured	A2/AA/NR	3,398,129
	Providence, Rhode Island Redevelopment Agency Refunding Public Safety Building Project		
1,680,000	5.000%, 04/01/26 Series A AGMC Insured	A2/AA/NR	1,966,113
	Rhode Island Convention Center Authority Refunding		
8,000,000	4.000%, 05/15/23 Series A	A1/AA-/AA-	8,559,358
	Rhode Island Infrastructure Bank Municipal Road and Bridge Revolving Fund		
935,000	4.000%, 10/01/33 Series 2019 A	NR/AA/NR	1,086,753
845,000	4.000%, 10/01/34 Series 2019 A	NR/AA/NR	979,392
1,010,000	4.000%, 10/01/35 Series 2019 A	NR/AA/NR	1,167,598

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2021

Principal Amount	Revenue Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	Development (continued)		
	Rhode Island Infrastructure Bank Efficient Buildings Fund, Green Bonds		
\$ 1,110,000	4.000%, 10/01/29 Series 2018 A	NR/AA/NR	\$ 1,345,098
1,555,000	3.000%, 10/01/37 Series 2020 A	NR/AA/NR	<u>1,687,726</u>
	Total Development		<u>23,597,904</u>
	Healthcare (2.7%)		
	Rhode Island Health & Education Building Corp., Hospital Financing, Lifespan Obligated Group		
1,000,000	5.000%, 05/15/31 Series 2016	NR/BBB+/BBB+	1,160,264
1,000,000	5.000%, 05/15/33 Series 2016	NR/BBB+/BBB+	1,144,319
1,250,000	5.000%, 05/15/34 Series 2016	NR/BBB+/BBB+	1,427,078
1,750,000	5.000%, 05/15/39 Series 2016	NR/BBB+/BBB+	1,993,792
	Rhode Island State & Providence Plantations Lease COP (Eleanor Slater Hospital Project)		
1,000,000	4.000%, 11/01/32 Series B	Aa3/AA-/AA-	<u>1,179,582</u>
	Total Healthcare		<u>6,905,035</u>
	Higher Education (6.5%)		
	Rhode Island Health and Education Building Corp., Higher Educational Facility		
2,500,000	5.000%, 09/15/30 Series 2010 A AGMC Insured	Aa3/NR/NR	2,507,849
	Rhode Island Health and Educational Building Corp., Higher Education Facility, Brown University		
2,000,000	4.000%, 09/01/37 Series 2017	Aa1/AA+/NR	2,287,915
	Rhode Island Health and Educational Building Corp., Higher Education Facility, Bryant University		
1,000,000	5.000%, 06/01/32 Series 2014	A2/A/NR	1,129,259
	Rhode Island Health and Educational Building Corp., Higher Education Facility, Providence College		
1,000,000	4.000%, 11/01/31 Series 2012	A2/A/NR	1,014,889
2,490,000	4.000%, 11/01/24 Series 2015	A2/A/NR	2,778,853

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2021

Principal Amount	Revenue Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	Higher Education (continued)		
	Rhode Island Health and Educational Building Corp., Higher Education Facility, Rhode Island School of Design		
\$ 1,000,000	3.500%, 08/15/30 Series B AGMC Insured	A1/AA/NR	\$ 1,044,411
1,000,000	Rhode Island Health and Educational Building Corp., Higher Education Facility, University of Rhode Island 4.250%, 09/15/31 Series A	Aa3/A+/NR	1,170,305
500,000	Rhode Island Health and Educational Building Corp., Higher Education Facility, University of Rhode Island Auxiliary Enterprise 4.000%, 09/15/31 Series 2016 B	A1/A+/NR	568,750
2,650,000	4.000%, 09/15/42 Series 2017 A	A1/A+/NR	2,979,250
1,000,000	4.000%, 09/15/32 Series 2017 B	A1/A+/NR	<u>1,151,243</u>
	Total Higher Education		<u>16,632,724</u>
	Housing (7.1%)		
	Rhode Island Housing & Mortgage Finance Corp. Home Funding		
850,000	3.450%, 04/01/35 Series 5	Aa2/NR/NR	863,742
250,000	Rhode Island Housing & Mortgage Finance Corp. Homeownership Opportunity 3.000%, 10/01/39 Series 71	Aa1/AA+/NR	263,058
2,000,000	2.100%, 10/01/35 Series 73 A	Aa1/AA+/NR	2,016,110
2,000,000	2.300%, 10/01/40 Series 73 A	Aa1/AA+/NR	2,008,379
	Rhode Island Housing & Mortgage Finance Corp. Multi-Family Development Sustainability		
770,000	2.750%, 10/01/34 Series 1-B	Aa2/NR/NR	816,724
1,000,000	3.100%, 10/01/44 Series 1-B	Aa2/NR/NR	1,060,525
1,750,000	2.150%, 10/01/40 Series 2021 1-B	Aa2/NR/NR	1,723,736
	Rhode Island Housing & Mortgage Finance Corp. Multi-Family Development Sustainability		
1,500,000	0.450%***, 10/01/40 Series 2021 1-A (Mandatory Tender Date 10/01/23) . . .	Aa2/NR/NR	1,500,489

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2021

Principal Amount	Revenue Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	<u>Housing (continued)</u>		
	Rhode Island Housing & Mortgage Finance Corp. Multi-Family Housing		
\$ 2,500,000	4.625%, 10/01/25 Series 2010 A	Aaa/NR/NR	\$ 2,507,456
2,000,000	5.000%, 10/01/30 Series 2010 A	Aaa/NR/NR	2,006,588
1,255,000	3.450%, 10/01/36 Series 2016 1B	Aa2/NR/NR	1,325,218
1,000,000	3.250%, 10/01/27 Series 1B	Aa2/NR/NR	1,029,392
1,000,000	3.400%, 10/01/29 Series 3B	Aa2/NR/NR	<u>1,046,727</u>
	Total Housing		<u>18,168,144</u>
	<u>Public School (23.3%)</u>		
	Rhode Island Health and Education Building Corp., Public Schools Financing Program		
795,000	5.000%, 05/15/27 Series 2015 C	Aa2/NR/NR	936,183
1,630,000	5.000%, 05/15/27 Series 2015 D	A1/NR/NR	1,913,664
	Rhode Island Health and Education Building Corp., Public School Financing Program, Chariho Regional School District		
1,520,000	4.000%, 05/15/31 Series 2017 J-2 B	Aa3/NR/NR	1,745,732
	Rhode Island Health and Education Building Corp., Public School Financing Program, Town of Coventry		
1,000,000	3.750%, 05/15/28 Series 2013 B AGMC Insured	Aa3/AA/NR	1,029,362
1,000,000	4.000%, 05/15/33 AGMC Insured	Aa3/AA/NR	1,027,277
	Rhode Island Health and Educational Building Corp., Public School Financing Program, City of Cranston		
1,170,000	4.000%, 05/15/30 Series 2015 B BAM Insured	NR/AA/NR	1,293,510
	Rhode Island Health and Education Building Corp., Public School Financing Program, City of East Providence		
1,000,000	3.625%, 05/15/32 Series B	Aa3/NR/NR	1,021,556

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2021

Principal Amount	Revenue Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	Public School (continued)		
	Rhode Island Health and Education Building Corp., Public School Financing Program, Town of Jamestown		
\$ 1,020,000	3.000%, 05/15/35 Series 2019 C	Aa1/NR/NR	\$ 1,120,169
	Rhode Island Health and Education Building Corp., Public School Financing Program, Town of Lincoln		
1,610,000	4.000%, 05/15/35 Series 2020 B	Aa2/NR/AAA	1,959,404
	Rhode Island Health and Education Building Corp., Public School Financing Program, Town of Little Compton		
1,620,000	4.000%, 05/15/25 Series 2013 H	NR/AAA/NR	1,738,621
	Rhode Island Health and Education Building Corp., Public School Financing Program, City of Newport		
1,000,000	4.000%, 05/15/27 Series 2013 C	NR/AA+/NR	1,037,005
	Rhode Island Health and Education Building Corp., Public School Financing Program, Town of North Kingston		
370,000	4.000%, 05/15/29 Series 2021 A	NR/AA+/NR	451,299
405,000	4.000%, 05/15/30 Series 2021 A	NR/AA+/NR	498,615
355,000	3.000%, 05/15/33 Series 2021 A	NR/AA+/NR	402,504
415,000	3.000%, 05/15/34 Series 2021 A	NR/AA+/NR	466,365
	Rhode Island Health and Education Building Corp., Public School Financing Program, Town of North Providence		
1,100,000	4.500%, 11/15/22 Series 2013 I	Aa3/AA-/NR	1,171,615
750,000	5.000%, 05/15/31 Series 2017 G AGMC Insured	Aa3/AA/NR	911,940
500,000	5.000%, 05/15/32 Series 2019 A AGMC Insured	Aa3/AA/NR	637,209
500,000	5.000%, 05/15/33 Series 2019 A AGMC Insured	Aa3/AA/NR	634,749
500,000	5.000%, 05/15/34 Series 2019 A AGMC Insured	Aa3/AA/NR	632,527
500,000	4.000%, 05/15/37 Series 2019 A AGMC Insured	Aa3/AA/NR	587,069

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2021

Principal Amount	Revenue Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	Public School (continued)		
	Rhode Island Health and Education Building Corp., Public School Financing Program, City of Pawtucket		
\$ 1,570,000	4.000%, 05/15/26 Series 2014 C	Aa3/NR/NR	\$ 1,720,095
1,000,000	4.250%, 05/15/29 Series 2017 E BAMI Insured	Aa3/AA/NR	1,178,266
1,045,000	4.000%, 05/15/31 Series 2018 B	Aa3/NR/NR	1,224,307
1,090,000	4.000%, 05/15/32 Series 2018 B	Aa3/NR/NR	1,272,510
2,350,000	3.000%, 05/15/39 Series 2019 B	Aa3/NR/NR	2,530,606
	Rhode Island Health and Education Building Corp., Public School Financing Program, Town of Scituate		
1,285,000	4.500%, 05/15/33 Series 2018 A	NR/AA/NR	1,534,142
	Rhode Island Health and Education Building Corp., Public School Financing Program, Pooled Issue		
445,000	5.000%, 05/15/35 Series 2019 A AGMC Insured	Aa3/AA/NR	561,637
	Rhode Island Health and Education Building Corp., Public School Financing Program, Pooled Issue - Tiverton, Foster-Glocester, Cranston, East Greenwich		
3,000,000	4.000%, 05/15/28 Series A	Aa3/NR/NR	3,427,446
	Rhode Island Health and Education Building Corp., Public School Financing Program, Pooled Issue - Narragansett & Scituate		
1,665,000	4.250%, 05/15/28 Series 2017 B	Aa2/NR/NR	1,992,255
	Rhode Island Health and Education Building Corp., Public School Financing Program, Providence Public Buildings Authority		
1,000,000	3.500%, 05/15/24 Series 2015 A AGMC Insured	Aa3/AA/NR	1,084,453
3,000,000	3.750%, 05/15/27 Series 2015 A AGMC Insured	Aa3/AA/NR	3,299,411
1,500,000	4.000%, 05/15/28 Series 2015 A AGMC Insured	Aa3/AA/NR	1,665,834
2,000,000	4.000%, 05/15/30 Series 2015 B AGMC Insured	Aa3/AA/NR	2,200,171

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2021

Principal Amount	Revenue Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	Public School (continued)		
	Rhode Island Health and Education Building Corp., Public School Financing Program, Providence Public Schools		
\$ 1,000,000	4.250%, 05/15/21 Series 2007 B AGMC Insured	A2/AA/NR	\$ 1,002,649
2,000,000	4.500%, 05/15/22 Series 2013 A	Aa3/NR/NR	2,091,498
2,000,000	4.500%, 05/15/23 Series 2013 A	Aa3/NR/NR	2,169,585
2,000,000	4.500%, 05/15/24 Series 2013 A	Aa3/NR/NR	2,163,882
1,000,000	4.000%, 05/15/35 Series 2019 A AGMC Insured	Aa3/AA/NR	1,181,982
	Rhode Island Health and Education Building Corp., Public School Financing Program, City of Warwick		
1,000,000	4.000%, 05/15/32 Series 2017 I	NR/AA/NR	1,138,692
800,000	3.500%, 05/15/26 Series B MAC Insured	NR/AA/NR	869,382
1,340,000	4.000%, 05/15/35 Series 2019 D	NR/AA/NR	1,581,622
	Rhode Island Health and Education Building Corp., Public School Financing Program, City of Woonsocket		
500,000	5.000%, 05/15/27 Series 2017 A AGMC Insured	Aa3/AA/NR	616,551
500,000	5.000%, 05/15/28 Series 2017 A AGMC Insured	Aa3/AA/NR	612,172
500,000	5.000%, 05/15/29 Series 2017 A AGMC Insured	Aa3/AA/NR	607,867
	Rhode Island Health and Education Building Corp., Public School Financing Program, Town of South Kingstown		
780,000	3.500%, 05/15/34 Series 2020A	Aa1/NR/NR	900,539
	Total Public School		<u>59,843,929</u>
	Transportation (4.6%)		
	Rhode Island Commerce Corp., Airport		
635,000	5.000%, 07/01/36 2016 Series D	Baa1/A-/BBB+	736,414
1,015,000	5.000%, 07/01/37 2016 Series D	Baa1/A-/BBB+	1,174,025

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2021

Principal Amount	Revenue Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	Transportation (continued)		
	Rhode Island Commerce Corp., First Lien Special Facility Refunding Bonds (Rhode Island Airport Corporation Intermodal Facility Project)		
\$ 1,425,000	5.000%, 07/01/24 Series 2018	Baa1/BBB+/NR	\$ 1,603,424
1,500,000	5.000%, 07/01/30 Series 2018	Baa1/BBB+/NR	1,802,894
	Rhode Island Commerce Corp., Grant Anticipation Refunding Bonds (Rhode Island Department of Transportation)		
1,850,000	4.000%, 06/15/24 Series 2016 A	A2/AA-/NR	2,061,126
1,000,000	5.000%, 06/15/31 Series 2016 B	A2/AA-/NR	1,203,750
	Rhode Island State Economic Development Corp., Airport		
1,000,000	5.000%, 07/01/24 Series B	Baa1/A-/BBB+	1,094,753
2,000,000	4.000%, 07/01/24 Series B	Baa1/A-/BBB+	<u>2,140,547</u>
	Total Transportation		<u>11,816,933</u>
	Turnpike/Highway (2.0%)		
	Rhode Island State Turnpike & Bridge Authority, Motor Fuel Tax		
1,240,000	4.000%, 10/01/27 Series 2016 A	NR/A+/A	1,407,566
1,500,000	4.000%, 10/01/34 Series 2016 A	NR/A+/A	1,658,532
1,000,000	4.000%, 10/01/36 Series 2016 A	NR/A+/A	1,101,301
300,000	4.000%, 10/01/33 Series 2019 A	NR/A+/A	352,926
300,000	4.000%, 10/01/34 Series 2019 A	NR/A+/A	351,822
345,000	4.000%, 10/01/35 Series 2019 A	NR/A+/A	<u>403,426</u>
	Total Turnpike/Highway		<u>5,275,573</u>
	Water and Sewer (6.2%)		
	Narragansett, Rhode Island Bay Commission Wastewater System		
3,145,000	4.000%, 02/01/28 Series A	NR/AA-/NR	3,486,025
	Rhode Island Clean Water Finance Agency, Water Pollution Control Bonds		
3,000,000	4.375%, 10/01/21 Series 2002 B NPF Insured	Aaa/AAA/AAA	3,062,519

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2021

Principal Amount	Revenue Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	<u>Water and Sewer (continued)</u>		
	Rhode Island Clean Water Protection Finance Agency Safe Drinking Water Revolving Fund		
\$ 1,085,000	3.500%, 10/01/25	NR/AAA/AAA	\$ 1,192,900
1,000,000	3.750%, 10/01/33	NR/AAA/AAA	1,056,424
1,000,000	3.750%, 10/01/34	NR/AAA/AAA	1,055,348
	Rhode Island Infrastructure Bank Water, City of Pawtucket		
1,730,000	5.000%, 10/01/28 Series 2015 NPFQ Insured	Baa2/A/NR	2,049,364
	Rhode Island Infrastructure Bank Water, Pollution Control		
2,575,000	4.000%, 10/01/29 Series A	NR/AAA/AAA	2,909,546
500,000	4.000%, 10/01/32 Series A	NR/AAA/AAA	582,761
	Rhode Island Infrastructure Bank Water, Safe Drinking Water		
500,000	3.000%, 10/01/31 Series A	NR/AAA/AAA	<u>534,177</u>
	Total Water and Sewer		<u>15,929,064</u>
	<u>Other Revenue (0.9%)</u>		
	Providence, Rhode Island Public Building Authority (Capital Improvement Program Projects)		
2,000,000	5.000%, 09/15/31 Series A AGMC Insured	A2/AA/NR	<u>2,375,659</u>
	Total Revenue Bonds		<u>160,544,965</u>
	<u>Pre-Refunded\Escrowed to Maturity Revenue Bonds (6.0%) ††</u>		
	<u>Healthcare (0.2%)</u>		
	Rhode Island Health & Education Building Corp., Hospital Financing (Care New England)		
500,000	5.000%, 09/01/22 Series 2013 A ETM . . .	NR/NR/NR*	<u>534,403</u>

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2021

Principal Amount	Pre-Refunded\Escrowed to Maturity Revenue Bonds (continued)††	Ratings Moody's, S&P and Fitch (unaudited)	Value
Higher Education (4.2%)			
	Rhode Island Health and Education Building Corp., Bryant University		
\$ 1,115,000	4.500%, 12/01/27 Series 2011	NR/A/NR	\$ 1,146,917
1,455,000	4.750%, 12/01/29 Series 2011	NR/A/NR	1,499,032
1,000,000	5.000%, 12/01/30 Series 2011	NR/A/NR	1,031,900
1,425,000	5.000%, 12/01/31 Series 2011	NR/A/NR	1,470,457
	Rhode Island Health and Educational Building Corp., Higher Education Facility, Rhode Island School of Design		
3,000,000	3.500%, 06/01/29 Series 2012	A1/NR/A+	3,113,138
2,500,000	4.000%, 06/01/31 Series 2012	A1/NR/A+	<u>2,609,591</u>
	Total Higher Education		<u>10,871,035</u>
Public School (1.4%)			
	Rhode Island Health and Education Building Corp., Public School Financing Program, Chariho Regional School District		
1,000,000	5.000%, 05/15/26 Series 2011 B	Aa3/NR/NR	1,005,465
	Rhode Island Health and Education Building Corp., Public School Financing Program, East Greenwich		
1,000,000	3.375%, 05/15/30	Aa1/AA+/NR	1,036,017
	Rhode Island Health and Education Building Corp., Public School Financing Program, Town of North Kingstown		
1,500,000	3.750%, 05/15/28 Series 2013 A	Aa2/AA+/NR	<u>1,560,269</u>
	Total Public School		<u>3,601,751</u>

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2021

Principal Amount	Pre-Refunded\Escrowed to Maturity Revenue Bonds (continued)††	Ratings Moody's, S&P and Fitch (unaudited)	Value
Other Revenue (0.2%)			
	State of Rhode Island Depositors Economic Protection Corp.		
\$ 250,000	5.750%, 08/01/21 Series A AGMC Insured ETM	NR/NR/NR*	\$ 253,987
215,000	6.375%, 08/01/22 Series A NPFGE Insured ETM	NR/NR/NR*	<u>230,612</u>
	Total Other Revenue		<u>484,599</u>
	Total Pre-Refunded\Escrowed to Maturity Revenue Bonds		<u>15,491,788</u>
	Total Municipal Bonds (cost \$234,270,555)		<u>246,777,911</u>
Shares Short-Term Investment (3.6%)			
9,252,049	Dreyfus Treasury Obligations Cash Management - Institutional Shares, 0.02%** (cost \$9,252,049)	Aaa-mf/AAAm/NR	<u>9,252,049</u>
	Total Investments (cost \$243,522,604-note 4)	99.7%	256,029,960
	Other assets less liabilities	<u>0.3</u>	<u>830,557</u>
	Net Assets	<u>100.0%</u>	<u>\$ 256,860,517</u>

<u>Portfolio Distribution By Quality Rating (unaudited)</u>	<u>Percentage of Investments†</u>
Aaa of Moody's or AAA and SP-1+ of S&P or Fitch	12.0%
Pre-refunded bonds\ETM bonds††	6.3
Aa of Moody's or AA of S&P or Fitch	68.3
A of Moody's or S&P or Fitch	9.7
BBB of S&P or Fitch	<u>3.7</u>
	<u>100.0%</u>

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2021

PORTFOLIO ABBREVIATIONS

AGMC - Assured Guaranty Municipal Corp.
BAMI - Build America Mutual Insurance
COP - Certificates of Participation
ETM - Escrowed to Maturity
MAC - Municipal Assurance Corp.
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 Sub-Adviser to have sufficient quality to be ranked in the top credit four ratings if a credit rating were to be assigned by a NRSRO.
- ** The rate is an annualized seven-day yield at period end.
- *** Variable rate.
- † Where applicable, calculated using the highest rating of the three NRSROs. 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.

See accompanying notes to financial statements.

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES
MARCH 31, 2021

ASSETS

Investments at value (cost \$243,522,604)	\$ 256,029,960
Interest receivable	2,847,255
Receivable for Fund shares sold	333,098
Other assets	29,641
Total assets	<u>259,239,954</u>

LIABILITIES

Payable for investment securities purchased	1,747,320
Dividends payable	202,597
Payable for Fund shares redeemed	200,919
Management fees payable	92,319
Distribution and service fees payable	464
Accrued expenses payable	135,818
Total liabilities	<u>2,379,437</u>

NET ASSETS	<u>\$ 256,860,517</u>
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Net Assets consist of:

Capital Stock – Authorized an unlimited number of shares, par value \$0.01 per share	\$ 233,128
Additional paid-in capital	245,051,531
Total distributable earnings	11,575,858
	<u>\$ 256,860,517</u>

CLASS A

Net Assets	\$ 125,401,460
Capital shares outstanding	<u>11,380,969</u>
Net asset value and redemption price per share	<u>\$ 11.02</u>
Maximum offering price per share* (100/97 of \$11.02)	<u>\$ 11.36</u>

CLASS C

Net Assets	\$ 2,958,506
Capital shares outstanding	<u>268,489</u>
Net asset value and offering price per share	<u>\$ 11.02</u>

CLASS F

Net Assets	\$ 2,119,175
Capital shares outstanding	<u>192,687</u>
Net asset value, offering and redemption price per share	<u>\$ 11.00</u>

CLASS I

Net Assets	\$ 334,557
Capital shares outstanding	<u>30,345</u>
Net asset value, offering and redemption price per share	<u>\$ 11.03</u>

CLASS Y

Net Assets	\$ 126,046,819
Capital shares outstanding	<u>11,440,322</u>
Net asset value, offering and redemption price per share	<u>\$ 11.02</u>

* Maximum sales rate reduced to 3% on September 1, 2020.

See accompanying notes to financial statements.

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2021

Investment Income

Interest income \$ 7,016,194

Expenses

Management fee (note 3)	\$	1,243,754
Distribution and service fee (note 3)		226,249
Transfer and shareholder servicing agent fees		137,349
Legal fees		102,180
Fund accounting fees		62,357
Registration fees and dues		52,867
Trustees' fees and expenses (note 7)		52,549
Shareholders' reports		28,862
Auditing and tax fees		23,300
Insurance		11,780
Custodian fees		11,557
Credit facility fees (note 10)		8,609
Compliance services (note 3)		8,052
Miscellaneous		21,701
Total expenses		1,991,166

Management fee waived (note 3)		(188,823)
Net expenses		1,802,343
Net investment income		5,213,851

Realized and Unrealized Gain (Loss) on Investments:

Net realized gain (loss) from securities transactions		3,597
Change in unrealized appreciation on investments		2,304,829

Net realized and unrealized gain (loss) on investments		2,308,426
Net change in net assets resulting from operations		\$ 7,522,277

See accompanying notes to financial statements.

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
STATEMENT OF CHANGES IN NET ASSETS

	<u>Year Ended</u> <u>March 31, 2021</u>	<u>Year Ended</u> <u>March 31, 2020</u>
OPERATIONS		
Net investment income	\$ 5,213,851	\$ 5,471,835
Net realized gain (loss) from securities transactions . .	3,597	46,298
Change in unrealized appreciation on investments . .	<u>2,304,829</u>	<u>3,504,047</u>
Change in net assets resulting from operations	<u>7,522,277</u>	<u>9,022,180</u>
DISTRIBUTIONS TO SHAREHOLDERS (note 9):		
Class A Shares	(2,490,385)	(2,662,064)
Class C Shares	(51,430)	(86,697)
Class F Shares	(40,692)	(27,071)
Class I Shares	(5,148)	(4,433)
Class Y Shares	<u>(2,626,117)</u>	<u>(2,691,539)</u>
Change in net assets from distributions	<u>(5,213,772)</u>	<u>(5,471,804)</u>
CAPITAL SHARE TRANSACTIONS (note 6):		
Proceeds from shares sold	35,270,200	35,268,763
Reinvested dividends and distributions	2,704,757	2,779,850
Cost of shares redeemed	<u>(27,296,504)</u>	<u>(25,495,217)</u>
Change in net assets from capital share transactions . .	<u>10,678,453</u>	<u>12,553,396</u>
Change in net assets	12,986,958	16,103,772
NET ASSETS:		
Beginning of period	<u>243,873,559</u>	<u>227,769,787</u>
End of period	<u>\$ 256,860,517</u>	<u>\$ 243,873,559</u>

See accompanying notes to financial statements.

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

1. Organization

Aquila Narragansett Tax-Free Income Fund (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 Narragansett Tax-Free Income Fund. Narragansett Tax-Free Income Fund 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 Narragansett Tax-Free Income Fund 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 Narragansett Tax-Free Income Fund 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 Shares 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 Shares 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 at fair value determined in good faith under procedures established by and under the general supervision of the Board of Trustees.

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
NOTES TO FINANCIAL STATEMENTS (continued)
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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, 2021:

<u>Valuation Inputs*</u>	<u>Investments in Securities</u>
Level 1 – Quoted Prices - Short-Term Investment . . .	\$ 9,252,049
Level 2 – Other Significant Observable Inputs — Municipal Bonds*	246,777,911
Level 3 – Significant Unobservable Inputs	<u>—</u>
Total	<u>\$ 256,029,960</u>

* 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.

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
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Management has reviewed the tax positions for each of the open tax years (2018 – 2020) or expected to be taken in the Fund's 2021 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, 2021, 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. The portfolio management of the Fund has been delegated to a Sub-Adviser as described below. Under the Advisory and Administration Agreement, the Manager provides all administrative services to the Fund, other than those relating to the day-to-day portfolio management. The Manager's services include providing the office of the Fund and all related services as well as overseeing the activities of the Sub-Adviser and managing relationships with all the various support organizations to the Fund such as the shareholder servicing agent, custodian, legal counsel, fund accounting agent, auditor 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 0.50% on the Fund's net assets.

Citizens Investment Advisors, a department of Citizens Bank, N.A. (the "Sub-Adviser"), serves as the Investment Sub-Adviser for the Fund under a Sub-Advisory Agreement between the Manager and the Sub-Adviser. Under this agreement, the Sub-Adviser continuously provides, subject to oversight of the Manager and the Board of Trustees of the Fund, the investment program of the Fund and the composition of its portfolio, arranges for the purchases and sales of portfolio securities, and provides for

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

daily pricing of the Fund's portfolio. For the year ended March 31, 2021 for its services, the Sub-Adviser was entitled to receive a fee from the Manager which is payable monthly and computed as of the close of business each day at the annual rate of 0.23% on the Fund's net assets. The Sub-Advisor has contractually agreed to waive its fee through September 30, 2021 such that its annual rate shall be equivalent to 0.175% on the Fund's net assets.

The Manager has contractually undertaken to waive its fees so that management fees are equivalent to 0.48 of 1% of net assets of the Fund up to \$400,000,000; 0.46 of 1% of net assets above \$400,000,000 up to \$1,000,000,000; and 0.44 of 1% of net assets above \$1,000,000,000. This contractual undertaking is in effect until September 30, 2021. The Manager may not terminate the arrangement without the approval of the Board of Trustees. For the year ended March 31, 2021, the Fund incurred management fees of \$1,243,754 of which \$188,823 was waived, which included supplemental fee waivers of \$139,073 above and beyond the contractual expense cap. These waivers are not reimbursable.

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 and the Sub-Adviser 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, 2021, distribution fees on Class A Shares amounted to \$183,009, of which the Distributor retained \$11,976.

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, 2021, amounted to \$32,225. 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, 2021, amounted to \$10,742. The total of these payments with respect to Class C Shares amounted to \$42,967, of which the Distributor retained \$12,211.

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

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, the Fund 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 of the Fund 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, 2021, these payments were made at the average annual rate of 0.35% of such net assets amounting to \$955 of which \$273 related to the Plan and \$682 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 Rhode Island, with the bulk of any sales commissions inuring to such financial intermediaries. For the year ended March 31, 2021, total commissions on sales of Class A Shares amounted to \$103,121, of which the Distributor received \$18,697.

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, 2021, purchases of securities and proceeds from the sales of securities aggregated \$19,259,938 and \$15,984,175, respectively.

At March 31, 2021, the aggregate tax cost for all securities was \$243,522,404. At March 31, 2021, the aggregate gross unrealized appreciation for all securities in which there is an excess of value over tax cost amounted to \$12,577,670 and aggregate gross unrealized depreciation for all securities in which there is an excess of tax cost over value amounted to \$70,114 for a net unrealized appreciation of \$12,507,556.

5. Portfolio Orientation

Since the Fund invests principally and may invest entirely in double tax-free municipal obligations of issuers within Rhode Island, it is subject to possible risks associated with economic, political, or legal developments or industrial or regional matters specifically affecting Rhode Island and whatever effects these may have upon Rhode Island issuers' ability to meet their obligations.

The Fund is also permitted to invest in U.S. territorial municipal obligations meeting comparable quality standards and providing income which is exempt from both regular

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

Federal and Rhode Island income taxes. The general policy of the Fund is to invest in such securities only when comparable securities of Rhode Island issuers are not available in the market. At March 31, 2021, the Fund had all of its long-term portfolio holdings invested in the securities of Rhode Island issuers.

6. Capital Share Transactions

Transactions in Capital Shares of the Fund were as follows:

	Year Ended March 31, 2021		Year Ended March 31, 2020	
	Shares	Amount	Shares	Amount
Class A Shares:				
Proceeds from shares sold.	1,384,257	\$ 15,336,700	1,098,336	\$ 11,977,410
Reinvested dividends and distributions	166,372	1,839,025	181,550	1,983,762
Cost of shares redeemed	<u>(1,132,393)</u>	<u>(12,497,593)</u>	<u>(1,059,290)</u>	<u>(11,524,535)</u>
Net change	<u>418,236</u>	<u>4,678,132</u>	<u>220,596</u>	<u>2,436,637</u>
Class C Shares:				
Proceeds from shares sold.	30,025	330,537	37,733	410,890
Reinvested dividends and distributions	2,239	24,745	2,967	32,392
Cost of shares redeemed	<u>(267,530)</u>	<u>(2,965,728)</u>	<u>(197,211)</u>	<u>(2,145,383)</u>
Net change	<u>(235,266)</u>	<u>(2,610,446)</u>	<u>(156,511)</u>	<u>(1,702,101)</u>
Class F Shares:				
Proceeds from shares sold.	62,780	694,281	87,575	955,535
Reinvested dividends and distributions	3,690	40,719	2,477	27,072
Cost of shares redeemed	<u>(11,740)</u>	<u>(129,597)</u>	<u>(7,633)</u>	<u>(83,055)</u>
Net change	<u>54,730</u>	<u>605,403</u>	<u>82,419</u>	<u>899,552</u>
Class I Shares:				
Proceeds from shares sold.	8,435	93,459	6,228	68,180
Reinvested dividends and distributions	416	4,603	277	3,034
Cost of shares redeemed	<u>(978)</u>	<u>(10,854)</u>	<u>(2,989)</u>	<u>(32,597)</u>
Net change	<u>7,873</u>	<u>87,208</u>	<u>3,516</u>	<u>38,617</u>
Class Y Shares:				
Proceeds from shares sold.	1,698,846	18,815,223	2,001,097	21,856,748
Reinvested dividends and distributions	71,986	795,665	67,097	733,590
Cost of shares redeemed	<u>(1,057,097)</u>	<u>(11,692,732)</u>	<u>(1,076,176)</u>	<u>(11,709,647)</u>
Net change	<u>713,735</u>	<u>7,918,156</u>	<u>992,018</u>	<u>10,880,691</u>
Total transactions in Fund shares.	<u>959,308</u>	<u>\$ 10,678,453</u>	<u>1,142,038</u>	<u>\$ 12,553,396</u>

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

7. Trustees' Fees and Expenses

At March 31, 2021, 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, 2021 was \$52,549. 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, 2021, due to the COVID-19 pandemic, such meeting-related expenses amounted to \$0.

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. Beginning on the date the Fund enters into a when-issued transaction, cash or other liquid securities are segregated in an amount equal to or greater than the value of the when-issued 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. These 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 State of Rhode Island 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 rates. As a result of the passage of the Regulated Investment Company 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, 2021, the Fund had capital loss carry forwards of \$988,637 of which \$791,682 retains its character of short-term and \$196,955 retains its 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.

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

The tax character of distributions was as follows:

	Year Ended March 31, 2021	Year Ended March 31, 2020
Net tax-exempt income	\$ 5,211,017	\$ 5,380,416
Ordinary Income	2,755	91,388
	\$ 5,213,772	\$ 5,471,804

As of March 31, 2021, the components of distributable earnings on a tax basis were:

Undistributed tax-exempt income.....	\$ 259,536
Accumulated net realized loss.....	(988,637)
Unrealized appreciation.....	12,507,556
Other temporary differences	(202,597)
	\$ 11,575,858

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 (which is comprised of nine funds) have been parties to a \$40 million credit agreement, which currently terminates on August 25, 2021 (per the August 26, 2020 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 rate selected by the Aquila Group of Funds at the time of the borrowing of either (i) the one-month Eurodollar Rate or (ii) a rate equal to the greater of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day, or (c) the Overnight Eurodollar Rate in effect on such day).

There were no borrowings under the credit agreement during the year ended March 31, 2021.

11. Recent Events

The respiratory illness COVID-19 caused by a novel coronavirus has resulted in a global pandemic and 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 interest rates are very low or negative. Some sectors of the economy and individual issuers have

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2021

experienced particularly large losses. These circumstances may continue for an extended period of time, and affect adversely the value and/or liquidity of the Fund's investments. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, are not known. Governments and central banks, including the Federal Reserve in the U.S., have taken extraordinary and unprecedented actions to support national economies and the financial markets. These actions have resulted in significant expansion of public debt, including in the U.S. The impact of these measures, and whether they will be effective to mitigate the economic and market disruption, may not be known for some time. The consequences of high public debt, including its future impact on the economy and securities markets, likewise may not be known for some time.

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
FINANCIAL HIGHLIGHTS (continued)

For a share outstanding throughout each period

	Class A				
	Year Ended March 31,				
	2021	2020	2019	2018	2017
Net asset value, beginning of period	\$10.91	\$10.74	\$10.57	\$10.61	\$10.92
Income (loss) from investment operations:					
Net investment income ⁽¹⁾	0.23	0.25	0.26	0.27	0.28
Net gain (loss) on securities (both realized and unrealized)	0.11	0.17	0.17	(0.04)	(0.31)
Total from investment operations	0.34	0.42	0.43	0.23	(0.03)
Less distributions (note 9):					
Dividends from net investment income	(0.23)	(0.25)	(0.26)	(0.27)	(0.28)
Distributions from capital gains	—	—	—	—	—
Total distributions	(0.23)	(0.25)	(0.26)	(0.27)	(0.28)
Net asset value, end of period	\$11.02	\$10.91	\$10.74	\$10.57	\$10.61
Total return (not reflecting sales charge)	3.09%	3.89%	4.18%	2.18%	(0.30)%
Ratios/supplemental data					
Net assets, end of period (in millions)	\$125	\$120	\$115	\$116	\$127
Ratio of expenses to average net assets	0.78%	0.79%	0.79%	0.76%	0.77%
Ratio of net investment income to average net assets	2.04%	2.25%	2.51%	2.53%	2.58%
Portfolio turnover rate	7%	6%	9%	4%	12%
Expense and net investment income ratios without the effect of the contractual expense cap and/or contractual fee waiver, as well as additional voluntary fee waivers were (note 3):					
Ratio of expenses to average net assets	0.86%	0.87%	0.86%	0.84%	0.85%
Ratio of net investment income to average net assets	1.96%	2.17%	2.43%	2.45%	2.50%

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

See accompanying notes to financial statements.

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
FINANCIAL HIGHLIGHTS (continued)

For a share outstanding throughout each period

	Class C				
	Year Ended March 31,				
	2021	2020	2019	2018	2017
Net asset value, beginning of period	\$10.91	\$10.74	\$10.57	\$10.61	\$10.92
Income (loss) from investment operations:					
Net investment income ⁽¹⁾	0.13	0.15	0.17	0.18	0.19
Net gain (loss) on securities (both realized and unrealized)	0.11	0.17	0.17	(0.04)	(0.31)
Total from investment operations	0.24	0.32	0.34	0.14	(0.12)
Less distributions (note 9):					
Dividends from net investment income	(0.13)	(0.15)	(0.17)	(0.18)	(0.19)
Distributions from capital gains	—	—	—	—	—
Total distributions	(0.13)	(0.15)	(0.17)	(0.18)	(0.19)
Net asset value, end of period	<u>\$11.02</u>	<u>\$10.91</u>	<u>\$10.74</u>	<u>\$10.57</u>	<u>\$10.61</u>
Total return (not reflecting sales charge)	2.21%	3.01%	3.30%	1.31%	(1.14)%
Ratios/supplemental data					
Net assets, end of period (in millions)	\$3	\$5	\$7	\$9	\$12
Ratio of expenses to average net assets	1.64%	1.65%	1.63%	1.61%	1.61%
Ratio of net investment income to average net assets	1.20%	1.41%	1.66%	1.68%	1.72%
Portfolio turnover rate	7%	6%	9%	4%	12%
Expense and net investment income ratios without the effect of the contractual expense cap and/or contractual fee waiver, as well as additional voluntary fee waivers were (note 3):					
Ratio of expenses to average net assets	1.71%	1.73%	1.71%	1.69%	1.69%
Ratio of net investment income to average net assets	1.13%	1.33%	1.58%	1.60%	1.64%

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

See accompanying notes to financial statements.

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
FINANCIAL HIGHLIGHTS (continued)

For a share outstanding throughout each period

	Class F		
	Year Ended March 31, 2021	Year Ended March 31, 2020	For the Period November 30, 2018* through March 31, 2019
Net asset value, beginning of period	\$10.89	\$10.72	\$10.48
Income (loss) from investment operations:			
Net investment income ⁽¹⁾	0.24	0.26	0.09
Net gain (loss) on securities (both realized and unrealized)	0.11	0.17	0.24
Total from investment operations	0.35	0.43	0.33
Less distributions (note 9):			
Dividends from net investment income	(0.24)	(0.26)	(0.09)
Distributions from capital gains	—	—	—
Total distributions	(0.24)	(0.26)	(0.09)
Net asset value, end of period	\$11.00	\$10.89	\$10.72
Total return	3.27%	4.08%	3.18% ⁽²⁾
Ratios/supplemental data			
Net assets, end of period (in millions)	\$2	\$1.5	\$0.6
Ratio of expenses to average net assets	0.60%	0.61%	0.63% ⁽³⁾
Ratio of net investment income to average net assets	2.21%	2.41%	2.58% ⁽³⁾
Portfolio turnover rate	7%	6%	9% ⁽³⁾
Expense and net investment income ratios without the effect of the contractual fee waiver, as well as additional voluntary fee waivers were (note 3):			
Ratio of expenses to average net assets	0.68%	0.69%	0.71% ⁽³⁾
Ratio of investment income to average net assets	2.13%	2.33%	2.50% ⁽³⁾

* Commencement of operations.

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

(2) Not annualized.

(3) Annualized.

See accompanying notes to financial statements.

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
FINANCIAL HIGHLIGHTS (continued)

For a share outstanding throughout each period

	Class I				
	Year Ended March 31,				
	2021	2020	2019	2018	2017
Net asset value, beginning of period	\$10.91	\$10.74	\$10.56	\$10.61	\$10.92
Income (loss) from investment operations:					
Net investment income ⁽¹⁾	0.21	0.23	0.26	0.26	0.26
Net gain (loss) on securities (both realized and unrealized)	0.12	0.17	0.18	(0.05)	(0.31)
Total from investment operations	0.33	0.40	0.44	0.21	(0.05)
Less distributions (note 9):					
Dividends from net investment income	(0.21)	(0.23)	(0.26)	(0.26)	(0.26)
Distributions from capital gains	—	—	—	—	—
Total distributions	(0.21)	(0.23)	(0.26)	(0.26)	(0.26)
Net asset value, end of period	\$11.03	\$10.91	\$10.74	\$10.56	\$10.61
Total return	3.03%	3.74%	4.24%	1.95%	(0.45)%
Ratios/supplemental data					
Net assets, end of period (in millions)	\$0.3	\$0.2	\$0.2	\$0.1	\$0.1
Ratio of expenses to average net assets	0.93%	0.94%	0.83%	0.89%	0.90%
Ratio of net investment income to average net assets	1.89%	2.10%	2.47%	2.41%	2.43%
Portfolio turnover rate	7%	6%	9%	4%	12%
Expense and net investment income ratios without the effect of the contractual expense cap and/or contractual fee waiver, as well as additional voluntary fee waivers were (note 3):					
Ratio of expenses to average net assets	1.00%	1.02%	0.91%	0.97%	0.98%
Ratio of net investment income to average net assets	1.81%	2.02%	2.39%	2.33%	2.35%

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

See accompanying notes to financial statements.

AQUILA NARRAGANSETT TAX-FREE INCOME FUND
FINANCIAL HIGHLIGHTS (continued)

For a share outstanding throughout each period

	Class Y				
	Year Ended March 31,				
	2021	2020	2019	2018	2017
Net asset value, beginning of period	\$10.91	\$10.74	\$10.57	\$10.61	\$10.92
Income (loss) from investment operations:					
Net investment income ⁽¹⁾	0.24	0.26	0.28	0.29	0.30
Net gain (loss) on securities (both realized and unrealized)	0.11	0.17	0.17	(0.04)	(0.31)
Total from investment operations	0.35	0.43	0.45	0.25	(0.01)
Less distributions (note 9):					
Dividends from net investment income	(0.24)	(0.26)	(0.28)	(0.29)	(0.30)
Distributions from capital gains	—	—	—	—	—
Total distributions	(0.24)	(0.26)	(0.28)	(0.29)	(0.30)
Net asset value, end of period	<u>\$11.02</u>	<u>\$10.91</u>	<u>\$10.74</u>	<u>\$10.57</u>	<u>\$10.61</u>
Total return	3.24%	4.05%	4.34%	2.34%	(0.15)%
Ratios/supplemental data					
Net assets, end of period (in millions)	\$126	\$117	\$105	\$106	\$104
Ratio of expenses to average net assets	0.63%	0.64%	0.64%	0.61%	0.62%
Ratio of net investment income to average net assets	2.19%	2.40%	2.66%	2.69%	2.73%
Portfolio turnover rate	7%	6%	9%	4%	12%
Expense and net investment income ratios without the effect of the contractual expense cap and/or contractual fee waiver, as well as additional voluntary fee waivers were (note 3):					
Ratio of expenses to average net assets	0.71%	0.72%	0.72%	0.69%	0.70%
Ratio of net investment income to average net assets	2.11%	2.32%	2.58%	2.61%	2.65%

(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 ("AIM") as the administrator of the program (the "Committee").

The Board met on June 12, 2020 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 December 1, 2018 through May 29, 2020 (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⁽⁴⁾ Overseen by Trustee	Other Directorships Held by Trustee During Past 5 Years
Interested Trustee⁽⁵⁾				
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 ⁽⁶⁾ 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.	10	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 of the Board of Trustees of The Cascades Trust (Predecessor Fund of Aquila Tax-Free Trust of Oregon) 2003-2020, President of The Cascades Trust 1998-2020 and Trustee of the Cascades Trust 1994-2020

Non-Interested Trustees

Thomas A. Christopher Danville, KY (1947)	Chair of the Board of Aquila Municipal Trust since 2017; Trustee since 2009	Principal, Robinson, Hughes & Christopher, C.P.A.s, P.S.C., since July 2017, 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
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<u>Name and Year of Birth⁽²⁾</u>	<u>Positions Held with Trust and Length of Service⁽³⁾</u>	<u>Principal Occupation(s) During Past 5 Years</u>	<u>Number of Portfolios in Fund Complex⁽⁴⁾ Overseen by Trustee</u>	<u>Other Directorships Held by Trustee During Past 5 Years</u>
Non-Interested Trustees (cont'd)				
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 six 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, since 2019, Commissioner, 2013–present; Dean, Marriott School of Management, 2008-2013; Director, Romney Institute of Public Management, Marriott School of Management, 2004-2008; Past President, National Tax Association; Fellow, Lincoln Institute of Land Policy, 2002-present; Associate Dean, Marriott School of Management, Brigham Young University, 1991-2000; member, Utah Governor's Tax Review Committee, 1993-2009; 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
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

<u>Name and Year of Birth⁽²⁾</u>	<u>Positions Held with Trust and Length of Service⁽³⁾</u>	<u>Principal Occupation(s) During Past 5 Years</u>	<u>Number of Portfolios in Fund Complex⁽⁴⁾ Overseen by Trustee</u>	<u>Other Directorships Held by Trustee During Past 5 Years</u>
<u>Non-Interested Trustees (cont'd)</u>				
James A. Gardner Redmond, OR (1943)	Trustee of Aquila Municipal Trust since 2020	President, Gardner Associates, an investment and real estate firm, since 1989; Owner and Developer of Vandeverst Ranch, Sunriver, Oregon since 1989; Founding Partner, Chairman Emeritus and previously Chairman (1991-2010), Ranch at the Canyons, Terrebonne, Oregon; President Emeritus and previously President (1981-1989), Lewis and Clark College and Law School; director, Oregon High Desert Museum, 1989-2003; active in civic, business and educational organizations in Oregon; writer on Native American and settlement history of Oregon Trustee of various funds in the Aquila Group of Funds since 1986.	6	Chair of the Board of Trustees of The Cascades Trust 2005-2020 and Trustee of The Cascades Trust (Predecessor Fund of Aquila Tax-Free Trust of Oregon) 1986-2020
Patricia L. Moss Bend, OR (1953)	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 since 2018; 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
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

<u>Name and Year of Birth⁽²⁾</u>	<u>Positions Held with Trust and Length of Service⁽³⁾</u>	<u>Principal Occupation(s) During Past 5 Years</u>	<u>Number of Portfolios in Fund Complex⁽⁴⁾ Overseen by Trustee</u>	<u>Other Directorships Held by Trustee During Past 5 Years</u>
<u>Non-Interested Trustees (cont'd)</u>				
Lauren 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) Includes an Aquila-sponsored fund that is dormant and has no public shareholders.
- (5) 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.
- (6) 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 Three Peaks Opportunity Growth Fund, which is an equity fund; and Aquila Three Peaks High Income Fund, which is a high-income corporate bond fund.

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 Three Peaks 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 Scottsdale, 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 2018; Financial Advisor, Prudential Advisors, 2017 - 2018; Founder/Consultant, Brix Cooper Consulting, 2015-2016; Vice President, National Accounts & Regional Advisory Consultant, Advisors Asset Management Inc., 2008-2015.
Craig T. DiRuzzo Denver, CO (1976)	Vice President of Aquila Municipal Trust since 2013	Vice President, Aquila Municipal Trust (which includes Aquila Tax-Free Fund of Colorado), and Regional Sales Manager of the Distributor, since 2013; Regional Vice President, B I C Group, LLC, Denver, CO, 2012; Vice President, Wellesley Investment Advisors, Denver, CO, 2011-2012; Mutual Funds Sales Director, UBS Global Asset Management, Denver, CO, 2004-2010, Internal Investment Consultant, 2002-2004.
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) and Aquila Tax-Free Fund For Utah (since 2017)	Portfolio Manager of Aquila Churchill Tax-Free Fund of Kentucky (since 2011); Portfolio Manager of Aquila Tax-Free Trust of Arizona (since 2017) 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.
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 Three Peaks 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.

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⁾		
Candace D. Roane New York, NY (1977)	Vice President of Aquila Municipal Trust since September 2019	Vice President of all funds in the Aquila Group of Funds since 2019; Senior Vice President, Director of Communications and Marketing, Aquila Distributors LLC since 2019, Vice President, Marketing Communication and Data Manager, 2010 –2019.
Nicholas R. Stewart Louisville, KY (1990)	Vice President of Aquila Municipal Trust since March 2021	Vice President, Aquila Municipal Trust (which includes Aquila Churchill Tax-Free Fund of Kentucky) since March 2021; Regional Sales Manager and registered representative of the Distributor since February 2021; Vice President, Account Manager, 2019-2020 and Senior Account Associate, 2016-2019, PIMCO Investments LLC; Product Specialist, Hilliard Lyons, 2015-2016.
Anthony A. Tanner Phoenix, AZ (1960)	Vice President of Aquila Municipal Trust, Lead Portfolio Manager of Aquila Tax-Free Trust of Arizona, and Portfolio Manager of Aquila Churchill Tax-Free Fund of Kentucky 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; 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.
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 and Aquila Churchill Tax-Free Fund of Kentucky since 2017	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); 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 Three Peaks Opportunity Growth Fund, 2004-2013 and Aquila Funds Trust since 2013.

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⁾		
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), 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.
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			Hypothetical		
	(actual return after expenses)			(5% annual return before expenses)		
Share Class	Beginning Account Value 10/1/20	Ending ⁽¹⁾ Account Value 3/31/21	Expenses ⁽²⁾ Paid During Period 10/1/20 – 3/31/21	Ending Account Value 3/31/21	Expenses ⁽²⁾ Paid During Period 10/1/20 – 3/31/21	Net Annualized Expense Ratio
A	\$1,000	\$1,005.40	\$3.80	\$1,021.14	\$3.83	0.76%
C	\$1,000	\$1,001.10	\$8.03	\$1,016.90	\$8.10	1.61%
F	\$1,000	\$1,006.30	\$2.90	\$1,022.04	\$2.92	0.58%
I	\$1,000	\$1,004.70	\$4.50	\$1,020.44	\$4.53	0.90%
Y	\$1,000	\$1,006.10	\$3.05	\$1,021.89	\$3.07	0.61%

- (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.

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, 2020, 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, 2021, \$5,211,017 of dividends paid by Aquila Narragansett Tax-Free Income Fund, constituting 99.9% of total dividends paid, were exempt-interest dividends; and the balance was ordinary income.

Prior to February 15, 2022, shareholders will be mailed the appropriate tax form(s) which will contain information on the status of distributions paid for the 2021 calendar year.

Founders

Lacy B. Herrmann (1929-2012)
Aquila Management Corporation, Sponsor

Manager

AQUILA INVESTMENT MANAGEMENT LLC
120 West 45th Street, Suite 3600
New York, New York 10036

Investment Sub-Adviser

CITIZENS INVESTMENT ADVISORS,
A DEPARTMENT OF CITIZENS BANK, N. A.
One Citizens Plaza
Providence, Rhode Island 02903

Board of Trustees

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AQUILA DISTRIBUTORS LLC
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Transfer and Shareholder Servicing Agent
BNY MELLON INVESTMENT SERVICING (US) INC.
4400 Computer Drive
Westborough, Massachusetts 01581

Custodian

THE BANK OF NEW YORK MELLON
240 Greenwich Street
New York, New York 10286

Independent Registered Public Accounting Firm

TAIT, WELLER & BAKER LLP
Two Liberty Place
50 South 16th Street, Suite 2900
Philadelphia, Pennsylvania 19102

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