

**Aquila Funds Trust**  
Aquila High Income Fund  
Aquila Opportunity Growth Fund  
(each, a “Fund” and collectively, the “Funds”)

**Supplement dated March 12, 2024  
to the Summary Prospectus, Prospectus and Statement of Additional Information  
Dated April 27, 2023**

*The following disclosure supplements any information to the contrary in each Fund’s Summary Prospectus, Prospectus and Statement of Additional Information:*

Aquila Investment Management LLC (“Aquila”), each Fund’s investment adviser, and Cantor Fitzgerald Investment Advisors, LP (“Cantor”) announced that they have entered into a definitive agreement for Aquila to sell assets used in its investment advisory business relating to the Funds to Cantor (the “transaction”).

Under the terms of the agreement, subject to Fund shareholder approval, each Fund is expected to be reorganized into a newly created series of Cantor Select Portfolios Trust (each, a “Reorganization” and collectively, the “Reorganizations”), and subsequently will be advised by Cantor and subadvised by Smith Group Asset Management, LLC. The Board of Trustees of the Funds (the “Board”) has unanimously approved each of the proposed Reorganizations. The proposed Reorganizations are listed below:

| <u>Aquila Funds</u>            | <u>Acquiring Cantor Funds</u>             |
|--------------------------------|---|
| Aquila High Income Fund        | Cantor Fitzgerald High Income Fund        |
| Aquila Opportunity Growth Fund | Cantor Fitzgerald Opportunity Growth Fund |

Each Reorganization is contingent upon the completion of certain conditions, including approval by the shareholders of the applicable Fund. If all conditions are satisfied and approvals obtained, the transaction and proposed Reorganizations are expected to close in the third quarter of 2024.

The foregoing disclosure is not intended to solicit a proxy from any Fund shareholder. The solicitation of proxies to effect each Reorganization will only be made by a final, effective Registration Statement on Form N-14, which includes a definitive Proxy Statement/Prospectus, after that Registration Statement is declared effective by the Securities and Exchange Commission (the “SEC”). The Registration Statement on Form N-14 has yet to be filed with the SEC. After the Registration Statement on Form N-14 is filed with the SEC, it may be amended or withdrawn and the Proxy Statement/Prospectus will not be distributed to Fund shareholders unless and until the Registration Statement on Form N-14 is declared effective by the SEC.

Fund shareholders are urged to read the Proxy Statement/Prospectus relating to the Reorganization of their Fund and other documents filed with the SEC carefully and in their entirety when they become available because these documents will contain important information about the proposed Reorganizations. The Proxy Statement/Prospectus will contain information with respect to the investment objectives, risks, charges and expenses of the Cantor Funds and other important information that Fund shareholders should carefully consider.

**Please retain this supplement for future reference.**

**Supplement dated November 30, 2023  
to the Prospectus and Statement of Additional Information of:**

**Aquila Funds Trust**

Aquila High Income Fund  
Aquila Opportunity Growth Fund  
**Dated April 27, 2023**

**Aquila Municipal Trust**

Aquila Tax-Free Trust of Arizona  
Aquila Tax-Free Fund of Colorado  
Aquila Churchill Tax-Free Fund of Kentucky  
Aquila Tax-Free Trust of Oregon  
Aquila Narragansett Tax-Free Income Fund  
Aquila Tax-Free Fund For Utah  
**Dated July 27, 2023**

**Hawaiian Tax-Free Trust**

**Dated July 27, 2023**

The following disclosure supplements any information to the contrary in each Fund's Prospectus and Statement of Additional Information:

**Broker-Defined Sales Charge Waiver Policies**

The information below has been provided by the named financial intermediaries. Please contact the applicable financial intermediary with any questions regarding how it applies the policies described below or for assistance in determining whether you may qualify for a particular sales charge waiver or discount.

**Merrill Lynch:**

Purchases or sales of front-end (i.e. Class A) or level-load (i.e., Class C) mutual fund shares through a Merrill platform or account will be eligible only for the following sales load waivers (front-end, contingent deferred, or back-end waivers) and discounts, which differ from those disclosed elsewhere in this Fund's prospectus. Purchasers will have to buy mutual fund shares directly from the mutual fund company or through another intermediary to be eligible for waivers or discounts not listed below.

It is the client's responsibility to notify Merrill at the time of purchase or sale of any relationship or other facts that qualify the transaction for a waiver or discount. A Merrill representative may ask for reasonable documentation of such facts and Merrill may condition the granting of a waiver or discount on the timely receipt of such documentation.

Additional information on waivers and discounts is available in the Merrill Sales Load Waiver and Discounts Supplement (the "Merrill SLWD Supplement") and in the Mutual Fund Investing at Merrill pamphlet at [ml.com/funds](http://ml.com/funds). Clients are encouraged to review these documents and speak with their financial advisor to determine whether a transaction is eligible for a waiver or discount.

**Front-end Load Waivers Available at Merrill**

- Shares of mutual funds available for purchase by employer-sponsored retirement, deferred compensation, and employee benefit plans (including health savings accounts) and trusts used to fund those plans provided the shares are not held in a commission-based brokerage account and shares are held for the benefit of the plan. For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs, SAR-SEPs or Keogh plans
- Shares purchased through a Merrill investment advisory program

- Brokerage class shares exchanged from advisory class shares due to the holdings moving from a Merrill investment advisory program to a Merrill brokerage account
- Shares purchased through the Merrill Edge Self-Directed platform
- Shares purchased through the systematic reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same mutual fund in the same account
- Shares exchanged from level-load shares to front-end load shares of the same mutual fund in accordance with the description in the Merrill SLWD Supplement
- Shares purchased by eligible employees of Merrill or its affiliates and their family members who purchase shares in accounts within the employee's Merrill Household (as defined in the Merrill SLWD Supplement)
- Shares purchased by eligible persons associated with the fund as defined in this prospectus (e.g. the fund's officers or trustees)
- Shares purchased from the proceeds of a mutual fund redemption in front-end load shares provided (1) the repurchase is in a mutual fund within the same fund family; (2) the repurchase occurs within 90 calendar days from the redemption trade date, and (3) the redemption and purchase occur in the same account (known as Rights of Reinstatement). Automated transactions (i.e. systematic purchases and withdrawals) and purchases made after shares are automatically sold to pay Merrill's account maintenance fees are not eligible for Rights of Reinstatement

**Contingent Deferred Sales Charge ("CDSC") Waivers on Front-end, Back-end, and Level Load Shares Available at Merrill**

- Shares sold due to the client's death or disability (as defined by Internal Revenue Code Section 22(e)(3))
- Shares sold pursuant to a systematic withdrawal program subject to Merrill's maximum systematic withdrawal limits as described in the Merrill SLWD Supplement
- Shares sold due to return of excess contributions from an IRA account
- Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the investor reaching the qualified age based on applicable IRS regulation
- Front-end or level-load shares held in commission-based, non-taxable retirement brokerage accounts (e.g. traditional, Roth, rollover, SEP IRAs, Simple IRAs, SAR-SEPs or Keogh plans) that are transferred to fee-based accounts or platforms and exchanged for a lower cost share class of the same mutual fund

**Front-end Load Discounts Available at Merrill: Breakpoints, Rights of Accumulation & Letters of Intent**

- Breakpoint discounts, as described in this prospectus, where the sales load is at or below the maximum sales load that Merrill permits to be assessed to a front-end load purchase, as described in the Merrill SLWD Supplement
- Rights of Accumulation (ROA), as described in the Merrill SLWD Supplement, which entitle clients to breakpoint discounts based on the aggregated holdings of mutual fund family assets held in accounts in their Merrill Household
- Letters of Intent (LOI), which allow for breakpoint discounts on eligible new purchases based on anticipated future eligible purchases within a fund family at Merrill, in accounts within your Merrill Household, as further described in the Merrill SLWD Supplement

**Edward D. Jones & Co., L.P. ("Edward Jones"):**

**Policies Regarding Transactions Through Edward Jones**

*The following information has been provided by Edward Jones:*

Effective on or after January 1<sup>st</sup>, 2024, the following information supersedes prior information with respect to transactions and positions held in fund shares through an Edward Jones system. Clients of Edward Jones (also referred to as “shareholders”) purchasing fund shares on the Edward Jones commission and fee-based platforms are eligible only for the following sales charge discounts (also referred to as “breakpoints”) and waivers, which can differ from discounts and waivers described elsewhere in the mutual fund prospectus or statement of additional information (“SAI”) or through another broker-dealer. In all instances, it is the shareholder's responsibility to inform Edward Jones at the time of purchase of any relationship, holdings of Aquila Group of Funds, or other facts qualifying the purchaser for discounts or waivers. Edward Jones can ask for documentation of such circumstance. Shareholders should contact Edward Jones if they have questions regarding their eligibility for these discounts and waivers.

### **Breakpoints**

- Breakpoint pricing, otherwise known as volume pricing, at dollar thresholds as described in the prospectus.

### **Rights of Accumulation (“ROA”)**

- The applicable sales charge on a purchase of Class A shares is determined by taking into account all share classes (except certain money market funds and any assets held in group retirement plans) of Aquila Group of Funds held by the shareholder or in an account grouped by Edward Jones with other accounts for the purpose of providing certain pricing considerations (“pricing groups”). If grouping assets as a shareholder, this includes all share classes held on the Edward Jones platform and/or held on another platform. The inclusion of eligible fund family assets in the ROA calculation is dependent on the shareholder notifying Edward Jones of such assets at the time of calculation. Money market funds are included only if such shares were sold with a sales charge at the time of purchase or acquired in exchange for shares purchased with a sales charge.
- The employer maintaining a SEP IRA plan and/or SIMPLE IRA plan may elect to establish or change ROA for the IRA accounts associated with the plan to a plan-level grouping as opposed to including all share classes at a shareholder or pricing group level.
- ROA is determined by calculating the higher of cost minus redemptions or market value (current shares x NAV).

### **Letter of Intent (“LOI”)**

- Through a LOI, shareholders can receive the sales charge and breakpoint discounts for purchases shareholders intend to make over a 13-month period from the date Edward Jones receives the LOI. The LOI is determined by calculating the higher of cost or market value of qualifying holdings at LOI initiation in combination with the value that the shareholder intends to buy over a 13-month period to calculate the front-end sales charge and any breakpoint discounts. Each purchase the shareholder makes during that 13-month period will receive the sales charge and breakpoint discount that applies to the total amount. The inclusion of eligible fund family assets in the LOI calculation is dependent on the shareholder notifying Edward Jones of such assets at the time of calculation. Purchases made before the LOI is received by Edward Jones are not adjusted under the LOI and will not reduce the sales charge previously paid. Sales charges will be adjusted if LOI is not met.
- If the employer maintaining a SEP IRA plan and/or SIMPLE IRA plan has elected to establish or change ROA for the IRA accounts associated with the plan to a plan-level grouping, LOIs will also be at the plan-level and may only be established by the employer.

### **Sales Charge Waivers**

Sales charges are waived for the following shareholders and in the following situations:

- Associates of Edward Jones and its affiliates and other accounts in the same pricing group (as determined by Edward Jones under its policies and procedures) as the associate. This waiver will continue for the remainder of the associate's life if the associate retires from Edward Jones in good-standing and remains in good standing pursuant to Edward Jones' policies and procedures.
- Shares purchased in an Edward Jones fee-based program.
- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment.
- Shares purchased from the proceeds of redeemed shares of the same fund family so long as the following conditions are met: the proceeds are from the sale of shares within 60 days of the purchase, the sale and purchase are made from a share class that charges a front load and one of the following:
  - The redemption and repurchase occur in the same account.
  - The redemption proceeds are used to process an: IRA contribution, excess contributions, conversion, recharacterizing of contributions, or distribution, and the repurchase is done in an account within the same Edward Jones grouping for ROA.
- Shares exchanged into Class A shares from another share class so long as the exchange is into the same fund and was initiated at the discretion of Edward Jones. Edward Jones is responsible for any remaining CDSC due to the fund company, if applicable. Any future purchases are subject to the applicable sales charge as disclosed in the prospectus.
- Exchanges from Class C shares to Class A shares of the same fund, generally, in the 84<sup>th</sup> month following the anniversary of the purchase date or earlier at the discretion of Edward Jones.
- Purchases of Class 529-A shares through a rollover from either another education savings plan or a security used for qualified distributions.
- Purchases of Class 529 shares made for re-contribution of refunded amounts.

### **Contingent Deferred Sales Charge (“CDSC”) Waivers**

If the shareholder purchases shares that are subject to a CDSC and those shares are redeemed before the CDSC is expired, the shareholder is responsible to pay the CDSC except in the following conditions:

- The death or disability of the shareholder.
- Systematic withdrawals with up to 10% per year of the account value.
- Return of excess contributions from an Individual Retirement Account (IRA).
- Shares redeemed as part of a required minimum distribution for IRA and retirement accounts if the redemption is taken in or after the year the shareholder reaches qualified age based on applicable IRS regulations.
- Shares redeemed to pay Edward Jones fees or costs in such cases where the transaction is initiated by Edward Jones.
- Shares exchanged in an Edward Jones fee-based program.
- Shares acquired through NAV reinstatement.
- Shares redeemed at the discretion of Edward Jones for Minimums Balances, as described below.

### **Other Important Information Regarding Transactions Through Edward Jones**

#### **Minimum Purchase Amounts**

- Initial purchase minimum: \$250
- Subsequent purchase minimum: none

#### **Minimum Balances**

- Edward Jones has the right to redeem at its discretion fund holdings with a balance of \$250 or less. The following are examples of accounts that are not included in this policy:
  - A fee-based account held on an Edward Jones platform

- A 529 account held on an Edward Jones platform
- An account with an active systematic investment plan or LOI

**Exchanging Share Classes**

- At any time it deems necessary, Edward Jones has the authority to exchange at NAV a shareholder's holdings in a fund to Class A shares of the same fund.

**Please retain this supplement for future reference.**

AQL-EJMLPS-1123

**Supplement dated September 15, 2023  
to the Summary Prospectus, Statutory Prospectus  
and Statement of Additional Information of:**

**Aquila Funds Trust**

Aquila High Income Fund  
Aquila Opportunity Growth Fund  
**Dated April 27, 2023**

**Aquila Municipal Trust**

Aquila Tax-Free Trust of Arizona  
Aquila Tax-Free Fund of Colorado  
Aquila Churchill Tax-Free Fund of Kentucky  
Aquila Tax-Free Trust of Oregon  
Aquila Narragansett Tax-Free Income Fund  
Aquila Tax-Free Fund For Utah  
**Dated July 27, 2023**

**Hawaiian Tax-Free Trust**

**Dated July 27, 2023**

The following disclosure supplements any information to the contrary in each Fund's Summary Prospectus, Prospectus and Statement of Additional Information:

**Purchase, Redemption and Exchange of Fund Shares**

The following disclosure supplements the information in each Fund's Summary Prospectus and Prospectus under the headings "Purchase and Sale of Fund Shares," "Purchases," "Redeeming an Investment," and "Exchanges," as applicable, and in the Statement of Additional Information under the heading "Purchase, Redemption, and Pricing of Shares:"

Effective October 2, 2023, shareholders that hold an Aquila Group of Funds account directly with the Funds may purchase, redeem and exchange shares of a Fund with the Fund's transfer and shareholder servicing agent through an online investor portal, which can be accessed via the Funds' website at [aquilafunds.com/myaccount](http://aquilafunds.com/myaccount). Shareholders may also continue to purchase, redeem and exchange shares of a Fund in writing, by telephone or through a financial intermediary, as applicable, as set forth in the Summary Prospectus, Prospectus and Statement of Additional Information.

**Broker-Defined Sales Charge Waiver Policies**

The following disclosure supplements the information in the Prospectus under the heading "Broker-Defined Sales Charge Waiver Policies:"

**J.P. Morgan Securities LLC**

Effective September 29, 2023, if you purchase or hold Fund shares through an applicable J.P. Morgan Securities LLC brokerage account, you will be eligible for the following sales charge waivers (front-end sales charge waivers and contingent deferred sales charge ("CDSC"), or back-end sales charge, waivers), share class conversion policy and discounts, which may differ from those disclosed elsewhere in the Fund's Prospectus or Statement of Additional Information.

### **Front-end sales charge waivers on Class A shares available at J.P. Morgan Securities LLC**

- Shares exchanged from Class C (i.e. level-load) shares that are no longer subject to a CDSC and are exchanged into Class A shares of the same fund pursuant to J.P. Morgan Securities LLC's share class exchange policy.
- Qualified employer-sponsored defined contribution and defined benefit retirement plans, nonqualified deferred compensation plans, other employee benefit plans and trusts used to fund those plans. For purposes of this provision, such plans do not include SEP IRAs, SIMPLE IRAs, SAR-SEPs or 501(c)(3) accounts.
- Shares of funds purchased through J.P. Morgan Securities LLC Self-Directed Investing accounts.
- Shares purchased through rights of reinstatement.
- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund (but not any other fund within the fund family).
- Shares purchased by employees and registered representatives of J.P. Morgan Securities LLC or its affiliates and their spouse or financial dependent as defined by J.P. Morgan Securities LLC.

### **Class C to Class A share conversion**

- A shareholder in the Fund's Class C shares will have their shares converted to Class A shares (or the appropriate share class) of the same Fund if the shares are no longer subject to a CDSC and the conversion is consistent with J.P. Morgan Securities LLC's policies and procedures.

### **CDSC waivers on Class A and C shares available at J.P. Morgan Securities LLC**

- Shares sold upon the death or disability of the shareholder.
- Shares sold as part of a systematic withdrawal plan as described in the Fund's Prospectus.
- Shares purchased in connection with a return of excess contributions from an IRA account.
- Shares sold as part of a required minimum distribution for IRA and retirement accounts pursuant to the Internal Revenue Code.
- Shares acquired through a right of reinstatement.

### **Front-end load discounts available at J.P. Morgan Securities LLC: breakpoints, rights of accumulation & letters of intent**

- Breakpoints as described in the prospectus.
- Rights of Accumulation ("ROA") which entitle shareholders to breakpoint discounts as described in the fund's prospectus will be automatically calculated based on the aggregated holding of fund family assets held by accounts within the purchaser's household at J.P. Morgan Securities LLC. Eligible fund family assets not held at J.P. Morgan Securities LLC (including 529 program holdings, where applicable) may be included in the ROA calculation only if the shareholder notifies their financial advisor about such assets.
- Letters of Intent ("LOI") which allow for breakpoint discounts based on anticipated purchases within a fund family, through J.P. Morgan Securities LLC, over a 13-month period of time (if applicable).

**Please retain this supplement for future reference.**





# PROSPECTUS

## APRIL 27, 2023



|                                       | <u>CLASS A SHARES</u> | <u>CLASS C SHARES</u> | <u>CLASS F SHARES</u> | <u>CLASS I SHARES</u> | <u>CLASS Y SHARES</u> |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                       | <u>TICKER SYMBOL</u>  | <u>TICKER SYMBOL</u>  | <u>TICKER SYMBOL</u>  | <u>TICKER SYMBOL</u>  | <u>TICKER SYMBOL</u>  |
| <b>Aquila High Income Fund</b>        | ATPAX                 | ATPCX                 | ATPFX                 | ATIPX                 | ATPYX                 |
| <b>Aquila Opportunity Growth Fund</b> | ATGAX                 | ATGCX                 | ATGFX                 | ATRIX                 | ATGYX                 |

To make shareholder account inquiries,  
call Aquila Group of Funds at: 800-437-1000 (financial professionals, please call: 800-437-1020)  
or you can write to:

Aquila Group of Funds  
P.O. Box 534428  
Pittsburgh, PA 15253-4428  
[www.aquilafunds.com](http://www.aquilafunds.com)

*The Securities and Exchange Commission has not approved or disapproved these securities  
or passed upon the adequacy of this Prospectus. Any representation to the contrary is a criminal offense.*

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## AQUILA HIGH INCOME FUND

### Fund Summary

#### Investment Objectives

The Fund's objective is to obtain high current income. Capital appreciation is a secondary objective when consistent with its primary objective.

#### Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy, hold and sell shares of the Fund. **You may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the tables and examples below.** If you invest in

Class A Shares, you may qualify for sales charge discounts if you and your immediate family invest, or agree to invest in the future, at least \$25,000 in the Fund or in other funds in the Aquila Group of Funds. More information about these and other discounts is available from your financial advisor and under "Alternative Purchase Plans" on page 31 of the Fund's Prospectus, "Sales Charges - Class A Shares" on page 33 of the Prospectus, "Broker-Defined Sales Charge Waiver Policies" on page 50 of the Prospectus, and "Purchase, Redemption, and Pricing of Shares" on page 53 of the Statement of Additional Information (the "SAI"). If you invest in Class F Shares or Class Y Shares, you may be required to pay a commission to a broker, which is not reflected in the Expense Example.

|   | Class A Shares      | Class C Shares | Class F Shares | Class I Shares | Class Y Shares |
|---|---------------------|----------------|----------------|----------------|----------------|
| <b>Shareholder Fees (fees paid directly from your investment)</b>   |                     |                |                |                |                |
| Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)                                    | 4.00%               | None           | None           | None           | None           |
| Maximum Deferred Sales Charge (Load) (as a percentage of the lesser of redemption value or purchase price)              | None <sup>(1)</sup> | 1.00%          | None           | None           | None           |
| <b>Annual Fund Operating Expenses (Expenses that you pay each year as a percentage of the value of your investment)</b> |                     |                |                |                |                |
| Management Fee  | 0.65%               | 0.65%          | 0.65%          | 0.65%          | 0.65%          |
| Distribution and Service (12b-1) Fees   | 0.20%               | 1.00%          | None           | 0.40%          | None           |
| Other Expenses <sup>(2)</sup>   | 0.55%               | 0.55%          | 0.48%          | 0.45%          | 0.55%          |
| Acquired Fund Fees and Expenses   | 0.01%               | 0.01%          | 0.01%          | 0.01%          | 0.01%          |
| Total Annual Fund Operating Expenses Plus Acquired Fund Fees and Expenses <sup>(2)</sup>                                | 1.41%               | 2.21%          | 1.14%          | 1.51%          | 1.21%          |
| Total Fee Waivers <sup>(3)</sup>  | -0.20%              | -0.20%         | -0.20%         | -0.20%         | -0.20%         |
| Total Annual Fund Operating Expenses After Fee Waivers Plus Acquired Fund Fees and Expenses <sup>(3)</sup>              | 1.21%               | 2.01%          | 0.94%          | 1.31%          | 1.01%          |

(1) Shareholders who purchase \$1 million or more of Class A Shares do not pay an initial sales charge but may pay a contingent deferred sales charge of up to 1% for redemptions within 18 months of purchase.

(2) Restated to reflect current expenses.

(3) The Manager has contractually undertaken to waive fees and/or reimburse Fund expenses (other than portfolio transaction and other investment related costs, prime broker fees and expenses, interest expense, dividend expenses related to short sales if any, and acquired fund fees and expenses) so that total Fund expenses will not exceed 1.20% for Class A Shares, 2.00% for Class C Shares, 0.93% for Class F Shares, 1.30% for Class I Shares and 1.00% for Class Y Shares. These expense limitations are in effect until April 30, 2024. Prior to April 30, 2024, the arrangement may not be terminated without the approval of the Board of Trustees. If total annual Fund operating expenses of any class in a fiscal year are less than the respective expense caps described above, as well as below the expense cap which was in place at the time of such reimbursed expenses or waived fees, the Manager may recover the difference between the total annual Fund operating expenses of the class and the respective expense cap, up to, but not more than, the amount, if any, by which reimbursed expenses and waived fees over the preceding rolling three year period have not been paid by the Fund to the Manager.

#### Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also

assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same except for year one (which considers the effect of the expense limitation). Six years after the date of purchase, Class C Shares automatically convert to Class A Shares. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

|                | 1 Year | 3 Years | 5 Years | 10 Years |
|----------------|--------|---------|---------|----------|
| Class A Shares | \$518  | \$810   | \$1,122 | \$2,007  |
| Class C Shares | \$304  | \$672   | \$1,166 | \$2,140  |
| Class F Shares | \$ 96  | \$342   | \$ 608  | \$1,368  |
| Class I Shares | \$133  | \$458   | \$ 805  | \$1,784  |
| Class Y Shares | \$103  | \$364   | \$ 646  | \$1,448  |

You would pay the following expenses if you did not redeem your Class C Shares:

|                |       |       |         |         |
|----------------|-------|-------|---------|---------|
| Class C Shares | \$204 | \$672 | \$1,166 | \$2,140 |
|----------------|-------|-------|---------|---------|

### Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual Fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 9% of the average value of its portfolio.

### Principal Investment Strategies

The Fund invests, under normal circumstances, at least 80% of its net assets plus any borrowings for investment purposes in income-producing securities. Such securities may be rated at any level by nationally recognized statistical rating organizations or they may be unrated. It is anticipated that the Fund’s portfolio will typically include a high proportion, perhaps even 100%, of high-yield/high-risk securities rated below investment grade. Such securities are sometimes called “junk bonds.”

The bonds the Fund purchases can be of any maturity but the average effective weighted maturity of the Fund’s portfolio will normally be within one year of the average maturity of the Bloomberg US Corporate High Yield Total Return Index Value Unhedged. The average maturity of the Index as of December 31, 2022 was 5.43 years.

In addition to considering economic factors such as the effect of interest rates on the Fund’s investments, Aquila Investment Management LLC (the “Manager”) applies a “bottom up” approach in choosing investments. The Manager considers the individual characteristics of each potential investment in an income-producing security to determine if it is an attractive investment opportunity and consistent with the Fund’s investment policies. The Manager also employs a relative value analysis and fundamental credit research on potential investments in an effort to identify companies with attractive characteristics such as improving balance sheets, improving cash flow or interest coverage, improving earnings, hidden or unappreciated value, management quality, and/or strong business models.

Within the parameters of the Fund’s specific investment policies, the Fund may invest without limit in foreign debt, including debt of emerging markets issuers. The Fund may also invest in subordinated securities and may hold cash or other short-term investments.

### Principal Risks

You may lose money by investing in the Fund. Following is a summary description of certain risks of investing in the Fund.

**Market Risk.** The market prices of securities or other assets held by the Fund may go up or down, sometimes rapidly or unpredictably, due to general market conditions, such as real or perceived adverse economic, political, or regulatory conditions, political instability, recessions, inflation, changes in interest or currency rates, lack of liquidity in the bond markets, the spread of infectious illness or other public health issues, armed conflict, market disruptions caused by tariffs, trade disputes, sanctions or other government actions, or other factors or adverse investor sentiment. When market prices fall, the value of your investment will likely go down. A change in financial condition or other event affecting a single issuer or market may adversely impact securities markets as a whole.

In the past decade, financial markets throughout the world have experienced increased volatility, depressed valuations, decreased liquidity and heightened uncertainty. Governmental and non-governmental issuers have defaulted on, or been forced to restructure, their debts. These conditions may continue, recur, worsen or spread. Events that have contributed to these market conditions include, but are not limited to, major cybersecurity events; geopolitical events (including wars, terror attacks and economic sanctions); global pandemics; measures to address budget deficits; downgrades of sovereign debt; changes in oil and commodity prices; dramatic changes in currency exchange rates; and public sentiment. The fallout from the COVID-19 pandemic and subsequent variants of COVID-19, and the long-term impact on economies, markets, industries and individual issuers, are not known. Some sectors of the economy and individual issuers have experienced or may experience particularly large losses.

Periods of extreme volatility in the financial markets; reduced liquidity of many instruments; and disruptions to supply chains, consumer demand and employee availability, may continue for some time.

Raising the ceiling on U.S. government debt has become increasingly politicized. Any failure to increase the total amount that the U.S. government is authorized to borrow could lead to a default on U.S. government obligations, with unpredictable consequences for economies and markets in the U.S. and elsewhere. Recently, inflation and interest rates have increased and may rise further. These circumstances could adversely affect the value and liquidity of the Fund's investments, impair the Fund's ability to satisfy redemption requests, and negatively impact the Fund's performance. Following Russia's invasion of Ukraine, Russian securities have lost all, or nearly all, their market value. Other securities or markets could be similarly affected by past or future political, geopolitical or other events or conditions.

Governments and central banks, including the U.S. Federal Reserve, have taken extraordinary and unprecedented actions to support local and global economies and the financial markets. These actions have resulted in significant expansion of public debt, including in the U.S. The consequences of high public debt, including its future impact on the economy and securities markets, may not be known for some time. U.S. Federal Reserve or other U.S. or non-U.S. governmental or central bank actions, including increases or decreases in interest rates, or contrary actions by different governments, could negatively affect financial markets generally, increase market volatility and reduce the value and liquidity of securities in which the Fund invests.

The U.S. and other countries are periodically involved in disputes over trade and other matters, which may result in tariffs, investment restrictions and adverse impacts on affected companies and securities. For example, the U.S. has imposed tariffs and other trade barriers on Chinese exports, has restricted sales of certain categories of goods to China, and has established barriers to investments in China. Trade disputes may adversely affect the economies of the U.S. and its trading partners, as well as companies directly or indirectly affected and financial markets generally. The U.S. government has prohibited U.S. persons, such as the Fund, from investing in Chinese companies designated as related to the Chinese military. These and possible future restrictions could limit the Fund's opportunities for investment and require the sale of securities at a loss or make them illiquid. Moreover, the Chinese government is involved in a longstanding dispute with Taiwan that has included threats of invasion. If the political climate between the U.S. and China does not improve or continues to deteriorate, if China were to attempt unification of Taiwan by force, or if other geopolitical conflicts develop or get worse, economies, markets and individual securities may be severely affected

both regionally and globally, and the value of the Fund's assets may go down.

Economies and financial markets throughout the world are increasingly interconnected. Economic, financial or political events, trading and tariff arrangements, armed conflict including Russia's military invasion of Ukraine, terrorism, natural disasters, infectious illness or public health issues, cybersecurity events, supply chain disruptions, sanctions against Russia, other nations or individuals or companies and possible countermeasures, and other circumstances in one country or region could have profound impacts on other countries or regions and on global economies or markets. As a result, whether or not the Fund invests in securities of issuers located in or with significant exposure to the countries or regions directly affected, the value and liquidity of the Fund's investments may be negatively affected. The Fund may experience a substantial or complete loss on any security or investment.

**Interest Rate Risk.** The market prices of the Fund's fixed income securities may fluctuate significantly when interest rates change. The value of your investment will generally go down when interest rates rise. A rise in rates tends to have a greater impact on the prices of longer term or longer duration securities. In recent years, interest rates and credit spreads in the U.S. have been at historic lows. The U.S. Federal Reserve has raised certain interest rates, and interest rates may continue to go up. A general rise in interest rates could adversely affect the price and liquidity of fixed income securities and could also result in increased redemptions from the Fund. The maturity of a security may be significantly longer than its effective duration. A security's maturity and other features may be more relevant than its effective duration in determining the security's sensitivity to other factors such as changes in credit quality or in the yield premium that the market may establish for certain types of securities (sometimes called "credit spread"). In general, the longer its maturity the more a security may be susceptible to these factors. When the credit spread for a fixed income security goes up, or "widens," the value of the security will generally go down.

**Credit Risk.** If an issuer or obligor of a security held by the Fund or a counterparty to a financial contract with the Fund defaults or is downgraded, or is perceived to be less creditworthy, or if the value of the assets underlying a security declines, the value of your investment will typically decline. Changes in actual or perceived creditworthiness may occur quickly. The Fund could be delayed or hindered in its enforcement of rights against an issuer, guarantor or counterparty. Securities in the lowest category of investment grade (i.e., BBB/Baa) may be considered to have speculative characteristics.

**Junk Bonds Risk.** Junk bonds are considered speculative, have a higher risk of default, tend to be less liquid and are more difficult to value than higher grade

securities. Junk bonds tend to be volatile and more susceptible to adverse events and negative sentiments.

**Subordinated Securities Risk.** Subordinated securities are more likely to suffer a credit loss than non-subordinated securities of the same issuer and will be disproportionately affected by a default, downgrade or perceived decline in creditworthiness.

**Foreign Securities Risk.** Foreign securities are subject to a number of additional risks, including nationalization or expropriation of assets, imposition of currency controls or restrictions, confiscatory taxation, political or financial instability, military conflicts and sanctions, terrorism, arbitrary application of laws and regulations or lack of rule of law, and other adverse economic or political developments. Lack of information and less market regulation may also affect the value of these securities. Risks are greater for investments in emerging markets. Emerging market countries tend to have economic, political and legal systems that are less fully developed and are less stable than those of more advanced countries. Low trading volumes may result in a lack of liquidity and in extreme price volatility. The value of investments in securities denominated in foreign currencies increases or decreases as the rates of exchange between those currencies and the U.S. dollar change. Currency exchange rates can be volatile, and are affected by factors such as general economic conditions, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls and speculation. Sanctions or other government actions against certain countries could negatively impact the Fund's investments in securities that have exposure to those countries. Circumstances that impact one country could have profound impacts on other countries and on global economies or markets.

**Liquidity Risk.** The Fund may make investments that are illiquid or become illiquid after purchase, including investments in securities issued in private placement transactions. Illiquid assets may also be difficult to value. Liquidity risk may be magnified in an environment of rising interest rates or widening credit spreads. If the Fund is forced to sell an illiquid security to meet redemption requests or other cash needs, the Fund may be forced to sell the security at a substantial loss or may not be able to sell at all. The Fund may not receive its proceeds from the sale of certain securities for an extended period (for example, several weeks or even longer). In extreme cases, this may constrain the Fund's ability to meet its obligations (including obligations to redeeming shareholders).

**Prepayment or Call Risk.** Many issuers have a right to prepay their securities. If interest rates fall, an issuer may exercise this right. If this happens, the Fund will not benefit from the rise in market price that normally accompanies a decline in interest rates, and will be forced to reinvest

prepayment proceeds at a time when yields on securities available in the market are lower than the yield on prepaid securities. The Fund may also lose any premium it paid on prepaid securities.

**Extension Risk.** During periods of rising interest rates, repayments of fixed income securities may occur more slowly than anticipated by the market. This may drive the prices of these securities down even more because their interest rates are lower than the current interest rate and they remain outstanding longer.

**Portfolio Selection Risk.** The value of your investment may decrease if the Manager's judgment about the quality, relative yield, value or market trends affecting a particular sector or region, market segment, security, industry, sector or region, or about interest rates or other market factors, is incorrect, or there may be imperfections, errors or limitations in the models, tools and information used by the Manager.

**Valuation Risk.** Nearly all of the Fund's investments are valued using a fair value methodology. The sales price the Fund could receive for any particular portfolio investment may differ from the Fund's valuation of the investment, particularly for securities that trade in thin or volatile markets. These differences may increase significantly and affect Fund investments more broadly during periods of market volatility. Investors who purchase or redeem Fund shares may receive fewer or more shares or lower or higher redemption proceeds than they would have received if the securities had not been fair-valued or if a different valuation methodology had been used. The Fund's ability to value its investments may be impacted by technological issues and/or errors by pricing services or other third party service providers.

**Redemption Risk.** The Fund may experience heavy redemptions that could cause the Fund to liquidate its assets at inopportune times or at a loss or depressed value or accelerate taxable gains or transaction costs, which could cause the value of your investment to decline.

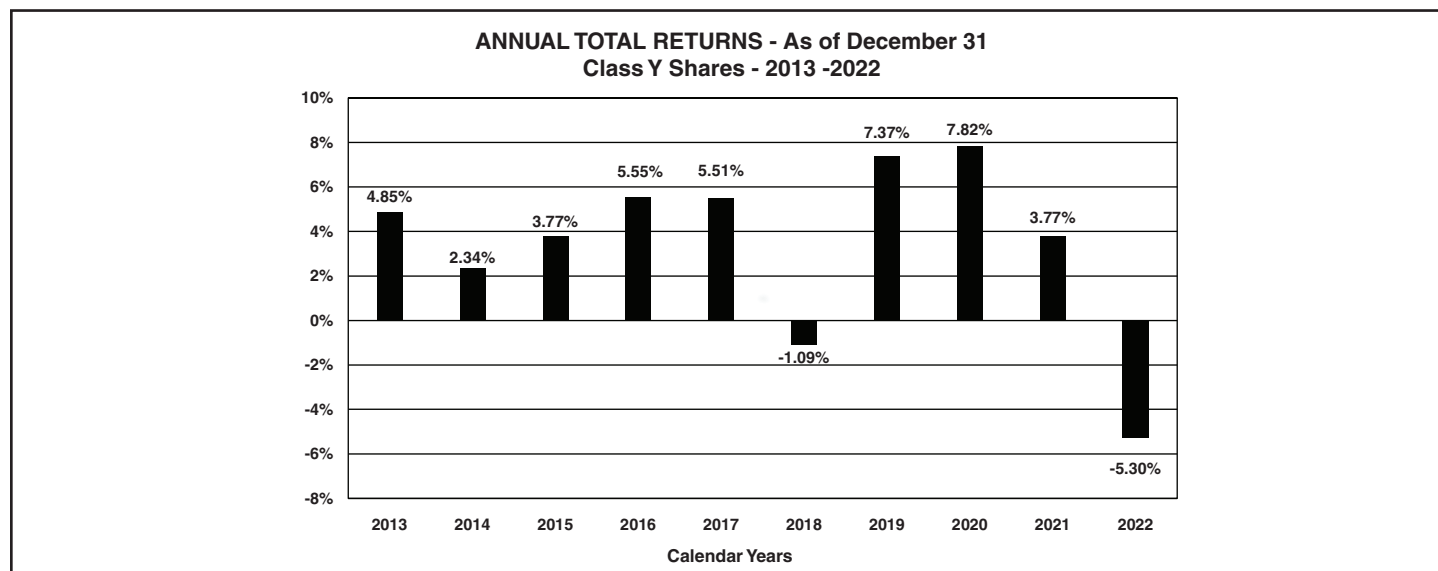
**Cybersecurity Risk.** Cybersecurity failures by and breaches of the Fund's Manager, Transfer Agent, Custodian, Distributor or other service providers may disrupt Fund operations, interfere with the Fund's ability to calculate its NAV, prevent Fund shareholders from purchasing, redeeming or exchanging shares or receiving distributions or receiving timely information regarding the Fund or their investment in the Fund, cause loss of or unauthorized access to private shareholder information, or result in financial losses to the Fund and its shareholders, regulatory fines, penalties, reputational damage, or additional compliance costs.

These risks are discussed in more detail later in the Prospectus or in the SAI.

## Fund Performance

The following bar chart and table provide some indication of the risks of investing in the Fund by showing changes in the Fund's performance from year to year and by showing how the Fund's average annual total returns for the designated periods compare with those of a broad measure of market performance. No performance information is presented for Class F Shares because Class F Shares do not have annual returns for at least one calendar year. The returns for Class F Shares would differ from the returns shown because Class F Shares have different expenses. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available at [www.aquilafunds.com](http://www.aquilafunds.com) or by calling **800-437-1000 (toll-free)**.

Until September 30, 2021, Three Peaks Capital Management, LLC served as the sub-adviser of the Fund, and the Fund was known as "Aquila Three Peaks High Income Fund." Effective October 1, 2021, the Manager became directly responsible for portfolio management decisions for the Fund.



During the 10-year period shown in the bar chart, the highest return for a quarter was 4.58% (quarter ended June 30, 2020) and the lowest return for a quarter was -7.02% (quarter ended June 30, 2022).

|   | Average Annual Total Returns for<br>the Periods Ended December 31, 2022 |         |          |
|---|---|---------|----------|
|   | 1 Year  | 5 Years | 10 Years |
| <b>Class Returns Before Taxes:</b>  |   |         |          |
| Class A   | -9.28%  | 1.37%   | 2.77%    |
| Class C   | -7.15%  | 1.40%   | 2.37%    |
| Class I   | -5.70%  | 2.11%   | 3.10%    |
| Class Y   | -5.30%  | 2.39%   | 3.39%    |
| <b>Class Y Returns After Taxes:</b>   |   |         |          |
| On Distributions  | -6.95%  | 0.65%   | 1.45%    |
| On Distributions and Redemption   | -3.14%  | 1.10%   | 1.74%    |
| Bloomberg US Corporate High Yield Total Return Index Value Unhedged*<br>(This index is unmanaged and does not reflect deductions for fund operating expenses or sales charges.) | -11.19%   | 2.31%   | 4.03%    |

\* Source: Bloomberg Index Services Limited. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg, or Bloomberg's licensors, own all proprietary rights in the Bloomberg Indices. Neither Bloomberg nor Bloomberg's licensors approve or endorse this material or guarantee the accuracy or completeness of any information herein, nor does Bloomberg make any warranty, express or implied, as to the results to be obtained therefrom, and to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.

After-tax returns are calculated using the highest individual Federal marginal income and capital gains tax rates in effect at the time of each distribution and redemption, but do not reflect state and local taxes. Actual after-tax returns will depend on your specific situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold Fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts. The total returns reflect reinvestment of dividends and distributions. After-tax returns are shown only for Class Y Shares. After-tax returns for other classes of shares will vary.

### **Management**

Investment Adviser – **Aquila Investment Management LLC**

Portfolio Managers – Mr. David Schiffman is the Lead Portfolio Manager of the Fund since October 2021. He has 33 years of experience in the investment industry. Mr. Pedro Marcal, Director of Equities and High Yield at the Manager, is Co-Portfolio Manager of the Fund since October 2021. He has 30 years of experience in the investment industry.

### **Purchase and Sale of Fund Shares**

You may purchase, redeem or exchange shares of the Fund on any day the New York Stock Exchange is open for business.

Transactions in Class A Shares or Class C Shares may be made either through a financial intermediary or, for accounts held directly with the Fund, you may contact the Fund in writing or by telephone:

- U.S. Postal Service Mail: Aquila Group of Funds, P.O. Box 534428, Pittsburgh, PA 15253-4428

- Overnight Carrier Deliveries: Aquila Group of Funds, Attention 534428, 500 Ross Street, 154-0520, Pittsburgh, PA 15262
- The Fund's telephone number is 800-437-1000

The minimum initial purchase amount for Class A and Class C Shares is \$1,000, or \$50 if an automatic investment program is established. There is no minimum for subsequent investments.

Transactions in Class F Shares, Class I Shares and Class Y Shares may be made only through a financial intermediary, which may impose separate investment minimums.

### **Tax Information**

The Fund intends to make distributions that may be taxed as ordinary income or capital gains.

### **Payments to Broker-Dealers and Other Financial Intermediaries**

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank or financial advisor), the Fund and Aquila Distributors LLC (the "Distributor") or the Manager may pay the intermediary for the sale of Fund shares and related shareholder servicing activities. These payments create a conflict of interest by influencing the broker-dealer or other financial intermediary to recommend the Fund over another investment. Ask your financial advisor or visit your financial intermediary's website for more information.



## AQUILA OPPORTUNITY GROWTH FUND

### Fund Summary

#### Investment Objective

The Fund's objective is capital appreciation.

#### Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy, hold and sell shares of the Fund. **You may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the tables and examples below.** If you invest in Class A Shares, you may qualify for sales charge discounts if you and your immediate family invest, or agree to invest

in the future, at least \$50,000 in the Fund or in other funds in the Aquila Group of Funds. More information about these and other discounts is available from your financial advisor and under "Alternative Purchase Plans" on page 31 of the Fund's Prospectus, "Sales Charges - Class A Shares" on page 33 of the Prospectus, "Broker-Defined Sales Charge Waiver Policies" on page 50 of the Prospectus, and "Purchase, Redemption, and Pricing of Shares" on page 53 of the Statement of Additional Information (the "SAI"). If you invest in Class F Shares or Class Y Shares, you may be required to pay a commission to a broker, which is not reflected in the Expense Example.

|   | Class A Shares      | Class C Shares | Class F Shares | Class I Shares | Class Y Shares |
|---|---------------------|----------------|----------------|----------------|----------------|
| <b>Shareholder Fees (fees paid directly from your investment)</b>   |                     |                |                |                |                |
| Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)                                    | 4.25%               | None           | None           | None           | None           |
| Maximum Deferred Sales Charge (Load) (as a percentage of the lesser of redemption value or purchase price)              | None <sup>(1)</sup> | 1.00%          | None           | None           | None           |
| <b>Annual Fund Operating Expenses (Expenses that you pay each year as a percentage of the value of your investment)</b> |                     |                |                |                |                |
| Management Fee  | 0.88%               | 0.88%          | 0.88%          | 0.88%          | 0.88%          |
| Distribution and Service (12b-1) Fees   | 0.30%               | 1.00%          | None           | 0.40%          | None           |
| Other Expenses  | 0.49%               | 0.46%          | 0.41%          | 0.35%          | 0.48%          |
| Acquired Fund Fees and Expenses   | 0.01%               | 0.01%          | 0.01%          | 0.01%          | 0.01%          |
| Total Annual Fund Operating Expenses  | 1.68%               | 2.35%          | 1.30%          | 1.64%          | 1.37%          |

(1) Shareholders who purchase \$1 million or more of Class A Shares do not pay an initial sales charge but may pay a contingent deferred sales charge of up to 1% for redemptions within 18 months of purchase.

#### Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all

of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Six years after the date of purchase, Class C Shares automatically convert to Class A Shares. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

|                | 1 Year | 3 Years | 5 Years | 10 Years |
|----------------|--------|---------|---------|----------|
| Class A Shares | \$589  | \$932   | \$1,299 | \$2,328  |
| Class C Shares | \$338  | \$733   | \$1,255 | \$2,367  |
| Class F Shares | \$132  | \$412   | \$ 713  | \$1,568  |
| Class I Shares | \$167  | \$517   | \$ 892  | \$1,944  |
| Class Y Shares | \$139  | \$434   | \$ 750  | \$1,646  |

You would pay the following expenses if you did not redeem your Class C Shares:

|                |       |       |         |         |
|----------------|-------|-------|---------|---------|
| Class C Shares | \$238 | \$733 | \$1,255 | \$2,367 |
|----------------|-------|-------|---------|---------|

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual Fund operating expenses or in the Example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 102% of the average value of its portfolio.

## Principal Investment Strategies

The Fund invests primarily in equity securities of U.S. issuers. The Fund invests, under normal circumstances, at least 70% of its net assets in equity securities believed to have the potential for capital appreciation. In addition to common stocks, exchange traded funds that invest primarily in equity securities, warrants, convertible bonds and preferred stock are considered equity securities for purposes of the Fund’s 70% policy.

The Fund’s investment strategy focuses on factors specific to each investment, including: internal changes to the company or external changes in the company’s environment that drive improving balance sheet, cash flow, or earnings growth; hidden or unappreciated value; management quality; and a strong business model. The Fund invests in equity securities that can be characterized as “growth” or “value,” as both kinds of companies may have characteristics that make the investment attractive. The Fund invests in a range of stock market capitalizations that could include small-cap, mid-cap, and large cap. Companies favored in the research process are those viewed to be fiscally responsible and demonstrating management alignment with shareholder value, qualities that have the potential to deliver benefits to investors. Mid-cap companies have typically represented a large portion of the companies identified by the research process. Although the Fund may invest in securities of companies of any market capitalization, the Fund typically invests a substantial portion of its assets in the securities of mid-cap companies.

The Fund may invest up to 15% of its net assets in foreign securities.

The Fund may also hold cash or other short-term investments.

## Principal Risks

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**Market Risk.** The market prices of securities or other assets held by the Fund may go up or down, sometimes rapidly or unpredictably, due to general market conditions, such as real or perceived adverse economic, political, or regulatory conditions, political instability, recessions, inflation, changes in interest or currency rates, lack of liquidity in the bond markets, the spread of infectious illness or other public health issues, armed conflict, market disruptions caused by tariffs, trade disputes, sanctions or other government actions, or other factors or adverse investor sentiment. When market prices fall, the value of your investment will likely go down. A change in financial condition or other event affecting a single issuer or market may adversely impact securities markets as a whole.

In the past decade, financial markets throughout the world have experienced increased volatility, depressed valuations, decreased liquidity and heightened uncertainty. Governmental and non-governmental issuers have defaulted on, or been forced to restructure, their debts. These conditions may continue, recur, worsen or spread. Events that have contributed to these market conditions include, but are not limited to, major cybersecurity events; geopolitical events (including wars, terror attacks and economic sanctions); global pandemics; measures to address budget deficits; downgrades of sovereign debt; changes in oil and commodity prices; dramatic changes in currency exchange rates; and public sentiment. The fallout from the COVID-19 pandemic and subsequent variants of COVID-19, and the long-term impact on economies, markets, industries and individual issuers, are not known. Some sectors of the economy and individual issuers have experienced or may experience particularly large losses. Periods of extreme volatility in the financial markets; reduced liquidity of many instruments; and disruptions to supply chains, consumer demand and employee availability, may continue for some time.

Raising the ceiling on U.S. government debt has become increasingly politicized. Any failure to increase the total amount that the U.S. government is authorized to borrow could lead to a default on U.S. government obligations, with unpredictable consequences for economies and markets in the U.S. and elsewhere. Recently, inflation and interest rates have increased and may rise further. These circumstances could adversely affect the value and liquidity of the Fund’s investments, impair the Fund’s ability to satisfy redemption requests, and negatively impact the Fund’s performance. Following Russia’s invasion of Ukraine, Russian securities have lost all, or nearly all, their market value. Other securities or markets could be similarly affected by past or future political, geopolitical or other events or conditions.

Governments and central banks, including the U.S. Federal Reserve, have taken extraordinary and unprecedented actions to support local and global economies and the financial markets. These actions have resulted in significant expansion of public debt, including in the U.S. The consequences of high public debt, including its future impact on the economy and securities markets, may not be known for some time. U.S. Federal Reserve or other U.S. or non-U.S. governmental or central bank actions, including increases or decreases in interest rates, or contrary actions by different governments, could negatively affect financial markets generally, increase market volatility and reduce the value and liquidity of securities in which the Fund invests.

The U.S. and other countries are periodically involved in disputes over trade and other matters, which may result in tariffs, investment restrictions and adverse impacts on affected companies and securities. For example, the U.S. has imposed tariffs and other trade barriers on Chinese exports, has restricted sales of certain categories of goods to China, and has established barriers to investments in China. Trade disputes may adversely affect the economies of the U.S. and its trading partners, as well as companies directly or indirectly affected and financial markets generally. The U.S. government has prohibited U.S. persons, such as the Fund, from investing in Chinese companies designated as related to the Chinese military. These and possible future restrictions could limit the Fund's opportunities for investment and require the sale of securities at a loss or make them illiquid. Moreover, the Chinese government is involved in a longstanding dispute with Taiwan that has included threats of invasion. If the political climate between the U.S. and China does not improve or continues to deteriorate, if China were to attempt unification of Taiwan by force, or if other geopolitical conflicts develop or get worse, economies, markets and individual securities may be severely affected both regionally and globally, and the value of the Fund's assets may go down.

Economies and financial markets throughout the world are increasingly interconnected. Economic, financial or political events, trading and tariff arrangements, armed conflict including Russia's military invasion of Ukraine, terrorism, natural disasters, infectious illness or public health issues, cybersecurity events, supply chain disruptions, sanctions against Russia, other nations or individuals or companies and possible countermeasures, and other circumstances in one country or region could have profound impacts on other countries or regions and on global economies or markets. As a result, whether or not the Fund invests in securities of issuers located in or with significant exposure to the countries or regions directly affected, the value and liquidity of the Fund's

investments may be negatively affected. The Fund may experience a substantial or complete loss on any security or investment.

**Equity Securities Risk.** Securities fluctuate in price based on changes in a company's financial condition and overall market and economic conditions. The market price of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

**Foreign Securities Risk.** Foreign securities are subject to a number of additional risks, including nationalization or expropriation of assets, imposition of currency controls or restrictions, confiscatory taxation, political or financial instability, military conflicts and sanctions, terrorism, arbitrary application of laws and regulations or lack of rule of law, and other adverse economic or political developments. Lack of information and less market regulation may also affect the value of these securities. Risks are greater for investments in emerging markets. Emerging market countries tend to have economic, political and legal systems that are less fully developed and are less stable than those of more advanced countries. Low trading volumes may result in a lack of liquidity and in extreme price volatility. The value of investments in securities denominated in foreign currencies increases or decreases as the rates of exchange between those currencies and the U.S. dollar change. Currency exchange rates can be volatile, and are affected by factors such as general economic conditions, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls and speculation. Sanctions or other government actions against certain countries could negatively impact the Fund's investments in securities that have exposure to those countries. Circumstances that impact one country could have profound impacts on other countries and on global economies or markets.

**Small and Mid-Sized Companies.** Companies having market capitalization of middle to smaller size are comparatively less well known and may have less trading in their shares than larger companies. Compared to large companies, small-and mid-size companies, and the market for their equity securities, may be more sensitive to changes in earnings results and investor expectations or poor economic or market conditions, including those experienced during a recession, have more limited product lines, operating histories and capital resources, may be dependent upon a limited management group, experience sharper swings in market values, have limited liquidity, be harder to value or to sell at the times and prices Aquila Investment

Management LLC (the “Manager”) thinks appropriate, and offer greater potential for gain and loss. The Fund invests in companies that are highly leveraged. Leverage can magnify the impact of adverse economic, political, regulatory and other developments on a company’s operations and market value.

**Liquidity Risk.** The Fund may make investments that are illiquid or become illiquid after purchase, including investments in securities issued in private placement transactions. Illiquid assets may also be difficult to value. Liquidity risk may be magnified in an environment of rising interest rates or widening credit spreads. If the Fund is forced to sell an illiquid security to meet redemption requests or other cash needs, the Fund may be forced to sell the security at a substantial loss or may not be able to sell at all. The Fund may not receive its proceeds from the sale of certain securities for an extended period (for example, several weeks or even longer). In extreme cases, this may constrain the Fund’s ability to meet its obligations (including obligations to redeeming shareholders).

**Portfolio Turnover Risk.** If the Fund does a lot of trading, it may incur additional operating expenses and other costs, which would reduce performance. Trading activity could also cause shareholders to incur a higher level of taxable income or capital gains.

**Portfolio Selection Risk.** The value of your investment may decrease if the Manager’s judgment about the attractiveness, quality, relative yield, value or market trends affecting a particular sector or region, market segment, security, industry, sector or region, or about market movements or interest rates or other factors, is incorrect, or there may be imperfections, errors or limitations in the models, tools and information used by the Manager.

**Valuation Risk.** The sales price the Fund could receive for any particular portfolio investment may differ

from the Fund’s valuation of the investment, particularly for securities that trade in thin or volatile markets or that are valued using a fair value methodology. These differences may increase significantly and affect Fund investments more broadly during periods of market volatility. Investors who purchase or redeem Fund shares on days when the Fund is holding fair-valued securities may receive fewer or more shares or lower or higher redemption proceeds than they would have received if the securities had not been fair-valued or if a different valuation methodology had been used. The Fund’s ability to value its investments may be impacted by technological issues and/or errors by pricing services or other third party service providers.

**Redemption Risk.** The Fund may experience heavy redemptions that could cause the Fund to liquidate its assets at inopportune times or at a loss or depressed value or accelerate taxable gains or transaction costs, which could cause the value of your investment to decline.

**Cybersecurity Risk.** Cybersecurity failures by and breaches of the Fund’s Manager, Transfer Agent, Custodian, Distributor or other service providers may disrupt Fund operations, interfere with the Fund’s ability to calculate its NAV, prevent Fund shareholders from purchasing, redeeming or exchanging shares or receiving distributions or receiving timely information regarding the Fund or their investment in the Fund, cause loss of or unauthorized access to private shareholder information, or result in financial losses to the Fund and its shareholders, regulatory fines, penalties, reputational damage, or additional compliance costs.

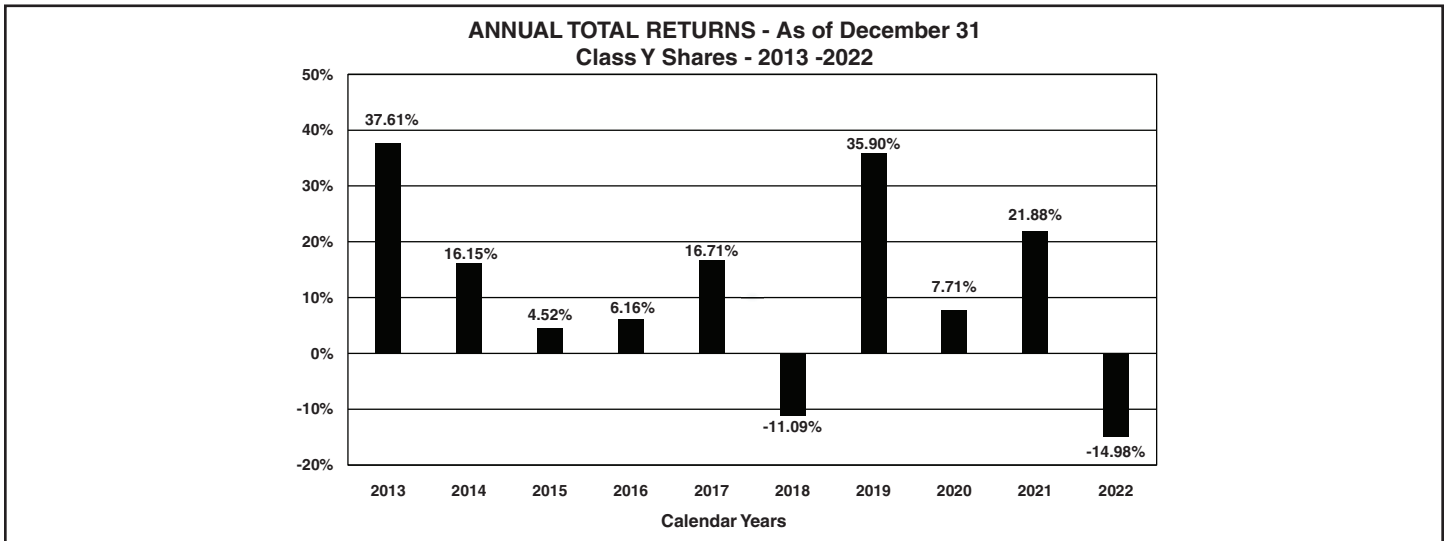
These risks are discussed in more detail later in the Prospectus or in the SAI.

## Fund Performance

The following bar chart and table provide some indication of the risks of investing in the Fund by showing changes in the Fund's performance from year to year and by showing how the Fund's average annual total returns for the designated periods compare with those of a broad measure of market performance. No performance information is presented for Class F Shares because Class F Shares do not have annual returns for at least one calendar year. The returns for Class F Shares would differ from the returns shown because Class F Shares have different expenses. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available at [www.aquilafunds.com](http://www.aquilafunds.com) or by calling **800-437-1000 (toll-free)**.

The Fund acquired the assets and liabilities of Aquila Three Peaks Opportunity Growth Fund (the "Predecessor Fund") on October 11, 2013. As a result of the reorganization, the Fund is the accounting successor of the Predecessor Fund. Performance shown for periods prior to October 11, 2013, is the performance of the Predecessor Fund.

From October 14, 2010 until September 30, 2021, Three Peaks Capital Management, LLC served as the sub-adviser of the Fund and the Predecessor Fund, and each of the Fund and the Predecessor Fund was known as "Aquila Three Peaks Opportunity Growth Fund." Effective October 1, 2021, the Manager became directly responsible for portfolio management decisions for the Fund.



During the 10-year period shown in the bar chart, the highest return for a quarter was 16.53% (quarter ended December 31, 2020) and the lowest return for a quarter was -25.22% (quarter ended March 31, 2020).

|  | Average Annual Total Returns for<br>the Periods Ended December 31, 2022 |         |          |
|--|---|---------|----------|
|  | 1 Year  | 5 Years | 10 Years |
| <b>Class Returns Before Taxes:</b>   |   |         |          |
| Class A  | -18.86%   | 4.93%   | 10.00%   |
| Class C  | -16.53%   | 5.11%   | 9.70%    |
| Class I  | -15.19%   | 5.90%   | 10.61%   |
| Class Y  | -14.98%   | 6.16%   | 10.81%   |
| <b>Class Y Returns After Taxes:</b>  |   |         |          |
| On Distributions   | -16.73%   | 3.16%   | 8.99%    |
| On Distributions and Redemption  | -7.80%  | 4.56%   | 8.74%    |
| S&P 500 Index<br>(This index is unmanaged and does not reflect deductions for fund operating expenses or sales charges.)           | -18.11%   | 9.42%   | 12.56%   |
| CRSP U.S. Mid Cap Index<br>(This index is unmanaged and does not reflect deductions for fund operating expenses or sales charges.) | -18.68%   | 7.34%   | 11.13%   |

After-tax returns are calculated using the highest individual Federal marginal income and capital gains tax rates in effect at the time of each distribution and redemption, but do not reflect state and local taxes. Actual after-tax returns will depend on your specific situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold Fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts. The total returns reflect reinvestment of dividends and distributions. After-tax returns are shown only for Class Y Shares. After-tax returns for other classes of shares will vary.

## **Management**

### **Investment Adviser – Aquila Investment Management LLC**

Portfolio Managers – Mr. Pedro Marcal, Director of Equities and High Yield at the Manager, is the Lead Portfolio Manager of the Fund since October 2021. He has 30 years of experience in the investment industry. Mr. John McPeake is Co-Portfolio Manager of the Fund since October 2021. He has approximately 26 years of experience in the investment industry.

### **Purchase and Sale of Fund Shares**

You may purchase, redeem or exchange shares of the Fund on any day the New York Stock Exchange is open for business.

Transactions in Class A Shares or Class C Shares may be made either through a financial intermediary or, for accounts held directly with the Fund, you may contact the Fund in writing or by telephone:

- U.S. Postal Service Mail: Aquila Group of Funds, P.O. Box 534428, Pittsburgh, PA 15253-4428
- Overnight Carrier Deliveries: Aquila Group of Funds, Attention 534428, 500 Ross Street, 154-0520, Pittsburgh, PA 15262
- The Fund's telephone number is 800-437-1000

The minimum initial purchase amount for Class A and Class C Shares is \$1,000, or \$50 if an automatic investment program is established. There is no minimum for subsequent investments.

Transactions in Class F Shares, Class I Shares and Class Y Shares may be made only through a financial intermediary, which may impose separate investment minimums.

### **Tax Information**

The Fund intends to make distributions that may be taxed as ordinary income, qualified dividend income, or capital gains.

### **Payments to Broker-Dealers and Other Financial Intermediaries**

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank or financial advisor), the Fund and Aquila Distributors LLC (the "Distributor") or the Manager may pay the intermediary for the sale of Fund shares and related shareholder servicing activities. These payments create a conflict of interest by influencing the broker-dealer or other financial intermediary to recommend the Fund over another investment. Ask your financial advisor or visit your financial intermediary's website for more information.

## **Additional Information About the Funds' Principal Investment Strategies and Principal Risks**

### **Additional Information About Aquila High Income Fund's Principal Investment Strategies**

#### **Investment objectives**

The Fund seeks to obtain high current income. Capital appreciation is a secondary objective when consistent with its primary objective.

#### **Investment strategy**

The Fund pursues its investment objectives by investing, under normal circumstances, at least 80% of its net assets plus any borrowings for investment purposes in income-producing securities. Such securities may be rated at any level by nationally recognized statistical rating organizations or they may be unrated. It is anticipated that the Fund's portfolio will typically include a high proportion, perhaps even 100%, of high-yield/high-risk securities rated below investment grade.

The bonds the Fund purchases can be of any maturity but the average effective weighted maturity of the Fund's portfolio will normally be within one year of the average maturity of the Bloomberg US Corporate High Yield Total Return Index Value Unhedged. The average maturity of the Index as of December 31, 2022 was 5.43 years. The Manager may vary the average-weighted effective maturity of the portfolio to reflect its analysis of interest rate trends and other factors. Thus, the Manager may attempt to shorten the Fund's average-weighted effective maturity when the Manager expects interest rates to rise and to lengthen it when it expects interest rates to fall.

In addition to considering economic factors such as the effect of interest rates on the Fund's investments, the Manager applies a "bottom up" approach in choosing investments. This means that the Manager considers the individual characteristics of each potential investment in an income-producing security to determine if it is an attractive investment opportunity and consistent with the Fund's investment policies. The Manager also employs relative value analysis and fundamental credit research on potential investments in an effort to identify companies with improving balance sheets, improving cash flows and/or interest coverage, improving earnings, hidden or unappreciated value, management quality and/or strong business models.

Within the parameters of the Fund's specific investment policies, the Fund may invest without limit in foreign debt, including debt of emerging markets issuers. The Fund may invest directly in foreign securities denominated in a foreign currency and not publicly traded in the United States.

The Fund may invest in securities which are subordinated to more senior securities of the issuer, or which represent interests in pools of such subordinated securities.

From time to time, the Fund may hold significant amounts of cash or other short-term investments in response to market volatility, while seeking to identify investment opportunities for the Fund, or for other reasons.

Except for the Fund's investment objectives, the Fund's investment strategies and policies may be changed from time to time without shareholder approval, unless specifically stated otherwise in this Prospectus or in the Statement of Additional Information.

### **Additional Information About Aquila Opportunity Growth Fund's Principal Investment Strategies**

#### **Investment objective**

The Fund's investment objective is capital appreciation. The Fund's investment objective is not a fundamental policy and may be changed without shareholder approval. The Fund will provide at least 30 days' notice prior to implementing any change to its investment objective.

#### **Investment strategy**

The Fund invests primarily in equity securities of U.S. issuers. The Fund pursues its investment objective by investing, under normal circumstances, at least 70% of its net assets in equity securities believed to have the potential for capital appreciation. In addition to common stocks, exchange traded funds that invest primarily in equity securities, warrants, convertible bonds and preferred stock are considered equity securities for purposes of the Fund's 70% policy.

The Fund's investment strategy focuses on factors specific to each investment, including: internal changes to the company or external changes in the company's environment that drive improving balance sheet, cash flow, or earnings growth; hidden or unappreciated value; management quality; and a strong business model. The Fund invests in equity securities that can be characterized as "growth" or "value," as both kinds of companies may have characteristics that make the investment attractive. The Fund invests in a range of stock market capitalizations that could include small-cap, mid-cap, and large-cap.

Mid-cap companies have typically represented a large portion of the companies identified in the Manager's research process. Although the Fund may invest in securities of companies of any market capitalization, the Fund typically invests a substantial portion of its assets in the securities of mid-cap companies.

The Fund may invest up to 15% of its net assets in foreign securities.

From time to time, the Fund may hold significant amounts of cash or other short-term investments in response to market volatility, while seeking to identify investment opportunities for the Fund, or for other reasons.

The Fund's investment strategies and policies may be changed from time to time without shareholder approval, unless specifically stated otherwise in this Prospectus or in the Statement of Additional Information.

## **Additional Information About Each Fund's Principal Investment Strategies**

### **The Manager's Investment Process**

**Investing Approach.** The Manager follows a large universe of companies, routinely reviewing earnings reports, corporate developments, trading activity and other data. Once the Manager determines that a company merits consideration, more extensive research is conducted which may include consultation with corporate management to gain insight into trends that affect a company's finances and growth. The Manager believes it is important to speak to management directly and information gathered from these meetings helps the Manager build financial models with the goal of providing prudent investment recommendations in both equity and debt securities of an issuer. Once potential investments viewed as highly attractive are identified, the Manager's team seeks to gain a more complete understanding of factors guiding the company's capital allocation decisions. Information may also be gathered from competitors, customers, and suppliers, and further qualitative analysis is conducted.

The Manager closely monitors growth in revenues, earnings before interest, taxes, depreciation, amortization, margins and net profits versus valuation multiples to gain an understanding of the value at which a company's common stock becomes attractive.

The Manager believes that the in-depth research which it conducts on the business model, financial metrics and capital structure of a corporation is a highly effective tool for identifying investment opportunities in both corporate debt and equity.

**Research Process.** The Manager conducts research on a large universe of corporations, analyzing the corporate capital structure, growth opportunities, and changing industry and/or company dynamics, reaching a conclusion about the sustainability of the company's business positioning and/or growth. The Manager develops corporate financial models, which it reviews and adjusts, and maintains communication with corporate management and industry contacts. In the case of fixed income investments, the Manager carefully reviews debt prospectuses and debt covenants as well. The Manager identifies its expected valuation level for each company's securities and invests when expected risk-adjusted returns reach an appropriate threshold for the portfolio.

**Equity Investments (For Aquila Opportunity Growth Fund).** The Manager believes that markets are inefficient, that opportunities exist to find stocks that will outperform the market over time, and that these opportunities are most likely to exist in companies experiencing positive changes in their businesses. The Manager looks to identify changes occurring at the sector, industry, and company level due to innovation, changes in regulation or other factors such as supply and demand imbalances. The Manager seeks

to identify companies benefiting from these changes and conducts extensive research on the sustainability of the growth based on factors in the companies' business models such as dominant market share, pricing power, unique access to natural resources, product cycles and more. Once the Manager identifies a company that it believes has a strong business model, the Manager considers the price of the investment and the value likely to be realized by investors based on market expectations and relative valuation.

The Manager's analysts typically focus on analyzing revenue streams and growth potential, conducting detailed analysis of cash flow, free cash flow, margins, and profits. The Manager's analytical process also strives to find improving balance sheets that in turn provide opportunity for future growth and profitability.

### **Fixed Income Securities**

Fixed income securities represent obligations of corporations, governments and other entities to repay money borrowed. The issuer or borrower of the security usually pays a fixed, variable or floating rate of interest and repays the amount borrowed, usually at the maturity of the instrument. However, some fixed income securities, such as zero coupon bonds, do not pay current interest but are sold at a discount from their face values. Other debt instruments, such as certain mortgage-backed and other asset-backed securities, make periodic payments of interest and/or principal. Some debt instruments are partially or fully secured by collateral supporting the payment of interest and principal. "Fixed income securities" are commonly referred to as "notes," "debt," "debt obligations," "debt securities," "corporate debt," "bonds" and "corporate bonds," and these terms are used in this Prospectus interchangeably, and, where used, are not intended to be limiting.

**Variable and Floating Rate Securities.** Variable rate securities reset at specified intervals, while floating rate securities reset whenever there is a change in a specified index rate. In most cases, these reset provisions reduce the impact of changes in market interest rates on the value of the security. However, the value of these securities may decline if their interest rates do not rise as much, or as quickly, as interest rates in general. Conversely, floating rate securities will not generally increase in value if interest rates decline.

**Corporate Debt.** Corporate debt securities are fixed income securities usually issued by businesses to finance their operations. Various types of business entities may issue these securities, including corporations, trusts, limited partnerships, limited liability companies and other types of non-governmental legal entities. Notes, bonds, debentures and commercial paper are the most common types of corporate debt securities, with the primary difference being their maturities and secured or unsecured status. Commercial paper has the shortest term



and is usually unsecured. The broad category of corporate debt securities includes debt issued by U.S. or foreign companies of all kinds, including those with small, mid and large capitalizations. Corporate debt may be rated investment grade or below investment grade and may carry variable or floating rates of interest.

**High-Yield/High-Risk Bonds.** A high-yield/high-risk bond (also called a “junk bond”) is a bond rated below investment grade by major rating agencies (e.g., BB+ or lower by Standard & Poor’s and Fitch or Ba or lower by Moody’s) or an unrated bond of similar quality. It presents greater risk of default (failure to make timely interest and principal payments) than higher quality bonds.

**Zero coupon, pay-in-kind and deferred interest securities.** Zero coupon, pay-in-kind and deferred interest securities may be used by issuers to manage cash flow and maintain liquidity. Zero coupon securities pay no interest during the life of the obligation but are issued at prices below their stated maturity value. Because zero coupon securities pay no interest until maturity, their prices may fluctuate more than other types of securities with the same maturity in the secondary market. However, zero coupon bonds are useful as a tool for managing duration.

Pay-in-kind securities have a stated coupon, but the interest is generally paid in the form of obligations of the same type as the underlying pay-in-kind securities (e.g. bonds) rather than in cash. These securities are more sensitive to the credit quality of the underlying issuer and their secondary market prices may fluctuate more than other types of securities with the same maturity.

Deferred interest securities are obligations that generally provide for a period of delay before the regular payment of interest begins and are issued at a significant discount from face value.

Certain zero coupon, pay-in-kind and deferred interest securities are subject to tax rules applicable to debt obligations acquired with “original issue discount.” The Fund would generally have to accrue income on these securities for federal income tax purposes before it receives corresponding cash payments. Because the Fund intends to make sufficient annual distributions of its taxable income, including accrued non-cash income, in order to maintain its federal income tax status and avoid Fund-level income and excise taxes, the Fund might be required to liquidate portfolio securities at a disadvantageous time, or borrow cash, to make these distributions. The Fund also accrues income on these securities prior to receipt for accounting purposes. To the extent it is deemed collectible, accrued income is taken into account when calculating the value of these securities and the Fund’s net asset value per share, in accordance with the Fund’s valuation policies.

**When-issued securities, delayed delivery, to be announced and forward commitment transactions.** The Fund may purchase securities under arrangements

(called when-issued, delayed delivery, to be announced or forward commitment basis) where the securities will not be delivered or paid for immediately. The Fund will set aside assets to pay for these securities at the time of the agreement. Such transactions involve a risk of loss if the value of the securities declines prior to the settlement date or if the assets set aside to pay for these securities decline in value prior to the settlement date. Therefore, these transactions may have a leveraging effect on the Fund, making the value of an investment in the Fund more volatile and increasing the Fund’s overall investment exposure. Typically, no income accrues on securities the Fund has committed to purchase prior to the time delivery of the securities is made, although the Fund may earn income on securities it has set aside to cover these positions.

**Average-Weighted Effective Maturity.** The stated maturity of a bond is the date when the issuer must repay the bond’s entire principal value to an investor. Some types of bonds may also have an “effective maturity” that is shorter than the stated date due to prepayment or call provisions. Securities without prepayment or call provisions generally have an effective maturity equal to their stated maturity. Average-weighted effective maturity is calculated by averaging the effective maturity of bonds held by the Fund with each effective maturity weighted according to the percentage of net assets that it represents.

**Duration.** Duration is a measure of the underlying portfolio’s price sensitivity to changes in prevailing interest rates. Unlike maturity, duration reflects both principal and interest payments. Generally, the higher the coupon rate on a bond, the lower its duration will be. The duration of the Fund is calculated by averaging the duration of bonds held by the Fund, with each duration weighted according to the percentage of net assets that it represents. Because duration accounts for interest payments, the Fund’s duration is usually shorter than its average maturity.

### **Equity securities**

Equity securities include warrants, rights, exchange traded and over-the-counter common stocks, baskets of equity securities such as exchange traded funds, depositary receipts, trust certificates, limited partnership interests and shares of other investment companies and real estate investment trusts.

Equity securities represent an ownership interest in the issuing company. Holders of equity securities are not creditors of the company, and in the event of the liquidation of the company, would be entitled to their pro rata share of the company’s assets, if any, after creditors, including the holders of fixed income securities, and holders of any senior equity securities are paid. Equity securities generally have greater price volatility than fixed income securities.

**Warrants and rights.** Warrants and rights permit, but do not obligate, their holders to subscribe for other securities. Warrants and rights are subject to the same

market risks as stocks, but may be more volatile in price. An investment in warrants or rights may be considered speculative. In addition, the value of a warrant or right does not necessarily change with the value of the underlying securities and a warrant or right ceases to have value if it is not exercised prior to its expiration date.

**Preferred stock.** Preferred stock represents an interest in a company that generally entitles the holder to receive, in preference to the holders of common stock, dividends and a fixed share of the proceeds resulting from a liquidation of the company. Preferred stocks may pay fixed or adjustable rates of return.

**Convertible securities.** Convertible fixed income securities convert into shares of common stock of their issuer. Preferred stock and convertible fixed income securities share investment characteristics of both fixed income and equity securities. However, the value of these securities tends to vary more with fluctuations in the underlying common stock and less with fluctuations in interest rates and tends to exhibit greater volatility.

### **Derivative Instruments**

Each Fund may, but is not required to, use derivative instruments, such as futures, options, swaps and warrants, for a variety of purposes, including to “hedge” or protect its portfolio from adverse movements in securities prices and interest rates. However, a Fund’s performance could be worse than if the Fund had not used such instruments if the Manager’s judgment proves incorrect.

Using derivatives, especially for non-hedging purposes, may involve greater risks to a Fund than investing directly in securities, particularly as these instruments may be very complex and may not behave in the manner anticipated by the Fund. Certain derivative transactions may have a leveraging effect on a Fund.

A Fund may choose not to make use of derivatives for a variety of reasons, and any use may be limited by applicable law and regulations.

### **General Portfolio Policies**

Except for a Fund’s policies with respect to investments in illiquid securities and borrowing, the percentage limitations included in the policies in this Prospectus apply at the time of purchase of a security. So, for example, if a Fund exceeds a limit as a result of market fluctuations or the sale of other securities, it will not be required to dispose of any securities.

### **Illiquid Investments**

Each Fund may invest up to 15% of its net assets in illiquid investments. An illiquid investment is an investment that the Fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. Certain restricted

securities may be determined to be liquid pursuant to the Funds’ liquidity risk management program, and will not be counted toward this 15% limit.

### **Special Situations**

Each Fund may invest in special situations. A special situation arises when, in the opinion of the Manager, the securities of a particular issuer are likely to appreciate in market value due to a specific development with respect to that issuer. Special situations may include significant changes in a company’s allocation of its existing capital, a restructuring of assets or a redirection of free cash flow. Developments creating a special situation might include, among others, a new product or process, a technological breakthrough, a management change or other extraordinary corporate event, or differences in market supply of and demand for the security. A Fund’s performance could suffer if the anticipated development in a “special situation” investment does not occur, is delayed or does not elicit the expected market response.

### **Portfolio Turnover**

Each Fund generally intends to purchase securities for long-term investment, although, to the extent permitted by its specific investment policies, each Fund may purchase securities in anticipation of relatively short-term price gains. Short-term transactions may also result from liquidity needs, securities having reached a price or yield objective, changes in interest rates or the credit standing of an issuer, or by reason of economic or other developments not foreseen at the time of the investment decision. Each Fund may also sell one security and simultaneously purchase the same or a comparable security to take advantage of short-term differentials in bond yields or securities prices. Portfolio turnover is affected by market conditions, changes in the size of a Fund, the nature of a Fund’s investments and the investment style of the Manager. Changes are made in a Fund’s portfolio whenever the Manager believes such changes are desirable. Portfolio turnover rates are generally not a factor in making buy and sell decisions.

Increased portfolio turnover may result in higher costs for brokerage commissions, dealer mark-ups and other transaction costs and may also result in increased recognition of short-term capital gains, which are taxable as ordinary income when distributed to shareholders. Higher costs associated with increased portfolio turnover may offset gains in a Fund’s performance.

### **Credit Downgrades and Other Credit Events**

Credit rating or credit quality of a security is determined at the time of purchase. If, after purchase, the credit rating on a security is downgraded or the credit quality deteriorates, or if the duration of a security is extended, the Manager will decide whether the security should continue to be held or sold. Upon the occurrence of certain triggering events or defaults on a security held by a Fund, or if an obligor

of such a security has difficulty meeting its obligations, the Fund may obtain or exchange a new or restructured security or underlying assets. In that case, the Fund may become the holder of securities or other assets that it could not purchase or might not otherwise hold (for example, because they are of lower quality or are subordinated to other obligations of the issuer) at a time when those assets may be difficult to sell or can be sold only at a loss. In addition, a Fund may incur expenses in an effort to protect the Fund's interest in securities experiencing these events.

### **Cash Management**

Each Fund may invest its assets in money market funds, any type of taxable money market instrument and short-term debt securities, or may hold cash uninvested.

### **Defensive Investing**

Each Fund may depart from its principal investment strategies in response to adverse market, economic or political conditions by taking temporary defensive positions, including by investing in shares of money market funds, any type of taxable money market instrument and short-term debt securities or holding cash uninvested without regard to any percentage limitations. Although a Fund has the ability to take such defensive positions, it may choose not to do so for a variety of reasons, even during volatile market conditions.

### **Additional Information About the Principal Risks of Investing in the Funds**

**Market Risk.** The market prices of securities or other assets held by a Fund may go up or down, sometimes rapidly or unpredictably. If the market prices of securities owned by a Fund fall, the value of your investment in the Fund will likely decline. The value of a security may fall due to general market conditions, such as real or perceived adverse economic, political, or regulatory conditions, political instability, recessions, inflation, changes in interest or currency rates, lack of liquidity in the bond markets, the spread of infectious illness or other public health issues, armed conflict, market disruptions caused by tariffs, trade disputes, sanctions or other government actions, or other factors or adverse investor sentiment. Changes in market conditions will not have the same impact on all types of securities. The value of a security may also fall due to specific conditions that affect a particular sector of the securities market or a particular issuer.

In the past decade, financial markets throughout the world have experienced increased volatility, depressed valuations, decreased liquidity and heightened uncertainty. Governmental and non-governmental issuers have defaulted on, or been forced to restructure, their debts. These conditions may continue, recur, worsen or spread. Events that have contributed to these market conditions include, but are not limited to, major cybersecurity

events; geopolitical events (including wars, terror attacks and economic sanctions); global pandemics; measures to address budget deficits; downgrades of sovereign debt; changes in oil and commodity prices; dramatic changes in currency exchange rates; and public sentiment. The fallout from the COVID-19 pandemic and subsequent variants of COVID-19, and the long-term impact on economies, markets, industries and individual issuers, are not known. Some sectors of the economy and individual issuers have experienced or may experience particularly large losses. Periods of extreme volatility in the financial markets; reduced liquidity of many instruments; and disruptions to supply chains, consumer demand and employee availability, may continue for some time.

Raising the ceiling on U.S. government debt has become increasingly politicized. Any failure to increase the total amount that the U.S. government is authorized to borrow could lead to a default on U.S. government obligations, with unpredictable consequences for economies and markets in the U.S. and elsewhere. Recently, inflation and interest rates have increased and may rise further. These circumstances could adversely affect the value and liquidity of a Fund's investments, impair a Fund's ability to satisfy redemption requests, and negatively impact a Fund's performance. Following Russia's invasion of Ukraine, Russian securities have lost all, or nearly all, their market value. Other securities or markets could be similarly affected by past or future political, geopolitical or other events or conditions.

Governments and central banks, including the U.S. Federal Reserve, have taken extraordinary and unprecedented actions to support local and global economies and the financial markets. These actions have resulted in significant expansion of public debt, including in the U.S. The consequences of high public debt, including its future impact on the economy and securities markets, may not be known for some time. U.S. Federal Reserve or other U.S. or non-U.S. governmental or central bank actions, including increases or decreases in interest rates, or contrary actions by different governments, could negatively affect financial markets generally, increase market volatility and reduce the value and liquidity of securities in which a Fund invests. Policy and legislative changes in the U.S. and in other countries are affecting many aspects of financial regulation and these and other events affecting global markets, such as the United Kingdom's exit from the European Union (or Brexit), or potential trade imbalances with China or other countries, or sanctions or other government actions against Russia, other nations or individuals or companies (or their countermeasures), may contribute to decreased liquidity and increased volatility in the financial markets. The impact of these changes on the markets, and the implications for market participants, may not be fully known for some time.

The United States and other countries are periodically involved in disputes over trade and other matters, which may result in tariffs, investment restrictions and adverse impacts on affected companies and securities. For example, the United States has imposed tariffs and other trade barriers on Chinese exports, has restricted sales of certain categories of goods to China, and has established barriers to investments in China. Trade disputes may adversely affect the economies of the United States and its trading partners, as well as companies directly or indirectly affected and financial markets generally. The United States government has prohibited U.S. persons, such as a Fund, from investing in Chinese companies designated as related to the Chinese military. These and possible future restrictions could limit a Fund's opportunities for investment and require the sale of securities at a loss or make them illiquid. Moreover, the Chinese government is involved in a longstanding dispute with Taiwan that has included threats of invasion. If the political climate between the United States and China does not improve or continues to deteriorate, if China were to attempt unification of Taiwan by force, or if other geopolitical conflicts develop or get worse, economies, markets and individual securities may be severely affected both regionally and globally, and the value of a Fund's assets may go down.

Economies and financial markets throughout the world are increasingly interconnected. Economic, financial or political events, trading and tariff arrangements, armed conflict including Russia's military invasion of Ukraine, terrorism, natural disasters, infectious illness or public health issues, cybersecurity events, supply chain disruptions, sanctions against Russia, other nations or individuals or companies and possible countermeasures, and other circumstances in one country or region could have profound impacts on other countries or regions and on global economies or markets. As a result, whether or not a Fund invests in securities of issuers located in or with significant exposure to the countries or regions directly affected, the value and liquidity of the Fund's investments may be negatively affected. A Fund may experience a substantial or complete loss on any security or investment.

The Fund's investments, payment obligations and financing terms may be based on floating rates, such as LIBOR (London Interbank Offered Rate). LIBOR is used extensively in the U.S. and globally as a "benchmark" or "reference rate" for various commercial and financial contracts, including corporate and municipal bonds, bank loans, asset-backed and mortgage-related securities, and interest rate swaps and other derivatives. ICE Benchmark Administration, the administrator of LIBOR, ceased publication of most LIBOR settings on a representative basis at the end of 2021 and is expected to cease publication of a majority of U.S. dollar LIBOR settings on a representative basis after June 30, 2023. In addition, global regulators have announced that, with limited exceptions, no new

LIBOR-based contracts should be entered into after 2021. Actions by regulators have resulted in the establishment of alternative reference rates to LIBOR in most major currencies. Markets are developing in response to these new rates, but questions around liquidity in these rates and how to appropriately adjust these rates to eliminate any economic value transfer at the time of transition remain a significant concern. The effect of any changes to—or discontinuation of—LIBOR on a Fund will vary depending on, among other things, existing fallback provisions in individual contracts and whether, how, and when industry participants develop and widely adopt new reference rates and fallbacks for both legacy and new products and instruments. The transition process may involve, among other things, increased volatility or illiquidity in markets for instruments that rely on LIBOR. The transition may also result in a reduction in the value of certain LIBOR-based investments held by a Fund or reduce the effectiveness of related transactions such as hedges. Any such effects of the transition away from LIBOR as well as other unforeseen effects, could result in losses for a Fund. Because the usefulness of LIBOR as a benchmark may deteriorate during the transition period, these effects could occur at any time.

**Equity Securities Risk.** Securities fluctuate in price based on changes in a company's financial condition and overall market and economic conditions. The market price of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

**Interest Rate Risk.** The market prices of securities may fluctuate significantly when interest rates change. When interest rates rise, the value of fixed income securities generally falls. In recent years, interest rates and credit spreads in the U.S. have been at historic lows. The U.S. Federal Reserve has raised certain rates, and interest rates may continue to go up. A general rise in interest rates could adversely affect the price and liquidity of fixed income securities and could also result in increased redemptions from a Fund. Generally, the longer the maturity or duration of a fixed income security, the greater the impact of a rise in interest rates on the security's value. However, calculations of maturity or duration may be based on estimates and may not reliably predict a security's price sensitivity to changes in interest rates. Moreover, securities can change in value in response to other factors, such as credit risk. In addition, different interest rate measures (such as short- and long-term interest rates and U.S. and foreign interest rates), or interest rates on different types of securities or securities of different issuers, may not necessarily change in the same amount or in the same direction. When interest rates go down, the income received by a Fund, and the Fund's yield, will decline. Also, when interest rates decline, investments made by a Fund may pay a lower interest rate, which would reduce the income received and distributed

by the Fund; however, the value of fixed income securities generally rises when interest rates decline. The maturity of a security may be significantly longer than its effective duration. A security's maturity and other features may be more relevant than its effective duration in determining the security's sensitivity to other factors affecting the issuer or markets generally such as changes in credit quality or in the yield premium that the market may establish for certain types of securities (sometimes called "credit spread"). In general, the longer its maturity the more a security may be susceptible to these factors. When the credit spread for a fixed income security goes up or "widens," the value of the security will generally go down.

Certain fixed income securities pay interest at variable or floating rates. Variable rate securities tend to reset at specified intervals, while floating rate securities may reset whenever there is a change in a specified index rate. In most cases, these reset provisions reduce the impact of changes in market interest rates on the value of the security. However, during a period of rapidly rising interest rates, the changes in the coupon rates of the Fund's variable rate securities may temporarily lag behind changes in market rates and shareholders could suffer loss of principal if they sell shares of a Fund before interest rates in the Fund's securities or the assets underlying the securities are adjusted to reflect current market rates. In addition, some securities do not track the underlying index directly, but reset based on formulas that may produce a leveraging effect; others may also provide for interest payments that vary inversely with market rates. The market prices of these securities may fluctuate significantly when interest rates change. In turn, the income or return generated by the Funds may decline due to a decrease in market interest rates.

**Credit Risk.** If an obligor (such as the issuer itself or a party offering credit enhancement) for a security held by a Fund fails to pay, otherwise defaults, is perceived to be less creditworthy, becomes insolvent or files for bankruptcy or a security's credit rating is downgraded or the credit quality or value of any underlying assets declines, the value of your investment in the Fund could decline. Changes in actual or perceived creditworthiness may occur quickly. If a Fund enters into financial contracts (such as when-issued and delayed delivery transactions), the Fund will be subject to the credit risk presented by the counterparty. In addition, a Fund may incur expenses and suffer delays in an effort to protect the Fund's interests or to enforce its rights. Credit risk is broadly gauged by the credit ratings of the securities in which a Fund invests. However, ratings are only the opinions of the companies issuing them and are not guarantees as to quality. Securities rated in the lowest category of investment grade (i.e., Baa/BBB) may possess certain speculative characteristics.

**Junk Bonds Risk.** Each Fund will be subject to greater levels of credit risk to the extent that the Fund holds

below investment grade debt securities (that is, securities rated below Baa/BBB or unrated securities of comparable quality), or "junk bonds". These securities have a higher risk of issuer default because, among other reasons, issuers of junk bonds often have more debt in relation to total capitalization than issuers of investment grade securities. These securities are considered speculative, tend to be less liquid and are more difficult to value than higher rated securities and may involve major risk of exposure to adverse conditions and negative sentiments. These securities may be in default or in danger of default as to principal and interest. Unrated securities of comparable quality share these risks.

**Subordinated Securities Risk.** Each Fund may invest in securities which are subordinated to more senior securities of the issuer, or which represent interests in pools of such subordinated securities. A Fund is more likely to suffer a credit loss on subordinated securities than on non-subordinated securities of the same issuer. If there is a default, bankruptcy or liquidation of the issuer, most subordinated securities are paid only if sufficient assets remain after payment of the issuer's non-subordinated securities. In addition, any recovery of interest or principal may take more time. As a result, even a perceived decline in creditworthiness of the issuer is likely to have a greater impact on subordinated securities.

**Foreign Securities Risk.** Investments in foreign securities (including those denominated in U.S. dollars) are subject to economic and political developments in the countries and regions where the issuers operate or are domiciled, or where the securities are traded, such as changes in economic or monetary policies. Values may also be affected by restrictions on receiving the investment proceeds from a foreign country.

Less information may be publicly available about foreign companies and markets than about U.S. companies and markets. Foreign companies are generally not subject to the same accounting, auditing and financial reporting standards as are U.S. companies. It may be difficult for the Fund to pursue claims against a foreign issuer in the courts of a foreign country. Some securities issued by non-U.S. governments or their subdivisions, agencies and instrumentalities may not be backed by the full faith and credit of such governments. Even where a security is backed by the full faith and credit of a government, it may be difficult for a Fund to pursue its rights against the government. Some non-U.S. governments have defaulted on principal and interest payments, and more may do so. In addition, a Fund's investments in foreign securities may be subject to the risk of nationalization or expropriation of assets, imposition of currency exchange controls or restrictions on the repatriation of foreign currency, confiscatory taxation, political or financial instability, military conflicts and sanctions, terrorism, arbitrary application of laws and regulations or lack of rule of

law, and adverse diplomatic developments. Dividends or interest on, or proceeds from the sale of, foreign securities may be subject to non-U.S. withholding taxes, and special U.S. tax considerations may apply. Costs of buying, selling and holding foreign securities, including brokerage, tax and custody costs, may be higher than those involved in domestic transactions. In certain foreign markets, settlement and clearance procedures may result in delays in payment for or delivery of securities not typically associated with settlement and clearance of U.S. investments. Sanctions or other government actions against certain countries could negatively impact a Fund's investments in securities that have exposure to those countries. Circumstances that impact one country could have profound impacts on other countries and on global economies or markets.

The risks of foreign investment are greater for investments in emerging markets. Emerging market countries typically have economic and political systems that are less fully developed, and that can be expected to be less stable, than those of more advanced countries. For example, the economies of such countries can be subject to rapid and unpredictable rates of inflation or deflation. Low trading volumes may result in a lack of liquidity and in price volatility. Emerging market countries may have policies that restrict investment by foreigners or that prevent foreign investors from withdrawing their money at will. Emerging market economies tend to be less diversified than those of more developed countries. They typically have fewer medical and economic resources than more developed countries and thus they may be less able to control or mitigate the effects of a pandemic. Because each Fund may invest a significant amount of its assets in emerging market securities, investors should be able to tolerate sudden, sometimes substantial, fluctuations in the value of their investments. An investment in emerging market securities should be considered speculative.

Russia launched a large-scale invasion of Ukraine on February 24, 2022. In response to the military action by Russia, various countries, including the U.S., the United Kingdom, and European Union issued broad-ranging economic sanctions against Russia and Belarus and certain companies and individuals. Russia has taken retaliatory actions, including preventing repatriation of capital by U.S. and other investors. Since then, Russian securities have lost all, or nearly all, their market value, and many other issuers, securities and markets have been adversely affected. The ongoing conflict has resulted in significant market disruptions, including in certain markets, industries and sectors, such as the oil and natural gas markets, and negatively affected global supply chains, food supplies, inflation and global growth. The U.S. and other countries may impose sanctions on other countries, companies and individuals in light of Russia's military invasion. The extent and duration of the military action or future escalation of such hostilities, the extent and impact of existing and future

sanctions, market disruptions and volatility, and the result of any diplomatic negotiations cannot be predicted. These and any related events could have a significant impact on the value and liquidity of certain Fund investments, on Fund performance and the value of an investment in a Fund.

China and other developing market countries may be subject to considerable degrees of economic, political and social instability. Markets in China and other Asian countries are relatively new and undeveloped. China's economic health is largely dependent upon exports, and may be dependent upon the economies of other Asian countries. Investments in Chinese and other Asian issuers could be adversely affected by changes in government policies, or trade or political disputes with major trading partners, including the U.S. China's growing trade surplus with the U.S. has given rise to trade disputes and the imposition of tariffs. The U.S. has also restricted the sale of certain goods to China. In addition, the U.S. government has imposed restrictions on U.S. investor participation in certain Chinese investments. These matters could adversely affect China's economy. China's central government exercises significant control over China's economy and may intervene in the financial markets, such as by imposing trading restrictions, and investments in Chinese issuers could be adversely affected by changes in government policies. The Chinese economy could be adversely affected by supply chain disruptions. The effect of China's recent relaxation of its zero-COVID policy on China's economy and global supply chains may not be fully known for some time. An economic slowdown in China could adversely affect economies of other emerging market countries that trade with China, as well as companies operating in those countries. Economies of Asian countries and Asian issuers could be adversely affected by regional security threats. In addition, China's long-running conflict over Taiwan's sovereignty, border disputes with many neighbors and historically strained relations with other Asian countries could result in military conflict that could adversely impact the economies of China and other Asian countries, disrupt supply chains, and severely affect global economies and markets.

Each Fund may invest in securities denominated in foreign currencies, and, as a consequence, the Fund's share price and yield can be affected by changes in the rates of exchange between those currencies and the U.S. dollar. Currency exchange rates may be volatile and may be affected by, among other factors, the general economic conditions of a country, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls, and speculation. A security may be denominated in a currency that is different from the currency of the country where the issuer is domiciled.

**Liquidity Risk.** Liquidity risk exists when particular investments, including securities issued in private placement transactions, are difficult to purchase or sell.

Although most of the Funds' investments must be liquid at the time of investment, investments may become illiquid after purchase by a Fund, particularly during periods of market turmoil or due to adverse changes in the condition of a particular issuer. Markets may become illiquid when, for instance, there are few, if any, interested buyers and sellers or when dealers are unwilling to make a market for certain securities. As a general matter, dealers recently have been less willing to make markets for fixed income securities. During times of market turmoil, there have been, and may be, no buyers for securities in entire asset classes, including U.S. Treasury securities. A lack of liquidity or other adverse credit market conditions may affect the Fund's ability to sell its investments and to purchase suitable investments. Certain investments in private placements, which are subject to legal or contractual restrictions on resale and/or may lack a ready market for resale, may be considered illiquid investments. When a Fund holds illiquid investments, the portfolio may be harder to value, especially in changing markets, and if the Fund is forced to sell these investments to meet redemption requests or for other cash needs or to try to limit losses, the Fund may suffer a substantial loss or may not be able to sell at all. A Fund may experience heavy redemptions that could cause the Fund to liquidate its assets at inopportune times or at a loss or depressed value, which could cause the value of your investment to decline. In addition, when there is illiquidity in the market for certain investments, a Fund, due to limitations on illiquid investments, may be unable to achieve its desired level of exposure to a certain sector. Further, certain securities, once sold, may not settle for an extended period (for example, several weeks or even longer). A Fund will not receive its sales proceeds until that time, which may constrain the Fund's ability to meet its obligations (including obligations to redeeming shareholders). Liquidity risk may be magnified in an environment of rising interest rates or widening credit spreads in which investor redemptions may be higher than normal.

**Prepayment or Call Risk.** Many fixed income securities give the issuer the option to repay or call the security prior to its maturity date. Issuers often exercise this right when interest rates fall. Accordingly, if a Fund holds a fixed income security that can be prepaid or called prior to its maturity date, it will not benefit fully from the increase in value that other fixed income securities generally experience when interest rates fall. Upon prepayment of the security, a Fund could also be forced to reinvest the proceeds at then current yields, which would be lower than the yield of the security that was paid off. In addition, if a Fund purchases a fixed income security at a premium (at a price that exceeds its stated par or principal value), the Fund may lose the amount of the premium paid in the event of prepayment.

**Extension Risk.** When interest rates rise, repayments of fixed income securities may occur more slowly than

anticipated, extending the effective duration of these fixed income securities at below market interest rates and causing their market prices to decline even more than they would have declined due to the rise in interest rates alone. This may cause a Fund's share price to be more volatile.

**Derivatives Risk.** Derivatives involve special risks and costs and may result in losses to a Fund. Using derivatives can increase losses and reduce opportunities for gains when market prices, interest rates or currencies, or the derivative instruments themselves, behave in a way not anticipated by the Fund, especially in abnormal market conditions. Using derivatives also can have a leveraging effect (which may increase investment losses) and increase Fund volatility, which is the degree to which the Fund's share price may fluctuate within a short time period. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. The other parties to certain derivative contracts present the same types of credit risk as issuers of fixed income securities. Derivatives also tend to involve greater liquidity risk and they may be difficult to value. A Fund may be unable to terminate or sell its derivative positions. In fact, many over-the-counter derivative instruments will not have liquidity beyond the counterparty to the instrument. A Fund's use of derivatives may also increase the amount of taxes payable by shareholders. The U.S. government and foreign governments are in the process of adopting and implementing regulations governing derivative markets, including mandatory clearing of certain derivatives, margin, and reporting requirements. The ultimate impact of the regulations remains unclear. Additional regulation of derivatives may make them more costly, may limit their availability or utility, otherwise adversely affect their performance or disrupt markets. The Fund may be exposed to additional risks as a result of the additional regulations. The extent and impact of the additional regulations are not yet fully known and may not be for some time. Risks associated with the use of derivatives are magnified to the extent that a large portion of a Fund's assets are committed to derivatives in general or are invested in just one or a few types of derivatives.

**Leveraging Risk.** If a Fund engages in derivative or other transactions that have a leveraging effect on the Fund's portfolio, the value of the Fund will be more volatile and all other risks will tend to be compounded. This is because leverage generally magnifies the effect of any increase or decrease in the value of an asset and creates a risk of loss of value on a larger pool of assets than the Fund would otherwise have had. Engaging in such transactions may cause the Fund to liquidate positions when it may not be advantageous to do so to satisfy its obligations. The use of leverage is considered to be a speculative investment practice and may result in the loss of a substantial amount, and possibly all, of a Fund's assets. New derivatives regulations require a Fund, to the extent it uses derivatives

to a material extent, to, among other things, comply with certain overall limits on leverage. These regulations may limit the ability of a Fund to pursue its investment strategies and may not be effective to mitigate the Fund's risk of loss from derivatives.

**Small and Mid-Sized Companies Risk.** Companies having market capitalization of middle to smaller size are comparatively less well known and may have less trading in their shares than larger companies. Compared to large companies, small-and mid-size companies, and the market for their equity securities, may be more sensitive to changes in earnings results and investor expectations or poor economic or market conditions, including those experienced during a recession, have more limited product lines, operating histories, markets or capital resources, may be dependent upon a limited management group, experience sharper swings in market values, have limited liquidity, be harder to value or to sell at the times and prices the Manager thinks appropriate, and offer greater potential for gain and loss. The Fund invests in companies that are highly leveraged. Leverage can magnify the impact of adverse economic, political, regulatory and other developments on a company's operations and market value. A decrease in credit quality of a highly leveraged company can lead to a significant decrease in the value of the company's securities. In the event of liquidation or bankruptcy, a company's creditors take precedence over the company's stockholders. Highly leveraged companies can have limited access to additional capital.

**Undervalued Security Risk.** The market price of an undervalued security may not increase as expected or may decrease if the developments that the Manager believes will cause the security's price to increase do not occur or investor perceptions about the security do not improve. Value stocks may fall out of favor with investors and underperform the overall equity market.

**Risks of Zero Coupon and Pay-In-Kind Securities.** Zero coupon bonds (which do not pay interest until maturity) and pay-in-kind securities (which pay interest in the form of additional securities) may be more speculative and may fluctuate more in value than securities which pay income periodically and in cash. Pay-in-kind securities are usually less volatile than zero coupon bonds, but more volatile than cash pay securities. The higher interest rates of pay-in-kind securities reflect the payment deferral and increased credit risk associated with these instruments, and pay-in-kind instruments generally represent a significantly higher credit risk than coupon bonds. Zero coupon and pay-in-kind securities are more likely to respond to changes in interest rates than other securities that have similar maturities and credit quality. If the issuer defaults, the Fund may obtain no return at all on its investment. In addition, although a Fund receives no periodic cash payments on zero coupon and pay-in-kind securities, the Fund is deemed for tax purposes to receive income from such securities,

which applicable tax rules require the Fund to distribute to shareholders. Such distributions may be taxable when distributed to taxable shareholders and, in addition, could reduce the Fund's reserve position and require the Fund to sell securities and incur a gain or loss at a time it may not otherwise want in order to provide the cash necessary for these distributions.

**Risk of Investment in Other Funds.** Investing in other investment companies, including exchange-traded funds ("ETFs"), subjects a Fund to the risks of investing in the underlying securities or assets held by those funds. When investing in another fund, a Fund will bear a pro rata portion of the underlying fund's expenses, in addition to its own expenses. ETFs are bought and sold based on market prices and can trade at a premium or a discount to the ETF's net asset value.

**Portfolio Turnover Risk.** If a Fund does a lot of trading, it may incur additional operating expenses and other costs, which would reduce performance. Trading activity could also cause shareholders to incur a higher level of taxable income or capital gains.

**Portfolio Selection Risk.** The value of your investment may decrease if the Manager's judgment about the attractiveness, quality, relative yield, value or market trends affecting a particular sector or region, market segment, security, industry, sector or region, or about market movements or interest rates or other market factors, is incorrect, or there may be imperfections, errors or limitations in the models, tools and information used by the Manager.

**Valuation Risk.** Many factors may influence the price at which a Fund could sell any particular portfolio investment. The sales price may well differ—higher or lower—from the Fund's valuation of the investment, and such differences could be significant, particularly for illiquid securities and securities that trade in relatively thin markets and/or markets that experience extreme volatility. These differences may increase significantly and affect Fund investments more broadly during periods of market volatility. Nearly all of Aquila High Income Fund's investments are valued using a fair value methodology. Investors who purchase or redeem Fund shares on days when a Fund is holding fair-valued securities may receive fewer or more shares, or lower or higher redemption proceeds, than they would have received if the securities had not been fair-valued securities or if a different valuation methodology had been used. Fixed income securities are typically valued using fair value methodologies. The value of foreign securities, certain fixed income securities and currencies, as applicable, may be materially affected by events after the close of the markets on which they are traded, but before the Fund determines its net asset value. Each Fund's ability to value its investments may also be impacted by technological issues and/or errors by pricing services or other third party service providers.



**Redemption Risk.** A Fund may experience periods of heavy redemptions that could cause the Fund to liquidate its assets at inopportune times or at a loss or depressed value or accelerate taxable gains or transaction costs, particularly during periods of declining or illiquid markets. Redemption risk is greater to the extent that a Fund has investors with large shareholdings, short investment horizons, or unpredictable cash flow needs. In addition, redemption risk is heightened during periods of overall market turmoil. The redemption by one or more large shareholders of their holdings in a Fund could hurt performance and/or cause the remaining shareholders in the Fund to lose money. If one decision maker has control of Fund shares owned by separate Fund shareholders, including clients or affiliates of the Fund's Manager, redemptions by these shareholders may further increase the Fund's redemption risk. If a Fund is forced to liquidate its assets under unfavorable conditions or at inopportune times, the value of your investment could decline.

**Cybersecurity Risk.** Cybersecurity failures by and breaches of a Fund's Manager, Transfer Agent, Custodian, Distributor or other service providers may disrupt Fund operations, interfere with the Fund's ability to calculate its NAV, prevent Fund shareholders from purchasing, redeeming or exchanging shares or receiving distributions or receiving timely information regarding a Fund or their investment in a Fund, cause loss of or unauthorized access to private shareholder information, or result in financial losses to a Fund and its shareholders, regulatory fines, penalties, reputational damage, or additional compliance costs. Substantial costs may be incurred in order to prevent any cyber incidents in the future. A Fund and its shareholders could be negatively impacted as a result.

**Market Segment Risk.** To the extent a Fund emphasizes, from time to time, investments in a market segment, the Fund will be subject to a greater degree to the risks particular to that segment, and may experience greater market fluctuation, than a Fund without the same focus.

Industries in the financial segment, such as banks, insurance companies, broker-dealers and real estate investment trusts (REITs), may be sensitive to changes in interest rates, credit rating downgrades, decreased liquidity in credit markets, and general economic activity and are generally subject to extensive government regulation.

Industries in the consumer discretionary segment, such as consumer durables, hotels, restaurants, media, retailing and automobiles, may be significantly affected by the performance of domestic and international economies, interest rates, competition, consumer confidence and spending, and changes in demographics and consumer tastes.

Industries in the energy segment, such as those engaged in the development, production and distribution

of energy resources, can be significantly affected by supply and demand both for their specific product or service and for energy products in general. The energy sector is cyclical and highly dependent on commodity prices, which can change rapidly. The price of oil, gas and other consumable fuels, exploration and production spending, government regulation, energy conservation efforts, environmental policies, depletion of resources, concerns about global warming trends, interest rate sensitivity, world events and economic conditions likewise will affect the performance of companies in these industries. Companies in the energy infrastructure sector may be adversely affected by natural disasters or other catastrophes. These companies may be at risk for environmental damage claims and other types of litigation.

Industries in the health care segment, such as health care supplies, health care services, biotechnology and pharmaceuticals, may be significantly affected by government regulation and reimbursement rates, approval of products by government agencies, and patent expirations, increases or decreases in the cost of medical products, services and patient care, shortages of skilled personnel and increased personnel costs, and product liability claims, among other factors. Many health care companies are heavily dependent on patent protection, and the expiration of a company's patent may adversely affect that company's profitability. Health care companies are subject to competitive forces that may result in price discounting, and may be thinly capitalized and susceptible to product obsolescence.

Industries in the industrials segment, such as companies engaged in the production, distribution or service of products or equipment for manufacturing, agriculture, forestry, mining and construction, can be significantly affected by general economic trends, including such factors as employment and economic growth, interest rate changes, changes in consumer spending, legislative and governmental regulation and spending, import controls, litigation, liability for environmental damage and product liability claims, trading and tariff arrangements, trade disruptions, commodity prices and availability, exchange rates and worldwide competition. The value of securities issued by companies in the industrials sector may be adversely affected by supply and demand related to their specific products or services and industrials sector products in general. The products of manufacturing companies may face obsolescence due to rapid technological developments and frequent new product introduction.

Industries in the technology segment, such as information technology, communications equipment, computer hardware and software, and office and scientific equipment, are generally subject to risks of rapidly evolving technology, short product lives, rates of corporate expenditures, falling prices and profits, competition from new market entrants, and general

economic conditions. They are also heavily dependent on intellectual property rights and may be adversely affected by the loss or impairment of, or inability to enforce, those rights.

**Capital Gain Risk.** As of the date of this Prospectus a portion of Aquila Opportunity Growth Fund's net asset value may be attributable to net unrealized capital gains on portfolio securities. If the Fund realizes capital gains in excess of realized capital losses and any available capital loss carryforwards in any fiscal year, it generally will be required to distribute that excess to shareholders. You may receive distributions that are attributable to appreciation that was present in the Fund's portfolio securities at the time you made your investment. Unless you purchase shares through a tax-advantaged account (such as an IRA or 401(k) plan), these distributions will be taxable to you even though they economically represent a return of a portion of your investment. You should consult your tax adviser about your investment in the Fund.

**Risk of Increase in Expenses.** Your actual costs of investing in a Fund may be higher than the expenses shown in "Annual Fund Operating Expenses" for a variety of reasons. For example, expense ratios may be higher than those shown if a fee limitation were to be in place and were to be changed or terminated or if average net assets decrease. Net assets are more likely to decrease and Fund expense ratios are more likely to increase when markets are volatile.

**Cash Management Risk and Defensive Investing Risk.** Money market instruments or short-term debt securities held by a Fund for cash management or defensive investing purposes can fluctuate in value. Like other fixed income securities, they are subject to risk, including market, interest rate and credit risk. If a Fund holds cash uninvested, it will be subject to the credit risk of the depository institution holding the cash. In addition, the Fund will not earn income on the cash and the Fund's yield will go down. If a significant amount of a Fund's assets are used for cash management or defensive investing purposes, it will be more difficult for the Fund to achieve its investment objective.

Please note that there are other factors that could adversely affect your investment and that could prevent a Fund from achieving its investment objective. More information about risks appears in the SAI. Before investing, you should carefully consider the risks you will assume.

### **Portfolio Holdings**

A description of each Fund's policies and procedures with respect to the disclosure of portfolio securities is available in the SAI and on the Funds' website.

### **Fund Management**

#### **How are the Funds managed?**

Aquila Investment Management LLC, 120 West 45th Street, Suite 3600, New York, NY 10036, the Manager, is each Fund's investment adviser under an Advisory and Administration Agreement. With respect to each Fund, the

Manager is also responsible for administrative services, including providing for the maintenance of the headquarters of the Fund, overseeing relationships between the Fund and the service providers to the Fund and providing other administrative services.

### **Aquila High Income Fund**

During the fiscal year ended December 31, 2022, the Fund accrued a management fee to the Manager at the annual rate of 0.65 of 1% of its average annual net assets. After waivers, the Fund paid management fees at the annual rate of 0.46 of 1% of its average annual net assets for the fiscal year ended December 31, 2022.

A discussion regarding the Trustees' basis for approving the annual renewal of the Advisory and Administration Agreement is available in the annual report to shareholders for the period ended December 31, 2022.

### **Aquila Opportunity Growth Fund**

During the fiscal year ended December 31, 2022, the Fund accrued management fees at the annual rate of 0.90 of 1% on the Fund's net assets up to \$100 million, 0.85 of 1% of such assets above \$100 million up to \$250 million and 0.80 of 1% on assets above \$250 million. The Fund paid management fees at the annual rate of 0.88 of 1% of its average annual net assets for the fiscal year ended December 31, 2022.

A discussion regarding the Trustees' basis for approving the annual renewal of the Advisory and Administration Agreement is available in the annual report to shareholders for the period ended December 31, 2022.

### **Information about the Manager**

The Funds' Manager is a wholly-owned subsidiary of Aquila Management Corporation ("AMC"), founder and sponsor of each fund in the Aquila Group of Funds. As of December 31, 2022, the Aquila Group of Funds consisted of seven tax-free municipal bond funds, Aquila High Income Fund and Aquila Opportunity Growth Fund, with aggregate assets of approximately \$2.3 billion, of which approximately \$2.1 billion consisted of assets of the tax-free municipal bond funds, \$107 million in Aquila High Income Fund and \$131 million in Aquila Opportunity Growth Fund. AMC's address is the same as that of the Manager. AMC was founded in 1984 and is principally owned by Diana P. Herrmann and members of her family. Ms. Herrmann is Vice Chair, a Trustee and the President of the Trust and Chair and Chief Executive Officer of AMC.

**Aquila High Income Fund:** Mr. David Schiffman is the Lead Portfolio Manager of the Fund since October 2021. Mr. Pedro Marcal is the Co-Portfolio Manager of the Fund since October 2021.

**Aquila Opportunity Growth Fund:** Mr. Pedro Marcal is the Lead Portfolio Manager of the Fund since October 2021. Mr. John McPeake is the Co-Portfolio Manager of the Fund since October 2021.

Mr. Marcal is Director of Equities and High Yield and a Portfolio Manager at the Manager since September 2021. Mr. Marcal was Founder and Owner of Maccabee, LLC from September 2012 to September 2021. Mr. Marcal was a Director in the Equities Group and mutual fund portfolio manager at Foresters Investment Management Co. from 2018 to 2019, where he managed Foresters' global equities mutual fund and co-managed its U.S. equity analyst and trading teams. Previously, Mr. Marcal was a mutual fund global and international portfolio manager at Fred Alger Management, Inc. from 2013 to 2018, where he managed international equity funds, and a portfolio manager at Allianz Global Investors from 1994 to 2012, where he managed global and international mutual funds. Mr. Marcal has a Bachelor of Arts in economics from University of California, San Diego and an MBA from University of California at Los Angeles Anderson School of Business.

Mr. Schiffman is a Portfolio Manager at the Manager since September 2021. Mr. Schiffman was Chief Investment Officer and Senior Portfolio Manager of The Terra Group from 2020 to September 2021. Mr. Schiffman was Director of Insurance Investing at Foresters Investment Management Co. from 2017 to 2019, where he was responsible for the management and credit research of all investment-grade and high-yield fixed income, insurance-related assets. Previously, Mr. Schiffman was a senior fixed income portfolio manager and senior financial strategist at First Empire Asset Management from 2011 to 2017, a risk manager and senior compliance officer at UBS International from 2005 to 2011, a director of fixed income investments and senior fixed income portfolio manager at The Pension Boards – United Church of Christ from 2000 to 2005, and a portfolio manager at GRE Insurance Group from 1996 to 1999. Mr. Schiffman is a graduate of the State University of New York at Binghamton where he earned a Bachelor of Arts degree in Economics, as well as an MBA in Finance. Mr. Schiffman is a member of the Fixed Income Analysts Society and the Bond Club of New York.

Mr. McPeake is a Portfolio Manager at the Manager since September 2021. Mr. McPeake was a senior analyst at Rosenblatt Securities from March 2021 to September 2021, a technology, media and telecom analyst at 7Park Data from January 2020 to March 2021, a global technology analyst at Foresters Investment Management Co. from July 2018 to October 2019, a global technology portfolio manager at Devi Asset Management from April 2015 to July 2018, and a global senior technology analyst at Fred Alger Management from December 2007 to January 2015. Mr. McPeake has a BA in Geology from Hamilton College and an MBA in Finance from New York University, Stern School of Business.

The Funds are not subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), and the Funds' Board of Trustees, Manager and other service providers are not fiduciaries under ERISA. Nothing in this Prospectus is intended to constitute advice for purposes of ERISA.

The SAI provides additional information about the portfolio managers' compensation, other accounts managed by the portfolio managers and the portfolio managers' ownership of securities of each of the Funds.

### **Net Asset Value per Share**

The net asset value of the shares of each Fund's classes of shares is determined on each day that the New York Stock Exchange is open (a "business day"), as of the scheduled close of regular trading (normally 4:00 p.m., New York time), by dividing the value of that Fund's net assets (which means the value of the assets less liabilities) allocable to each class by the total number of shares of such class outstanding at that time. Fixed-income securities and certain derivative instruments generally are fair valued on the basis of market valuations furnished by a pricing service, which may use market prices or broker/dealer quotations or a variety of fair valuation techniques and methodologies to determine valuations. Equity securities and certain derivative instruments generally are priced daily by a nationally recognized securities pricing service using the last sale price on any particular exchange at the market close, or if the relevant market does not close, then as of 4:00 p.m. New York time. Any securities or assets for which pricing services are unable to supply prices, or if the prices supplied are determined to be unreliable are valued at their fair value. The Manager has been designated as each Fund's Valuation Designee, with responsibility for fair valuation subject to oversight by the Trust's Board of Trustees.

The Manager also monitors information it routinely receives for significant events it believes will affect prices of portfolio instruments held by the Fund. Significant events may affect a particular company or may affect securities markets (for example, a natural disaster that causes a market to close). If the Manager is aware of a significant event that has occurred after the close of the market where a portfolio instrument is primarily traded, but before the close of the New York Stock Exchange, that the Manager believes has affected or is likely to affect the price of the instrument, the Manager, as each Fund's Valuation Designee, will use its best judgment to determine a fair value for that portfolio instrument.

The price at which a purchase or redemption of shares is effected is based on the net asset value next calculated after your purchase or redemption order is received in proper form. The New York Stock Exchange annually announces the days on which it will not be open. The most recent announcement indicates that it will not be open on the following days: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. However, the New York Stock Exchange may close on days not included in that announcement. Non-U.S. markets are

open for trading on weekends and other days when the Fund does not price its shares. Therefore, to the extent, if any, that a Fund invests in securities traded in non-U.S. markets, the value of the Fund's shares may change on days when you will not be able to purchase or redeem Fund shares.

## Purchases

### Are there alternative purchase plans?

The Funds provide individuals with alternative ways to purchase shares through different classes of shares. Although the classes of shares of a Fund have different sales charge structures and ongoing expenses, they all represent interests in the same portfolio of investments. An investor should choose the class that best suits the investor's circumstances and needs.

Class A Shares and Class C Shares are available to investors either through a financial intermediary or directly from a Fund.

Class F Shares, Class I Shares and Class Y Shares are available only to investors who are investing through a financial intermediary. Not all financial intermediaries make Class F Shares, Class I Shares and Class Y Shares available to their clients.

A Fund and Aquila Distributors LLC, each Fund's Distributor (the "Distributor") may reject any order for the purchase of shares for any reason.

### How much money do I need to invest?

#### Class A and Class C Shares

##### Option I

- Initially, \$1,000, except that there is no minimum amount for purchase of shares through certain financial intermediaries as discussed below.
- Subsequently, any amount (for investments in shares of the same class).

To qualify for purchases of Class A Shares with no minimum, (i) the shares must be purchased on behalf of a beneficial owner who has entered into a comprehensive fee or other advisory fee arrangement with the financial intermediary or an affiliate or associated person of the financial intermediary, and (ii) the financial intermediary must have entered into an agreement with the Distributor authorizing the sale of Fund shares.

##### Option II

- \$50 or more if an Automatic Investment Program is established.
- Subsequently, any amount you specify of \$50 or more.
- You are not permitted to maintain both an Automatic Investment Program and a Systematic Withdrawal Plan simultaneously.

#### Class F, Class I and Class Y Shares

Class F, Class I and Class Y Shares may be purchased only through a financial intermediary. Financial intermediaries can set their own requirements for initial and subsequent investments.

### How do I purchase shares?

#### Class A and Class C Shares

You may purchase Class A and Class C Shares:

- through an investment broker or dealer, or a bank or other financial intermediary, that has a sales agreement with the Distributor, in which case that institution will take action on your behalf, and you will not personally perform the steps indicated below; or
- by mailing payment to Aquila Group of Funds.

#### Class F, Class I and Class Y Shares

Class F, Class I and Class Y Shares may be purchased only through a financial intermediary. Financial intermediaries can set their own requirements for initial and subsequent investments.

#### All Share Classes

Except as provided in the SAI, under the caption "Purchase, Redemption and Pricing of Shares," an investment must be drawn in United States dollars on a United States commercial bank, savings bank or credit union or a United States branch of a foreign commercial bank (each of which is a "Financial Institution").

The price an investor will pay is based on the net asset value next determined after your purchase order is received in proper form plus a sales charge for Class A Shares and the net asset value next determined after your purchase order is received in proper form for Class C, F, I and Y Shares. (See "What price will I pay for a Fund's shares?") A broker/dealer may charge a service or processing fee in connection with purchases; such a fee will be in addition to the price of the shares.

### Opening a Class A or Class C Share Account

- Make out a check for the investment amount payable to the appropriate Fund.
- Complete a New Account Application, which is available on [www.aquilafunds.com](http://www.aquilafunds.com).
- Send your check and completed New Account Application to one of the following addresses:

#### U.S. Postal Service Mail:

Aquila Group of Funds  
P.O. Box 534428  
Pittsburgh, PA 15253-4428

#### Overnight Carrier Deliveries:

Aquila Group of Funds  
Attention: 534428  
500 Ross Street, 154-0520  
Pittsburgh, PA 15262

Please note that there may be a delay in receipt by the Funds' Transfer Agent of applications submitted by U.S. Postal Service mail to a post office address.

Each Fund is generally available for purchase in the United States, Puerto Rico, Guam, American Samoa and the U.S. Virgin Islands. Except to the extent otherwise permitted by the Distributor, the Funds will only accept

accounts from U.S. citizens with a U.S. address (including an APO or FPO address) or resident aliens with a U.S. address (including an APO or FPO address) and a U.S. taxpayer identification number.

### Adding to a Class A or Class C Share Account

#### By Wire

- Telephone Aquila Group of Funds (toll-free) at 800-437-1000 and advise us that you would like to purchase shares of a Fund by wire transfer. We will provide appropriate instructions at that time. Your wire must be received no later than 11:00 a.m. Eastern time on the business day after the Fund receives your request to purchase shares. If your wire is not received by 11:00 a.m. Eastern time on the next business day, your transaction will be canceled at your expense and risk. Wire transfers normally take two or more hours to complete and a fee may be charged by the sending bank. Wire transfers may be restricted on holidays and at certain other times.

#### By Check

- Make out a check for the investment amount payable to the appropriate Fund.
- Fill out the pre-printed stub attached to each Fund's confirmations or supply the name(s) of account owner(s), the account number, and the name of the Fund.
- Send your check and account information to one of the following addresses:

#### U.S. Postal Service Mail:

Aquila Group of Funds  
P.O. Box 534428  
Pittsburgh, PA 15253-4428

#### Overnight Carrier Deliveries:

Aquila Group of Funds  
Attention: 534428  
500 Ross Street, 154-0520  
Pittsburgh, PA 15262

Please note that there may be a delay in receipt by the Funds' Transfer Agent of purchase orders submitted by U.S. Postal Service mail to a post office address.

Unless you indicate otherwise, your investment will be made in Class A Shares.

Neither initial nor subsequent investments should be made by third party check, travelers check, starter checks (bank check stock with no account holder information identified) or credit card check.

An investor may also open a Class A or Class C Share account or make additional investments in Class A or Class C Shares through a financial intermediary.

## Opening or Adding to a Class F, Class I or Class Y Share Account

An investor may open a Class F, Class I or Class Y Share account or make additional investments in Class F, Class I or Class Y Shares only through a financial intermediary.

### Investing through financial intermediaries

If you invest in a Fund through your financial intermediary, the options and services available to you may be different from those discussed in this Prospectus. Shareholders investing through financial intermediaries may only purchase funds and classes of shares that are available. When you invest through a financial intermediary, you generally may buy and sell shares and complete other transactions only through your financial intermediary account. Ask your investment professional or financial intermediary for more information.

Additional conditions may apply to your investment in a Fund, and the investment professional or intermediary may charge you a transaction-based, administrative or other fee for its services. These conditions and fees are in addition to those imposed by a Fund and its affiliates. You should ask your investment professional or financial intermediary about its services and any applicable fees. The availability of certain sales charge waivers and discounts may depend on whether you purchase your shares directly from a Fund or through a financial intermediary. Please see “Broker-Defined Sales Charge Waiver Policies” below for more information.

### Can I transfer funds electronically?

Once your account has been opened and funded, you can have funds transferred electronically into a Class A or Class C Share account, in amounts of \$50 or more, from your Financial Institution if it is a member of the Automated Clearing House (“ACH”). You may make investments through two electronic transfer features, “Automatic Investment” and “Telephone Investment.”

- **Automatic Investment:** You can authorize a pre-determined amount to be regularly transferred from your Financial Institution account.
- **Telephone Investment:** You can make single investments of up to \$200,000 by telephone.

Before you can transfer funds electronically, we must have your banking instructions on file. For more information on how to add banking instructions to your account, please visit [www.aquilafunds.com](http://www.aquilafunds.com) or contact us at 800-437-1000. If your account is held directly with a financial intermediary firm, please consult with your investment professional if you need to make such changes.

## Systematic Payroll Investments

You can make systematic investments in either Class A Shares or Class C Shares each pay period if your employer has established a Systematic Payroll Investment Plan with a Fund. To participate in the payroll plan, you must make your own arrangements with your employer’s payroll department, which may include completing special forms. Additionally, each Fund requires that you complete the New Account Application. Once your New Account Application is received by the Fund and a New Account is opened, under the payroll plan your employer will deduct a preauthorized amount from each payroll check. This amount will then be sent directly to the Fund for purchase of shares at the then current offering price, which includes any applicable sales charge. You will receive a confirmation from the Fund for each transaction. Should you wish to change the dollar amount or end future systematic payroll investments, you must notify your employer directly. Changes may take up to ten days.

Automatic investment, telephone investment and systematic payroll investments are not available for Class F Shares, Class I Shares and Class Y Shares.

### Redeeming an Investment

You may redeem some or all of your investment in a Fund by a request to Aquila Group of Funds or your financial intermediary, that has a sales agreement with the Distributor, in which case that institution will take action on your behalf, and you will not personally perform the steps indicated below. Shares will be redeemed at the next net asset value determined after your request has been received in proper form.

Certain shares are subject to a contingent deferred sales charge, or CDSC. These are:

- Class C Shares held for less than 12 months (from the date of purchase); and
- CDSC Class A Shares (as described below).

Upon redemption, enough additional shares will be redeemed to pay for any applicable CDSC.

Financial intermediaries may charge a fee for effecting redemptions. A redemption may result in a taxable transaction to the redeeming investor.

### How can I redeem my Shares?

**Through Your Financial Intermediary:** If your Aquila Group of Funds account is held with a financial intermediary, please contact your investment professional for more information on how to redeem your shares. Please note that your financial intermediary may have its own earlier deadlines for the receipt of a request to sell shares.

Consult your investment professional for more information. The Funds reserve the right to terminate this procedure at any time. Redemption requests for Class F, Class I and Class Y Shares must be made through a financial intermediary.

**If your Aquila Group of Funds account is held directly with the Funds, redemption requests may be made by telephone or mail, as described below.**

**By Telephone.** Please call 800-437-1000 toll-free to redeem shares and make payments:

- a) to a Financial Institution account you have previously specified; or
- b) by check in the amount of \$50,000 or less, mailed to the name and address on the account from which you are redeeming, provided that neither the name nor the address has changed during the prior 30 days. You may only redeem by check via telephone request once in any seven-day period.

Whenever you contact us by telephone, please be prepared to supply account information and personal identification.

Note: Check the accuracy of your confirmation statements immediately upon receipt. Aquila Group of Funds, the Distributor and the Funds' Transfer Agent are not responsible for losses resulting from unauthorized telephone transactions if reasonable procedures are followed to verify a caller's identity. Calls may be recorded.

**By Mail.** You may request redemption payments to a predesignated Financial Institution account by a letter of instruction sent to one of the following addresses:

- U.S. Postal Service Mail: Aquila Group of Funds, P.O. Box 534428, Pittsburgh, PA 15253-4428
- Overnight Carrier Deliveries: Aquila Group of Funds, Attention 534428, 500 Ross Street, 154-0520, Pittsburgh, PA 15262

The letter, signed by the registered shareholder(s), must indicate:

- account name(s);
- account number;
- dollar amount or number of shares to be redeemed; and
- payment instructions (we normally mail redemption proceeds to your address as registered with the Fund).

To have redemption proceeds sent directly to your Financial Institution account, we must have your banking instructions on file.

Please note that there may be a delay in receipt by the Funds' Transfer Agent of redemption requests submitted by U.S. Postal Service mail to a post office address.

You may establish or change your designated Financial Institution account at any time by visiting

[www.aquilafunds.com](http://www.aquilafunds.com) or by contacting us at 800-437-1000.

We may require additional documentation for certain types of shareholders, such as corporations, partnerships, trustees or executors, or if redemption is requested by someone other than the shareholder of record.

Medallion Signature Guarantees. If sufficient documentation is on file, we do not require a Medallion signature guarantee for redemptions of shares up to \$50,000, payable to the record holder, and sent to the address of record. In all other cases, signatures must be guaranteed. Acceptable Medallion signature guarantees may be obtained from banks or brokerage firms that are members of either the Securities Transfer Association Medallion Signature Program ("STAMP"), the New York Stock Exchange Medallion Signature Program ("MSP"), or the Stock Exchange Medallion Program ("SEMP").

### **Certificate Shares**

The Funds no longer issue share certificates. If you hold share certificates issued previously (if for Aquila Opportunity Growth Fund, by Aquila Rocky Mountain Equity Fund) and wish to redeem those shares you should:

Mail to Aquila Group of Funds: (1) blank (unsigned) certificates for the shares to be redeemed, (2) redemption instructions as described above under "Regular Redemption Method" and (3) a stock assignment form.

To be in "proper form," items (2) and (3) above must be signed by the registered shareholder(s) exactly as the account is registered. For a joint account, both shareholder signatures are necessary.

For your protection, mail certificates separately from signed redemption instructions. We recommend that certificates be sent by registered mail, return receipt requested.

If sufficient documentation is on file, we do not require a Medallion signature guarantee for redemptions of certificate shares up to \$50,000, payable to the record holder, and sent to the address of record. In all other cases, signatures must be guaranteed. If a Medallion signature guarantee is required, you must follow the procedures described above under "Regular Redemption Method."

### **What are the methods of payment of redemption proceeds?**

Redemption proceeds may be sent by check, wire or transferred through ACH, as follows:

| <b>Redemption</b>                 | <b>Method of Payment</b>                                  | <b>Charges</b>   |
|-----------------------------------|---|--|
| Under \$1,000.                    | Check or ACH.   | None.  |
| \$1,000 or more.                  | Check, ACH or wire to your Financial Institution account. | None.  |
| Through a financial intermediary. | Check or wire, to your financial intermediary.            | None. However, your financial intermediary may charge a fee. |

Although the Funds do not currently intend to, each Fund can charge up to \$5.00 per wire redemption, after written notice to shareholders who have elected this redemption procedure. Upon 30 days' written notice to shareholders the Funds may modify or terminate the use of ACH to make redemption payments at any time or charge a service fee, although no such fee is presently contemplated. If any such changes are made, the Prospectus will be supplemented to reflect them.

The Funds can redeem your shares if their value totals less than \$500 as a result of redemptions or failure to meet and maintain the minimum investment level under an Automatic Investment program. Before such a redemption is made, we will send you a notice giving you 60 days to make additional investments to bring your account up to the minimum.

#### **Are there any reinvestment privileges?**

If you own Class A or Class C Shares, you may reinvest proceeds of redemption within 120 days of the redemption, you will not have to pay any additional sales charge on the reinvestment, and the Distributor will refund to you any CDSC deducted at the time of redemption by adding it to the amount of your reinvestment. You must reinvest in the same fund and class as the shares redeemed. You may exercise this privilege only once a year, unless otherwise approved by the Distributor.

#### **Is there a Systematic Withdrawal Plan?**

You may establish a Systematic Withdrawal Plan if you own or purchase Class A Shares of the Fund having a net asset value of at least \$5,000. The Systematic Withdrawal Plan allows you to receive a monthly or quarterly check in a stated amount, not less than \$50. The Systematic Withdrawal Plan is not available for Class C, F, I or Y Shares.

#### **General**

Redemption proceeds are normally sent to your address of record on the next business day following receipt of your redemption request in proper form, but in any event within seven days, regardless of the method used to make such payment (e.g., check, wire or electronic transfer (ACH)).

The Funds may delay payment for redemption of shares recently purchased by check (including certified, cashier's or official bank check) for up to 10 business days after purchase; however, payment for redemption will not be delayed after (i) the check has been honored, or (ii) we receive satisfactory assurance that the check will be honored. Possible delays can be eliminated by paying for purchased shares with wired funds or Federal Reserve drafts.

The Funds have the right to postpone payment or suspend redemption rights during certain periods. These periods may occur (i) when the New York Stock Exchange is closed for other than weekends and holidays, (ii) when the Securities and Exchange Commission ("SEC") restricts trading on the New York Stock Exchange, (iii) when the SEC determines that an emergency exists which causes disposal of, or determination of the value of, portfolio securities to be unreasonable or impracticable, and (iv) during such other periods as the SEC may permit.

Under normal circumstances, each Fund expects to meet redemption requests by using cash or cash equivalents in its portfolio and/or selling assets to generate cash. Under stressed or abnormal market conditions or circumstances, including circumstances adversely affecting the liquidity of a Fund's investments, the Fund may be more likely to be forced to sell portfolio assets to meet redemptions than under normal market circumstances. Under such circumstances, a Fund could be forced to liquidate assets at inopportune times or at a loss or depressed value. Each Fund also may pay redemption proceeds using cash obtained through a committed, unsecured revolving credit facility, or an interfund lending facility, if available, and other borrowing arrangements that may be available from time to time.

Redemption proceeds may be paid in whole or in part "in kind," that is by distribution of a Fund's portfolio securities. If a Fund redeems in kind, it generally will deliver to you a proportionate share of the portfolio securities owned by the Fund. A Fund may redeem in kind if, for example, the Fund reasonably believes that a cash redemption may have a substantial impact on the Fund and its remaining shareholders. Securities you receive this way



may increase or decrease in value while you hold them and you may incur transaction costs and tax liability when you convert the securities to cash.

During periods of deteriorating or stressed market conditions, when an increased portion of a Fund's portfolio may be comprised of less-liquid investments, or during extraordinary or emergency circumstances, the Fund may be more likely to pay redemption proceeds with cash obtained through short-term borrowing arrangements (if available) or by giving you securities.

### Proper Form

When you buy, exchange or redeem shares, your request must be in proper form. This means you have provided the following information, without which the request may not be processed:

- Account name(s)
- Account number
- Dollar amount or number of shares being bought, exchanged or redeemed
- In the case of a redemption, payment instructions
- For redemptions using the Regular Redemption Method, signature(s) of the registered shareholder(s)
- A Medallion signature guarantee. If sufficient documentation is on file, a Medallion signature guarantee is not required for redemptions of shares up to \$50,000, payable to the record holder, and sent to the address of record. In all other cases, signatures must be guaranteed. Acceptable Medallion signature guarantees may be obtained from banks or brokerage firms that are members of either the Securities Transfer Association Medallion Signature Program ("STAMP"), the New York Stock Exchange Medallion Signature Program ("MSP"), or the Stock Exchange Medallion Program ("SEMP").

### Identity verification

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. When you open an account, you will need to supply your name, address, date of birth, and other information that will allow the Funds to identify you. The Funds may close your account if we cannot adequately verify your identity.

### Investing through financial intermediaries

If you invest in a Fund through your financial intermediary, the options and services available to you may be different from those discussed in this Prospectus. Shareholders investing through financial intermediaries may only purchase funds and classes of shares that are available. When you invest through an account that is not

in your name, you generally may buy and sell shares and complete other transactions only through the account. Ask your investment professional or financial intermediary for more information.

Additional conditions may apply to your investment in a Fund, and your financial intermediary may charge you a transaction-based, administrative or other fee for its services. These conditions and fees are in addition to those imposed by the Funds. You should ask your financial intermediary about its services and any applicable fees.

### Responsibility for Fraud

The Funds will not be responsible for any account losses because of fraud if we reasonably believe that the person transacting business on an account is authorized to do so. Please take precautions to protect yourself from fraud. Keep your account information private, and immediately review any account statements or other information that we provide to you. It is important that you contact the Funds immediately about any transactions or changes to your account that you believe to be unauthorized.

### Alternative Purchase Plans

**How do the different arrangements for the Funds' share classes affect the cost of buying, holding and redeeming shares, and what else should I know about the Funds' share classes?**

Each Fund offers several classes of shares. All classes represent interests in the same portfolio of investments. The classes of shares differ in their sales charge structures and ongoing expenses, as described below. An investor should choose the class that best suits the investor's circumstances and needs.

The availability of certain sales charge waivers and discounts may depend on whether you purchase your shares directly from a Fund or through a financial intermediary. Specific intermediaries may have different policies and procedures regarding the availability of front-end sales load waivers or contingent deferred (back-end) sales load ("CDSC") waivers. In all instances, it is the purchaser's responsibility to notify the Fund or the purchaser's financial intermediary at the time of purchase of any relationship or other facts qualifying the purchaser for sales charge waivers or discounts. **For waivers and discounts not available through a particular intermediary, shareholders will have to purchase Fund shares directly from a Fund or through another intermediary to receive these waivers or discounts. Please see the section "Broker-Defined Sales Charge Waiver Policies" immediately before the back cover of this Prospectus to determine any sales charge discounts and waivers that may be available to you through your financial intermediary.**

|  | <b>Class A Shares<br/>“Front-Payment Class”</b>   | <b>Class C Shares<br/>“Level-Payment Class”</b>   |
|--|---|---|
| <b>Initial Sales Charge</b>                      | Class A Shares are offered at net asset value plus a maximum sales charge of 4% (for Aquila High Income Fund) or 4.25% (for Aquila Opportunity Growth Fund), paid at the time of purchase. Thus, your investment is reduced by the applicable sales charge. | None. Class C Shares are offered at net asset value with no sales charge payable at the time of purchase.   |
| <b>Contingent Deferred Sales Charge (“CDSC”)</b> | None (except for certain purchases of \$1 million or more).   | A CDSC of 1% is imposed upon the redemption of Class C Shares held for less than 12 months. No CDSC applies to Class C Shares acquired through the reinvestment of dividends or distributions.  |
| <b>Distribution and/or Service Fees</b>          | A distribution fee of 0.20 of 1% (for Aquila High Income Fund) or 0.30 of 1% (for Aquila Opportunity Growth Fund) is imposed on the average annual net assets represented by the applicable Class A Shares.   | A distribution fee of 0.75 of 1% and a service fee of 0.25 of 1% are imposed on the average net assets represented by Class C Shares for six years prior to the conversion to Class A Shares (see Other Information).                 |
| <b>Other Information</b>                         | The initial sales charge is waived or reduced in some cases. Larger purchases qualify for lower sales charges. Financial intermediaries may offer their own (i.e., a financial intermediary-specific) sales charge waiver(s).                               | Class C Shares, together with a pro-rata portion of all Class C Shares acquired through reinvestment of dividends and other distributions paid in additional Class C Shares, automatically convert to Class A Shares after six years. |

|   | <b>Class F Shares<br/>“Fiduciary Class”</b>                             | <b>Class I Shares<br/>“Financial Intermediary Class”</b>  | <b>Class Y Shares<br/>“Institutional Class”</b>                         |
|---|---|---|---|
| <b>Initial Sales Charge</b>             | None. Financial intermediaries may charge a fee for purchase of shares. | None. Financial intermediaries may charge a fee for purchase of shares.   | None. Financial intermediaries may charge a fee for purchase of shares. |
| <b>Contingent Deferred Sales Charge</b> | None.   | None.   | None.   |
| <b>Distribution and/or Service Fees</b> | None.   | A distribution fee of up to 0.25 of 1% of average annual net assets allocable to Class I Shares is permitted under the Distribution Plan. A distribution fee of up to 0.15 of 1% of such net assets is currently authorized by the Board of Trustees of the Funds. In addition, a service fee of up to 0.25 of 1% of such assets is imposed on the average annual net assets allocable to Class I Shares. | None.   |
| <b>Other Information</b>                | N/A   | N/A   | N/A   |

## What price will I pay for a Fund's shares?

| Class A Shares Offering Price                              | Class C, F, I and Y Shares Offering Price |
|--|---|
| Net asset value per share plus the applicable sales charge | Net asset value per share                 |

An investor will receive that day's offering price on purchase orders, including Telephone Investments and investments by mail, received in proper form prior to the close of regular trading on the New York Stock Exchange (normally 4:00 p.m. New York time) by Aquila Group of Funds or an authorized financial intermediary. Otherwise, orders will be filled at the next determined offering price. Financial intermediaries are required to submit orders promptly. Purchase orders received on a non-business day, including those for Automatic Investment, will be executed on the next succeeding business day. The sale of shares will be suspended (1) during any period when net asset value determination is suspended or (2) when the Distributor judges it is in a Fund's best interest to do so.

Class F Shares and Class Y Shares may be available on certain brokerage platforms. An investor transacting in Class F Shares or Class Y Shares through a broker acting as an agent for the investor may be required to pay a commission and/or other forms of compensation to the broker. As noted above, shares of each Fund are available in other share classes that have different fees and expenses.

### Sales Charges – Class A Shares

#### What are the sales charges for purchases of Class A Shares?

The following table shows the amount of sales charge incurred for each new purchase by a "single purchaser" of Class A Shares. A "single purchaser" is:

- an individual;
- an individual, together with his or her spouse, and/or any children under 21 years of age purchasing shares for their accounts;
- a trustee or other fiduciary purchasing shares for a single trust estate or fiduciary account; or
- a government, municipality or tax-exempt entity that meets the requirements for qualification under Section 501 of the Internal Revenue Code of 1986, as amended.

You are entitled to substantial reductions in sales charges based on aggregate holdings of all shares of any class of any of the funds in the Aquila Group of Funds that you or other members of your immediate family already own at the time of your purchase. Be sure you tell your broker or dealer about all of those holdings so that any applicable reduction in sales charges on your purchase can be correctly computed. You will need to produce proof of such ownership in the form of account statements relating to any account at any financial intermediary that you or any member of your immediate family own that holds any such shares.

A "single purchaser" will pay a sales charge based on the value at the time of purchase of his or her aggregate holdings of shares of any class of any of the funds in the Aquila Group of Funds in accordance with the following table:

### Aquila High Income Fund

| I<br>Amount of Purchase Plus<br>Value of All Other Shares<br>Held by a Single Purchaser        | II<br>Sales Charge as<br>Percentage of<br>Public Offering Price | III<br>Sales Charge as<br>Approximate Percentage<br>of Amount Invested |
|--|---|--|
| Less than \$25,000   | 4.00%   | 4.17%  |
| \$25,000 but less than \$50,000  | 3.75%   | 3.90%  |
| \$50,000 but less than \$100,000   | 3.50%   | 3.63%  |
| \$100,000 but less than \$250,000  | 3.25%   | 3.36%  |
| \$250,000 but less than \$500,000  | 3.00%   | 3.09%  |
| \$500,000 but less than \$1,000,000  | 2.50%   | 2.56%  |
| For purchases of \$1 million or more see "Sales Charges for Purchases of \$1 Million or More." |   |  |

## Aquila Opportunity Growth Fund

| I<br>Amount of Purchase Plus<br>Value of All Other Shares<br>Held by a Single Purchaser        | II<br>Sales Charge as<br>Percentage of<br>Public Offering Price | III<br>Sales Charge as<br>Approximate Percentage<br>of Amount Invested |
|--|---|--|
| Less than \$50,000   | 4.25%   | 4.44%  |
| \$50,000 to \$99,999   | 3.75%   | 3.90%  |
| \$100,000 to \$249,999   | 3.25%   | 3.36%  |
| \$250,000 to \$499,999   | 3.00%   | 3.09%  |
| \$500,000 to \$999,999   | 2.00%   | 2.04%  |
| For purchases of \$1 million or more see "Sales Charges for Purchases of \$1 Million or More." |   |  |

For example:

|  |   |
|--|---|
| If you invest \$10,000 (Column I), your sales charge would be 4.25% or \$425 (Column II).  | $(\$10,000 \times 0.0425 = \$425)$                |
| The value of your account would be equivalent to the amount of your investment less the sales charge. (The initial value of your account would be \$10,000 - \$425 = \$9,575.) | $(\$10,000 - \$425 = \$9,575)$                    |
| The sales charge as a percentage of the reduced value of your account would be 4.44% (Column III).   | $(\$425 / \$9,575 = 0.044386 \text{ or } 4.44\%)$ |

Since the offering price is calculated to two decimal places using standard rounding methodology, the dollar amount of the sales charge as a percentage of the offering price and the net amount invested (the amount of your investment less the sales charge) for any particular purchase of Fund shares may be higher or lower due to rounding.

### Sales Charges for Purchases of \$1 Million or More

You will not pay a sales charge at the time of purchase when you purchase "CDSC Class A Shares." CDSC Class A Shares are:

- (i) Class A Shares issued in a single purchase of \$1 million or more by a single purchaser; and
- (ii) Class A Shares issued when the value of the purchase, together with the value of shares of the Fund or any other fund in the Aquila Group of Funds that are owned by the purchaser, is \$1 million or more.

### Redemption of CDSC Class A Shares

If you redeem all or part of your CDSC Class A Shares during the 18 months after you purchase them, you may have to pay a special CDSC upon redemption of those shares. CDSC Class A Shares purchased without a sales charge pursuant to a Letter of Intent are subject to the CDSC. The CDSC will not apply to shares acquired through the reinvestment of dividends or distributions on CDSC Class A Shares.

When a CDSC is calculated, it will be applied to the lower of the original cost of the shares being redeemed or the current market value of those shares. Therefore, you do not pay a sales charge on amounts representing appreciation or depreciation. The rate used to calculate the CDSC is based on the value of all shares of funds in the Aquila Group of Funds ("Aquila Fund Shares") that you own at the time the shares being redeemed were originally purchased and will vary based on the time elapsed since the CDSC Class A Shares were purchased. The CDSC rate and holding period applicable to the redemption of CDSC Class A Shares is set forth in the following table:

| Value of All Aquila Fund Shares at Time Shares Being Redeemed were Originally Purchased | CDSC Rate on Shares Redeemed     |                                       |
|---|----------------------------------|---------------------------------------|
|   | During First Year After Purchase | During 13 to 18 Months After Purchase |
| \$1 million and up to \$2.5 million   | 1%                               | 1%                                    |
| Over \$2.5 million and up to \$5 million  | 0.50% of 1%                      | 0.25% of 1%                           |
| Over \$5 million  | None                             | None                                  |

The CDSC will not apply to CDSC Class A Shares held for longer than 18 months.

Each time you place a request to redeem shares, a Fund will first redeem any shares in your account that are not subject to a contingent deferred sales charge, and then will redeem shares in your account that are subject to the lowest CDSC rate, unless otherwise instructed. A series of investments may increase the total value of Aquila Fund Shares you own so that subsequent purchases may qualify for a shorter holding period and a lower CDSC rate, as described in the table above, without altering the holding period or CDSC rate for shares acquired when the total value of Aquila Fund Shares you owned was lower.

The CDSC will be waived for:

- Redemption following the death of the shareholder or beneficial owner.
- Redemption by a Fund when an account falls below the minimum required account size.
- Redemption by an investor who purchased \$1 million or more without an initial sales charge if the securities dealer of record waived or deferred its commission in connection with the purchase, with notice to the investor and the Fund at the time of purchase.

The availability of certain sales charge waivers and discounts may depend on whether you purchase your shares directly from a Fund or through a financial intermediary. Please see “Broker-Defined Sales Charge Waiver Policies” below for more information.

### **Reduced Sales Charges for Certain Purchases of Class A Shares**

#### **Right of Accumulation**

“Single purchasers” may qualify for a reduced sales charge in accordance with the above schedule when making subsequent purchases of Class A Shares.

#### **Letters of Intent**

A “single purchaser” may also qualify for reduced sales charges, in accordance with the above schedule, after a written Letter of Intent (included in the New Account Application) is received by the Distributor.

#### **Other**

Class A Shares may be purchased without a sales charge by current and former Trustees and officers of any funds in the Aquila Group of Funds, the directors, officers and certain employees, former employees and representatives of the Manager, the Distributor, the adviser or sub-adviser of any fund in the Aquila Group of Funds and the parents and/or affiliates of such companies, broker dealers, their officers and employees and other investment professionals, certain persons connected with firms providing legal, advertising or public relations assistance to the Funds, certain family members of, and plans for the benefit of, the foregoing and plans for the benefit of trust or similar clients of banking institutions over which these institutions have full investment authority. Class A Shares may also be issued without a sales charge in a merger, acquisition or exchange offer made pursuant to a plan of reorganization to which a Fund is a party.

Each Fund also permits the sale of its Class A Shares at prices that reflect the elimination of the sales charge to investors who are members of certain qualified groups. A qualified group is a group or association that: (i) satisfies uniform criteria which enable the Distributor to realize economies of scale in its costs of distributing shares; (ii) gives its endorsement or authorization (if it is a group or association) to an investment program to facilitate solicitation of its membership by a broker or dealer; and (iii) complies with the conditions of purchase that make up an agreement between the Fund and the group, representative or broker or dealer. At the time of purchase, the Distributor must receive information sufficient to permit verification that the purchase qualifies for a reduced sales charge, either directly or through a broker or dealer. Examples of a qualified group include, but are not limited to: certain wrap accounts, asset allocation programs or other fee-based arrangements for the benefit of clients of investment professionals or other financial intermediaries; and certain retirement plans that are part of a retirement plan or platform offered by banks, broker-dealers, financial advisors or insurance companies, or serviced by recordkeepers.

Class A Shares may be purchased without a sales charge by investors who purchase shares through a self-directed brokerage account program offered by a financial intermediary that has entered into an agreement with the Fund's Distributor. Financial intermediaries offering such programs may or may not charge transaction fees. As of December 31, 2022, the Distributor has entered such an agreement with Merrill Lynch, Morgan Stanley Smith Barney, and Vanguard. Please see "Broker-Defined Sales Charge Waiver Policies" below for more information, as applicable.

Class A purchases at net asset value may be available to group employer-sponsored retirement plans (e.g., employer-sponsored 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans). Waivers for group employer-sponsored retirement plans do not apply to traditional IRAs, Roth IRAs, SEP IRAs, SARSEPs, SIMPLE IRAs, KEOGHs, individual 401(k) or individual 403(b) plans, or to shares held in commission-based broker-dealer accounts. In addition, acquisitions of shares by reinvestment of dividends or in exchanges (with certain exceptions) do not incur a sales charge. The foregoing sales charge waivers are generally available for qualified purchases through all financial intermediaries that offer Class A Shares of the Funds, except as set forth under "Broker-Defined Sales Charge Waiver Policies" below. Please see the SAI for additional information about sales charge waivers and reductions.

The availability of certain sales charge waivers and discounts may depend on whether you purchase your shares directly from a Fund or through a financial intermediary. Please see "Broker-Defined Sales Charge Waiver Policies" below for more information.

The foregoing information about breakpoints in, or elimination of, sales charges is also available free of charge on our website at [www.aquilafunds.com](http://www.aquilafunds.com). Hyperlinks at our website will facilitate your access to the information.

### **Large Purchase Orders for Class C Shares**

The Funds will not accept purchase orders for Class C Shares on behalf of an individual investor (not including dealer "street name" or omnibus accounts) in an amount of \$500,000 or more or if the purchase order would bring the value of the account over \$500,000. This is because it will generally be more advantageous for such a purchase by an individual to be invested in Class A Shares instead.

### **Redemption of Class C Shares**

The CDSC will be waived for redemption following the death of the shareholder or beneficial owner and for redemption by a Fund when an account falls below the minimum required size.

The availability of certain CDSC waivers may depend on whether you purchase your shares directly from a Fund or through a financial intermediary. Please see "Broker-Defined Sales Charge Waiver Policies" below for more information.

### **Broker/Dealer Compensation - Class C Shares**

The Distributor may pay 1% of the sale price to any broker/dealer executing a Class C Share purchase.

### **Purchase and Redemption of Class F Shares and Class Y Shares**

Class F Shares and Class Y Shares may be available on certain brokerage platforms. An investor transacting in Class F Shares or Class Y Shares through a broker acting as an agent for the investor may be required to pay a commission and/or other forms of compensation to the broker. Shares of each Fund are available in other share classes that have different fees and expenses.

### **General**

Certain financial intermediaries may charge additional fees in connection with transactions in Fund shares. The Manager or the Distributor may make payments or provide non-cash compensation out of their own resources to securities dealers and other financial intermediaries for providing services intended to result in the sale of Fund shares or for shareholder servicing activities. The compensation is discretionary and may be available only to selected selling and servicing agents. See "Additional Information" below and in the SAI for discussions of marketing support payments.

### **Exchange Privilege – Class A, C, F, I and Y Shares**

Generally, you can exchange shares of any class of a Fund into shares of the same class of other funds in the Aquila Group of Funds without the payment of a sales charge or any other fee.

The exchange privilege is available to Class F, Class I or Class Y Shares to the extent that other Funds in the Aquila Group of Funds are made available to its customers by an investor's financial intermediary. All exchanges of Class F, Class I and Class Y Shares must be made through the investor's financial intermediary. Call 800-437-1000 for more information on the exchange privilege.

Because excessive trading in Fund shares can be harmful to a Fund and its other shareholders, the right is reserved to revise or terminate the exchange privilege, to limit the number of exchanges or to reject any exchange if (i) a Fund or any of the other Funds in the Aquila Group of Funds believe that it or they would be harmed or be unable to invest effectively or (ii) it or they receive or anticipate receiving simultaneous orders that may significantly affect a Fund or any other Funds in the Aquila Group of Funds.

Before you request an exchange, consider the investment objectives and policies of the fund for which you are exchanging shares, as described in that fund's prospectus. You generally will have to pay income taxes on an exchange.

### **Same Fund Exchange Privilege**

Certain shareholders may be eligible to exchange their shares for shares of another class. If eligible, no sales charges or other charges will apply to any such exchange. Generally, shareholders will not recognize a gain or loss for Federal income tax purposes upon such an exchange. Investors should contact their financial intermediary to learn more about the details of this privilege.

### **Frequent Trading**

Each Fund invests a significant amount of its assets in U.S.-traded, highly liquid securities for which prices are available on a daily basis at the time at which the Fund prices its portfolio and determines the net asset value per share. As a result, the Funds believe that there is less incentive for investors to engage in frequent and/or short-term trading (often referred to as market-timing) to benefit from "stale" pricing. Nonetheless, the Funds recognize that the possible presence of foreign securities in a Fund's portfolio and other circumstances, such as fluctuations in prevailing interest rates, may invite active in-and-out trading by Fund shareholders, which may, if carried out on a large scale, impose burdens on the Funds' portfolio manager, interfere with the efficient management of the portfolio, increase the portfolio's transaction costs, administrative costs or tax liability or otherwise be detrimental to the interests of the Fund and its other shareholders. The Funds therefore discourage market timing, and to the extent possible monitor for market timing patterns in the Funds. As stated above, the Funds and the Distributor may reject any order for the purchase of shares. For example, the Board of Trustees of the Funds has determined that each Fund may reject purchase orders, on a temporary or permanent basis, from investors that the Fund is able to determine are exhibiting a pattern of frequent or short-term trading in Fund shares. The Funds may not be able to detect frequent trading by the underlying owners of shares held in omnibus accounts and therefore may not be able effectively to prevent frequent trading in those accounts. Accordingly, there is no guarantee that the Funds will be successful in identifying all investors who engage in excessive trading activity or in curtailing that activity. The Funds' policy on frequent trading extends to purchases through exchanges. (See "Exchange Privilege" above).

### **Quarterly Statements and Confirmations**

For accounts that are held directly with the Funds, at the end of each calendar quarter we will send you

an account statement reflecting year-to-date activity. A transaction confirmation will be sent to you following certain transactions that occur within your account, including purchases, redemptions and account updates such as name and address changes. Confirmations are not sent for system generated transactions (e.g., dividends, automatic investments and systematic withdrawals). Those transactions are detailed within your quarterly statement.

### **Is there a Distribution Plan?**

Each Fund has adopted a Distribution Plan (the "Plan") under the Investment Company Act of 1940's Rule 12b-1 (the "Rule") in order to:

- (i) permit the Fund to finance activities primarily intended to result in the sale of its shares;
- (ii) permit the Manager to make payment for distribution expenses out of its own funds; and
- (iii) protect the Fund against any claim that some of the expenses which it pays or may pay might be considered to be sales-related and therefore come within the purview of the Rule.

Pursuant to the Plan, each Fund makes payments with respect to Class A, Class C and Class I Shares under agreements to certain broker/dealers and other qualified recipients.

For any fiscal year, these payments may not exceed:

- 0.20 of 1% of the average annual net assets represented by Class A Shares of Aquila High Income Fund;
- 0.30 of 1% of the average annual net assets represented by Class A shares of Aquila Opportunity Growth Fund;
- 0.75 of 1% of the average annual net assets represented by Class C Shares of each Fund; and
- 0.25 of 1% of the average annual net assets represented by Class I Shares of each Fund (a distribution fee of up to 0.15 of 1% of the average annual net assets represented by Class I Shares of each Fund is currently authorized by the Trustees of such Funds).

Payments with respect to each class are made only out of the Fund's assets allocable to that class. Because these distribution fees are paid out of assets on an ongoing basis, over time these fees will increase the cost of your investment, and they may cost you more than paying other types of sales charges. These distribution fees are in addition to any other sales charges you may pay.

## Shareholder Services Plan for Class C Shares and Class I Shares

Each Fund's Shareholder Services Plan authorizes it to pay a service fee under agreements to certain qualified recipients who have agreed to provide personal services to Class C shareholders and/or maintain their accounts. The Plan also authorizes an identical arrangement with respect to Class I Shares. For any fiscal year, such fees may not exceed 0.25 of 1% of the average annual net assets represented by the applicable class of shares. Payment is made only out of the Fund's assets represented by the shares of the applicable class.

Service fees with respect to Class C Shares will be paid to the Distributor.

### Other Payments by the Funds

In addition to, rather than in lieu of, fees paid by a Fund under the Fund's Distribution Plan or Shareholder Services Plan, each Fund may pay fees for certain administrative, networking, recordkeeping, sub-transfer agency or other services provided by certain broker/dealers and other financial intermediaries ("financial advisors").

### Additional Payments

The Distributor and/or its related companies may pay compensation (out of their own assets and not as an additional charge to a Fund, although such assets may include profits derived from services provided to the Fund) to financial advisors in connection with the sale or retention of Fund shares or certain shareholder servicing and/or certain administrative, networking, recordkeeping, sub-transfer agency or other services. This additional compensation is sometimes referred to as "revenue sharing." For example, the Distributor and/or its related companies may pay compensation to financial advisors for administrative, sub-accounting or shareholder transaction processing services above and beyond such costs which would normally be paid by a Fund, assistance in training and education and/or other forms of marketing support, including costs related to providing a Fund with "shelf space." Payments made to financial advisors may be based on a fixed dollar amount and/or one or more of the following factors: gross sales, current assets, number of accounts attributable to or maintained by the financial advisor and/or reimbursement for marketing expenses of the financial advisor. Some of these amounts may be significant to the Distributor and/or its related companies. The prospect of receiving additional compensation provides financial advisors with an incentive to favor sales of shares of a Fund over other investment options and creates a conflict of interest. To obtain more information on how additional compensation may have influenced your financial advisor's recommendation of a Fund ask your financial advisor. For more information, please see the SAI.

To the extent financial advisors sell more shares of a Fund or retain shares of a Fund in their clients' accounts, the Distributor and/or its related companies, including the Manager, receives greater fees due to the increase in Fund assets. The intermediary may earn a profit on these payments if the amount of the payment to the intermediary exceeds the intermediary's costs.

Class F Shares are only available in cases where the intermediary will not receive additional compensation with respect to Class F Shares.

### "Transfer on Death" Registration

If you own Class A or Class C Shares, the Funds generally permit "transfer on death" ("TOD") registration of shares, so that on the death of the shareholder the shares are transferred to a designated beneficiary or beneficiaries. A Transfer on Death Registration Request Form is available on [www.aquilafunds.com](http://www.aquilafunds.com) or through your financial intermediary. With it you will receive a copy of the TOD Rules of the Aquila Group of Funds, which specify how the registration becomes effective and operates. By opening a TOD Account, you agree to be bound by the TOD Rules. An investor in Class F, Class I or Class Y should discuss the availability of TOD registration with the investor's financial intermediary (broker/dealer, etc.).

### Dividends and Distributions

#### How are dividends and distributions determined?

#### Aquila High Income Fund

The Fund pays dividends and other distributions with respect to each class of shares. The Fund calculates its dividends and other distributions with respect to each class at the same time and in the same manner. Net income for dividend purposes includes all interest income accrued by the Fund since the previous dividend declaration less expenses paid or accrued. Net income also includes any original issue discount, which occurs if the Fund purchases an obligation for less than its face amount. The discount from the face amount is treated as additional income earned over the life of the obligation. Because the Fund's income varies, so will the Fund's dividends. There is no fixed dividend rate. It is expected that most of the Fund's dividends will be comprised of interest income. The dividends and distributions of each class can vary due to certain class-specific charges. The Fund will declare all of its net income (other than any capital gains) as dividends on every day, including weekends and holidays, on those shares outstanding for which payment was received by the close of business on the preceding business day.

Redeemed shares continue to earn dividends through and including the earlier of:

1. the day prior to the day when redemption proceeds are mailed, wired or transferred by ACH or paid to a financial intermediary; or



2. the third business day after the day the net asset value of the redeemed shares was determined.

The Fund's present policy is to pay dividends so they will be received or credited by approximately the first day of each month.

### **Aquila Opportunity Growth Fund**

The Fund distributes dividends from net investment income, if any, on an annual basis normally before the end of its fiscal year which is December 31st. Because the Fund invests primarily in equity securities, distributions from the Fund, if any, may consist mostly of capital gains, which may be long- or short-term depending upon the length of time the Fund has held the securities it sells. If the Fund has had net long-term capital gains or net short-term capital gains for the year, it distributes dividends on those items at the same time. Short-term capital gains include the gains from the disposition of securities held for one year or less, the premiums from expired call options written by the Fund and net gains from closing transactions with respect to such options. If necessary to avoid excise or other taxes, dividends and/or capital gains distributions may be made more frequently. Dividends and other distributions paid by the Fund with respect to each class of its shares are calculated at the same time and in the same manner. The per share dividends and distributions can vary because each class will bear certain class-specific charges.

### **How are dividends and distributions paid?**

#### Class A and Class C Shares

Dividends and distributions, if any, on Class A or Class C Shares will automatically be reinvested in full and fractional shares of the Fund of the same class at net asset value as of the payment date for the dividend or distribution unless you elect otherwise.

You may choose to have all or any part of your dividends or distributions paid in cash. You can elect to have the cash portion of your dividends or distributions deposited, without charge, by electronic fund transfers into your account at a financial institution, if it is a member of ACH.

You may also choose to direct your dividends to be invested in other funds in the Aquila Group of Funds in which you may have an account.

You can make any of these elections on the New Account Application. For information on changing distribution elections on your existing account(s), please visit [www.aquilafunds.com](http://www.aquilafunds.com) or contact us at 800-437-1000. Your election to receive some or all of your dividends and distributions in cash will be effective as of the next payment of dividends after it has been received in proper form. It will continue in effect until we receive written notification of a change.

Whether your dividends and distributions are received in cash or reinvested, you will receive a quarterly statement indicating the current status of your investment account with the Funds.

Each Fund reserves the right to change the dividend and distribution payment option on your account to "reinvest" if mail sent to the address on your account is returned by the post office as "undeliverable" and you have elected to have your account dividends and/or distributions paid in cash. In such event, the Fund would then purchase additional shares of the Fund with any dividend or distribution payments that are "undeliverable." In order to change the option back to "cash," you would need to send us written instructions as described above.

#### Class F, Class I and Class Y Shares

All arrangements for the payment of dividends and distributions, if any, with respect to Class F, Class I and Class Y Shares, including reinvestment of dividends, must be made through financial intermediaries.

### **Tax Information**

The following discussion is very general and does not address investors subject to special rules, such as investors who hold shares through an IRA, 401(k) plan or other tax-advantaged account. The SAI contains further information about taxes. Because each shareholder's circumstances are different and special tax rules may apply, you should consult with your tax adviser about your investment in a Fund.

### **Aquila High Income Fund**

In general, you will have to pay federal income taxes, as well as any state and local taxes, when you redeem shares, exchange shares or receive a distribution (whether paid in cash or reinvested in additional shares). An exchange between classes of shares of the Fund normally is not taxable for federal income tax purposes. Distributions of net capital gain (the excess of the Fund's net long-term capital gain over its net short-term capital loss) are taxable to you as long-term capital gain regardless of how long you have owned your shares. The Fund does not expect any distributions to be treated as qualified dividend income, which is taxable to non-corporate shareholders at reduced rates. The Fund does not expect any distributions to qualify for the dividends-received deduction for corporate shareholders.

If the Fund realizes capital gains in excess of realized capital losses in any fiscal year, it makes capital gain distributions to shareholders. You may receive distributions that are attributable to appreciation that was present in the Fund's portfolio securities at the time you made your investment but had not been realized at that time,

or that are attributable to capital gains or other income that, although realized by the Fund, had not yet been distributed at the time you made your investment. Unless you purchase shares through a tax-advantaged account, these distributions will be taxable to you even though they economically represent a return of a portion of your investment. In particular, you may want to avoid buying shares when the Fund is about to declare a dividend or capital gain distribution, because it will be taxable to you even though it may effectively be a return of a portion of your investment. You should consult your tax adviser before buying shares no matter when you are investing.

### **Aquila Opportunity Growth Fund**

In general, you will have to pay federal income taxes, as well as any state and local taxes, when you redeem shares, exchange shares or receive a distribution (whether paid in cash or reinvested in additional shares). An exchange between classes of shares of the Fund normally is not taxable for federal income tax purposes. Distributions of net capital gain (the excess of the Fund's net long-term capital gain over its net short-term capital loss) are taxable to you as long-term capital gain regardless of how long you have owned your shares. Certain dividends may be treated as "qualified dividend income," which for noncorporate shareholders is taxed at reduced rates. "Qualified dividend income" generally is income derived by the Fund from dividends paid by U.S. corporations or certain foreign corporations that are either incorporated in a U.S. possession or eligible for tax benefits under certain U.S. income tax treaties. In addition, dividends received from foreign corporations may be treated as qualified dividend income if the stock with respect to which the dividends are paid is readily tradable on an established U.S. securities market. A portion of the dividends received from the Fund (but none of the Fund's capital gain distributions) may qualify for the dividends-received deduction for corporate shareholders.

If the Fund realizes capital gains in excess of realized capital losses in any fiscal year, it makes capital gain distributions to shareholders. You may receive distributions that are attributable to appreciation that was present in the Fund's portfolio securities at the time you made your investment but had not been realized at the time, or that are attributable to capital gains or other income that, although realized by the Fund, had not yet been distributed at the

time you made your investment. Unless you purchase shares through a tax-advantaged account, these distributions will be taxable to you even though they economically represent a return of a portion of your investment. In particular, you may want to avoid buying shares when the Fund is about to declare a dividend or capital gain distribution. You should consult your tax adviser before buying shares no matter when you are investing.

### **Both Funds**

Although distributions are generally taxable when received, dividends declared in October, November or December to shareholders of record as of a date in such month and paid during the following January are treated as if received on December 31 of the calendar year when the dividends were declared.

You will receive information on the federal income tax status of Fund dividends and distributions annually.

Dividends and distributions from a Fund and net gain from redemptions of Fund shares will generally be taken into account in determining your "net investment income" for purposes of the Medicare contribution tax applicable to certain individuals, estates and trusts.

If you do not provide a Fund with your correct taxpayer identification number and any required certifications or if you are otherwise subject to backup withholding, you will be subject to backup withholding on your redemption proceeds, dividends, and other distributions. The backup withholding rate is currently 24%.

If you are neither a citizen nor a resident of the United States, certain dividends that you receive from a Fund may be subject to federal withholding tax. To the extent that distributions consist of dividends or other payments that are subject to withholding, the Fund will withhold federal income tax at the rate of 30% (or such lower rate as may be determined in accordance with an applicable tax treaty). Distributions of net capital gain are generally exempt from such withholding. Ordinary dividends that are reported by a Fund as "interest-related dividends" or "short-term capital gain dividends" will generally also be exempt from such withholding. Backup withholding will not be applied to payments that have been subject to the 30% withholding tax described in this paragraph.

## FINANCIAL HIGHLIGHTS

The financial highlights tables are intended to help you understand each Fund's financial performance for the past five years. Certain information reflects financial results for a single Fund share. The total returns in the tables represent the rate that an investor would have earned or lost on an investment in each Fund (assuming reinvestment of all dividends and distributions). Because they have not yet commenced operations as of the date of this Prospectus, no information is presented for Class F Shares. This information has been audited by Tait, Weller & Baker LLP (independent registered public accounting firm), whose report, along with the Funds' financial statements, is included in the Funds' annual report and is available upon request.

**AQUILA HIGH INCOME FUND**  
**FINANCIAL HIGHLIGHTS**

|   | Class A                 |               |               |               |               |
|---|-------------------------|---------------|---------------|---------------|---------------|
|   | Year Ended December 31, |               |               |               |               |
|   | 2022                    | 2021          | 2020          | 2019          | 2018          |
| Net asset value, beginning of period . . . . .  | \$8.61                  | \$8.69        | \$8.39        | \$8.12        | \$8.55        |
| Income (loss) from investment operations:   |                         |               |               |               |               |
| Net investment income <sup>(1)</sup> . . . . .  | 0.30                    | 0.30          | 0.30          | 0.27          | 0.32          |
| Net gain (loss) on securities<br>(both realized and unrealized) . . . . .   | (0.77)                  | —             | 0.33          | 0.31          | (0.43)        |
| Total from investment operations . . . . .  | (0.47)                  | 0.30          | 0.63          | 0.58          | (0.11)        |
| Less distributions:   |                         |               |               |               |               |
| Dividends from net investment income . . . . .  | (0.33)                  | (0.34)        | (0.33)        | (0.31)        | (0.32)        |
| Distributions from capital gains . . . . .  | —                       | (0.04)        | —             | —             | —             |
| Total distributions . . . . .   | (0.33)                  | (0.38)        | (0.33)        | (0.31)        | (0.32)        |
| Net asset value, end of period . . . . .  | <u>\$7.81</u>           | <u>\$8.61</u> | <u>\$8.69</u> | <u>\$8.39</u> | <u>\$8.12</u> |
| Total return (not reflecting sales charge) . . . . .  | (5.49)%                 | 3.57%         | 7.74%         | 7.16%         | (1.29)%       |
| Ratios/supplemental data  |                         |               |               |               |               |
| Net assets, end of period (in thousands) . . . . .  | \$35,419                | \$39,082      | \$39,982      | \$41,876      | \$42,640      |
| Ratio of expenses to average net assets . . . . .   | 1.19%                   | 1.18%         | 1.21%         | 1.20%         | 1.14%         |
| Ratio of net investment income to average net assets . . . . .  | 3.69%                   | 3.51%         | 3.60%         | 3.24%         | 3.87%         |
| Portfolio turnover rate . . . . .   | 9%                      | 118%          | 347%          | 124%          | 118%          |
| Expense and net investment income ratios without the effect of the contractual fee waiver, as well as, additional voluntary fee waivers were: |                         |               |               |               |               |
| Ratio of expenses to average net assets . . . . .   | 1.40%                   | 1.18%         | 1.21%         | 1.20%         | 1.14%         |
| Ratio of investment income to average net assets . . . . .  | 3.48%                   | 3.51%         | 3.60%         | 3.24%         | 3.87%         |

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

**AQUILA HIGH INCOME FUND**  
**FINANCIAL HIGHLIGHTS (continued)**

|   | Class C                 |               |               |               |               |
|---|-------------------------|---------------|---------------|---------------|---------------|
|   | Year Ended December 31, |               |               |               |               |
|   | 2022                    | 2021          | 2020          | 2019          | 2018          |
| Net asset value, beginning of period . . . . .  | \$8.61                  | \$8.70        | \$8.39        | \$8.12        | \$8.55        |
| Income (loss) from investment operations:   |                         |               |               |               |               |
| Net investment income <sup>(1)</sup> . . . . .  | 0.23                    | 0.24          | 0.23          | 0.20          | 0.26          |
| Net gain (loss) on securities<br>(both realized and unrealized) . . . . .   | (0.77)                  | (0.01)        | 0.34          | 0.31          | (0.44)        |
| Total from investment operations . . . . .  | (0.54)                  | 0.23          | 0.57          | 0.51          | (0.18)        |
| Less distributions:   |                         |               |               |               |               |
| Dividends from net investment income . . . . .  | (0.26)                  | (0.28)        | (0.26)        | (0.24)        | (0.25)        |
| Distributions from capital gains . . . . .  | —                       | (0.04)        | —             | —             | —             |
| Total distributions . . . . .   | (0.26)                  | (0.32)        | (0.26)        | (0.24)        | (0.25)        |
| Net asset value, end of period . . . . .  | <u>\$7.81</u>           | <u>\$8.61</u> | <u>\$8.70</u> | <u>\$8.39</u> | <u>\$8.12</u> |
| Total return (not reflecting CDSC) . . . . .  | (6.24)%                 | 2.62%         | 7.00%         | 6.31%         | (2.08)%       |
| Ratios/supplemental data  |                         |               |               |               |               |
| Net assets, end of period (in thousands) . . . . .  | \$1,329                 | \$2,970       | \$4,256       | \$4,833       | \$7,091       |
| Ratio of expenses to average net assets . . . . .   | 2.00%                   | 1.98%         | 2.01%         | 1.99%         | 1.94%         |
| Ratio of net investment income to average net assets . . . . .  | 2.83%                   | 2.72%         | 2.79%         | 2.44%         | 3.08%         |
| Portfolio turnover rate . . . . .   | 9%                      | 118%          | 347%          | 124%          | 118%          |
| Expense and net investment income ratios without the effect of the contractual fee waiver, as well as, additional voluntary fee waivers were: |                         |               |               |               |               |
| Ratio of expenses to average net assets . . . . .   | 2.17%                   | 1.98%         | 2.01%         | 1.99%         | 1.94%         |
| Ratio of investment income to average net assets . . . . .  | 2.66%                   | 2.72%         | 2.79%         | 2.44%         | 3.08%         |

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

**AQUILA HIGH INCOME FUND**  
**FINANCIAL HIGHLIGHTS (continued)**

|   | Class I                 |               |               |               |               |
|---|-------------------------|---------------|---------------|---------------|---------------|
|   | Year Ended December 31, |               |               |               |               |
|   | 2022                    | 2021          | 2020          | 2019          | 2018          |
| Net asset value, beginning of period . . . . .  | \$8.61                  | \$8.70        | \$8.39        | \$8.12        | \$8.55        |
| Income (loss) from investment operations:   |                         |               |               |               |               |
| Net investment income <sup>(1)</sup> . . . . .  | 0.29                    | 0.30          | 0.30          | 0.26          | 0.32          |
| Net gain (loss) on securities<br>(both realized and unrealized) . . . . .   | (0.78)                  | (0.01)        | 0.34          | 0.31          | (0.43)        |
| Total from investment operations . . . . .  | (0.49)                  | 0.29          | 0.64          | 0.57          | (0.11)        |
| Less distributions:   |                         |               |               |               |               |
| Dividends from net investment income . . . . .  | (0.32)                  | (0.34)        | (0.33)        | (0.30)        | (0.32)        |
| Distributions from capital gains . . . . .  | —                       | (0.04)        | —             | —             | —             |
| Total distributions . . . . .   | (0.32)                  | (0.38)        | (0.33)        | (0.30)        | (0.32)        |
| Net asset value, end of period . . . . .  | <u>\$7.80</u>           | <u>\$8.61</u> | <u>\$8.70</u> | <u>\$8.39</u> | <u>\$8.12</u> |
| Total return . . . . .  | (5.70)%                 | 3.37%         | 7.79%         | 7.08%         | (1.35)%       |
| Ratios/supplemental data  |                         |               |               |               |               |
| Net assets, end of period (in thousands) . . . . .  | \$788                   | \$926         | \$1,239       | \$1,174       | \$1,142       |
| Ratio of expenses to average net assets . . . . .   | 1.28%                   | 1.25%         | 1.28%         | 1.27%         | 1.21%         |
| Ratio of net investment income to average net assets . . . . .  | 3.59%                   | 3.42%         | 3.56%         | 3.16%         | 3.80%         |
| Portfolio turnover rate . . . . .   | 9%                      | 118%          | 347%          | 124%          | 118%          |
| Expense and net investment income ratios without the effect of the contractual fee waiver, as well as, additional voluntary fee waivers were: |                         |               |               |               |               |
| Ratio of expenses to average net assets . . . . .   | 1.46%                   | 1.25%         | 1.28%         | 1.27%         | 1.21%         |
| Ratio of investment income to average net assets . . . . .  | 3.41%                   | 3.42%         | 3.56%         | 3.16%         | 3.80%         |

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

**AQUILA HIGH INCOME FUND**  
**FINANCIAL HIGHLIGHTS (continued)**

|   | Class Y                 |               |               |               |               |
|---|-------------------------|---------------|---------------|---------------|---------------|
|   | Year Ended December 31, |               |               |               |               |
|   | 2022                    | 2021          | 2020          | 2019          | 2018          |
| Net asset value, beginning of period . . . . .  | \$8.61                  | \$8.69        | \$8.40        | \$8.13        | \$8.56        |
| Income (loss) from investment operations:   |                         |               |               |               |               |
| Net investment income <sup>(1)</sup> . . . . .  | 0.31                    | 0.32          | 0.32          | 0.29          | 0.34          |
| Net gain (loss) on securities<br>(both realized and unrealized) . . . . .   | (0.77)                  | —             | 0.32          | 0.30          | (0.43)        |
| Total from investment operations . . . . .  | (0.46)                  | 0.32          | 0.64          | 0.59          | (0.09)        |
| Less distributions:   |                         |               |               |               |               |
| Dividends from net investment income . . . . .  | (0.34)                  | (0.36)        | (0.35)        | (0.32)        | (0.34)        |
| Distributions from capital gains . . . . .  | —                       | (0.04)        | —             | —             | —             |
| Total distributions . . . . .   | (0.34)                  | (0.40)        | (0.35)        | (0.32)        | (0.34)        |
| Net asset value, end of period . . . . .  | <u>\$7.81</u>           | <u>\$8.61</u> | <u>\$8.69</u> | <u>\$8.40</u> | <u>\$8.13</u> |
| Total return . . . . .  | (5.30)%                 | 3.77%         | 7.82%         | 7.37%         | (1.09)%       |
| Ratios/supplemental data  |                         |               |               |               |               |
| Net assets, end of period (in thousands) . . . . .  | \$63,845                | \$120,120     | \$136,978     | \$123,094     | \$109,939     |
| Ratio of expenses to average net assets . . . . .   | 1.00%                   | 0.98%         | 1.01%         | 1.00%         | 0.94%         |
| Ratio of net investment income to average net assets . . . . .  | 3.86%                   | 3.71%         | 3.81%         | 3.44%         | 4.08%         |
| Portfolio turnover rate . . . . .   | 9%                      | 118%          | 347%          | 124%          | 118%          |
| Expense and net investment income ratios without the effect of the contractual fee waiver, as well as, additional voluntary fee waivers were: |                         |               |               |               |               |
| Ratio of expenses to average net assets . . . . .   | 1.18%                   | 0.98%         | 1.01%         | 1.00%         | 0.94%         |
| Ratio of investment income to average net assets . . . . .  | 3.67%                   | 3.71%         | 3.81%         | 3.44%         | 4.08%         |

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

**AQUILA OPPORTUNITY GROWTH FUND**  
**FINANCIAL HIGHLIGHTS**

|   | Class A                 |                |                |                |                |
|---|-------------------------|----------------|----------------|----------------|----------------|
|   | Year Ended December 31, |                |                |                |                |
|   | 2022                    | 2021           | 2020           | 2019           | 2018           |
| Net asset value, beginning of period . . . . .                            | \$46.98                 | \$51.86        | \$50.62        | \$40.84        | \$52.38        |
| Income (loss) from investment operations:                                 |                         |                |                |                |                |
| Net investment income (loss) <sup>(1)</sup> . . . . .                     | (0.08)                  | (0.48)         | (0.29)         | (0.17)         | (0.24)         |
| Net gain (loss) on securities<br>(both realized and unrealized) . . . . . | (6.97)                  | 10.56          | 3.94           | 14.50          | (5.27)         |
| Total from investment operations . . . . .                                | (7.05)                  | 10.08          | 3.65           | 14.33          | (5.51)         |
| Less distributions:   |                         |                |                |                |                |
| Dividends from net investment income . . . . .                            | —                       | —              | —              | —              | —              |
| Distributions from capital gains . . . . .                                | (3.71)                  | (14.96)        | (2.41)         | (4.55)         | (6.03)         |
| Total distributions . . . . .   | (3.71)                  | (14.96)        | (2.41)         | (4.55)         | (6.03)         |
| Net asset value, end of period . . . . .                                  | <u>\$36.22</u>          | <u>\$46.98</u> | <u>\$51.86</u> | <u>\$50.62</u> | <u>\$40.84</u> |
| Total return (not reflecting sales charge) . . . . .                      | (15.25)%                | 21.53%         | 7.39%          | 35.47%         | (11.35)%       |
| Ratios/supplemental data  |                         |                |                |                |                |
| Net assets, end of period (in thousands) . . . . .                        | \$65,619                | \$86,364       | \$76,508       | \$94,879       | \$75,438       |
| Ratio of expenses to average net assets . . . . .                         | 1.67%                   | 1.49%          | 1.54%          | 1.49%          | 1.41%          |
| Ratio of net investment income (loss) to<br>average net assets . . . . .  | (0.19)%                 | (0.88)%        | (0.63)%        | (0.35)%        | (0.45)%        |
| Portfolio turnover rate . . . . .   | 102%                    | 99%            | 69%            | 88%            | 123%           |

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



**AQUILA OPPORTUNITY GROWTH FUND**  
**FINANCIAL HIGHLIGHTS (continued)**

|   | Class C                 |                |                |                |                |
|---|-------------------------|----------------|----------------|----------------|----------------|
|   | Year Ended December 31, |                |                |                |                |
|   | 2022                    | 2021           | 2020           | 2019           | 2018           |
| Net asset value, beginning of period . . . . .                            | \$31.15                 | \$39.10        | \$39.00        | \$32.49        | \$43.26        |
| Income (loss) from investment operations:                                 |                         |                |                |                |                |
| Net investment income (loss) <sup>(1)</sup> . . . . .                     | (0.27)                  | (0.65)         | (0.47)         | (0.41)         | (0.50)         |
| Net gain (loss) on securities<br>(both realized and unrealized) . . . . . | (4.54)                  | 7.66           | 2.98           | 11.47          | (4.24)         |
| Total from investment operations . . . . .                                | (4.81)                  | 7.01           | 2.51           | 11.06          | (4.74)         |
| Less distributions:   |                         |                |                |                |                |
| Dividends from net investment income . . . . .                            | —                       | —              | —              | —              | —              |
| Distributions from capital gains . . . . .                                | (3.71)                  | (14.96)        | (2.41)         | (4.55)         | (6.03)         |
| Total distributions . . . . .   | (3.71)                  | (14.96)        | (2.41)         | (4.55)         | (6.03)         |
| Net asset value, end of period . . . . .                                  | <u>\$22.63</u>          | <u>\$31.15</u> | <u>\$39.10</u> | <u>\$39.00</u> | <u>\$32.49</u> |
| Total return (not reflecting CDSC) . . . . .                              | (15.81)%                | 20.64%         | 6.67%          | 34.51%         | (11.96)%       |
| Ratios/supplemental data  |                         |                |                |                |                |
| Net assets, end of period (in thousands) . . . . .                        | \$4,539                 | \$14,321       | \$23,795       | \$36,697       | \$40,453       |
| Ratio of expenses to average net assets . . . . .                         | 2.34%                   | 2.19%          | 2.24%          | 2.20%          | 2.11%          |
| Ratio of net investment income (loss) to<br>average net assets . . . . .  | (0.97)%                 | (1.61)%        | (1.34)%        | (1.05)%        | (1.17)%        |
| Portfolio turnover rate . . . . .   | 102%                    | 99%            | 69%            | 88%            | 123%           |

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

**AQUILA OPPORTUNITY GROWTH FUND**  
**FINANCIAL HIGHLIGHTS (continued)**

|   | Class I                 |                |                |                |                |
|---|-------------------------|----------------|----------------|----------------|----------------|
|   | Year Ended December 31, |                |                |                |                |
|   | 2022                    | 2021           | 2020           | 2019           | 2018           |
| Net asset value, beginning of period .....                            | \$50.04                 | \$54.36        | \$52.90        | \$42.49        | \$54.23        |
| Income (loss) from investment operations:                             |                         |                |                |                |                |
| Net investment income (loss) <sup>(1)</sup> .....                     | (0.09)                  | (0.48)         | (0.27)         | (0.14)         | (0.27)         |
| Net gain (loss) on securities<br>(both realized and unrealized) ..... | (7.40)                  | 11.12          | 4.14           | 15.10          | (5.44)         |
| Total from investment operations .....                                | (7.49)                  | 10.64          | 3.87           | 14.96          | (5.71)         |
| Less distributions:   |                         |                |                |                |                |
| Dividends from net investment income .....                            | —                       | —              | —              | —              | —              |
| Distributions from capital gains .....                                | (3.71)                  | (14.96)        | (2.41)         | (4.55)         | (6.03)         |
| Total distributions .....   | (3.71)                  | (14.96)        | (2.41)         | (4.55)         | (6.03)         |
| Net asset value, end of period .....                                  | <u>\$38.84</u>          | <u>\$50.04</u> | <u>\$54.36</u> | <u>\$52.90</u> | <u>\$42.49</u> |
| Total return .....  | (15.19)%                | 21.56%         | 7.49%          | 35.57%         | (11.33)%       |
| Ratios/supplemental data  |                         |                |                |                |                |
| Net assets, end of period (in thousands) .....                        | \$1,293                 | \$3,049        | \$3,285        | \$4,292        | \$6,687        |
| Ratio of expenses to average net assets .....                         | 1.60%                   | 1.44%          | 1.47%          | 1.43%          | 1.35%          |
| Ratio of net investment income (loss) to<br>average net assets .....  | (0.19)%                 | (0.84)%        | (0.55)%        | (0.27)%        | (0.49)%        |
| Portfolio turnover rate .....   | 102%                    | 99%            | 69%            | 88%            | 123%           |

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

**AQUILA OPPORTUNITY GROWTH FUND**  
**FINANCIAL HIGHLIGHTS (continued)**

|   | Class Y                 |                |                |                |                |
|---|-------------------------|----------------|----------------|----------------|----------------|
|   | Year Ended December 31, |                |                |                |                |
|   | 2022                    | 2021           | 2020           | 2019           | 2018           |
| Net asset value, beginning of period .....                            | \$53.42                 | \$57.00        | \$55.24        | \$44.11        | \$55.91        |
| Income (loss) from investment operations:                             |                         |                |                |                |                |
| Net investment income (loss) <sup>(1)</sup> .....                     | 0.04                    | (0.37)         | (0.17)         | (0.02)         | (0.10)         |
| Net gain (loss) on securities<br>(both realized and unrealized) ..... | (7.93)                  | 11.75          | 4.34           | 15.70          | (5.67)         |
| Total from investment operations .....                                | (7.89)                  | 11.38          | 4.17           | 15.68          | (5.77)         |
| Less distributions:   |                         |                |                |                |                |
| Dividends from net investment income .....                            | —                       | —              | —              | —              | —              |
| Distributions from capital gains .....                                | (3.71)                  | (14.96)        | (2.41)         | (4.55)         | (6.03)         |
| Total distributions .....   | (3.71)                  | (14.96)        | (2.41)         | (4.55)         | (6.03)         |
| Net asset value, end of period .....                                  | <u>\$41.82</u>          | <u>\$53.42</u> | <u>\$57.00</u> | <u>\$55.24</u> | <u>\$44.11</u> |
| Total return .....  | (14.98)%                | 21.88%         | 7.71%          | 35.90%         | (11.09)%       |
| Ratios/supplemental data  |                         |                |                |                |                |
| Net assets, end of period (in thousands) .....                        | \$59,173                | \$105,557      | \$126,001      | \$179,349      | \$176,998      |
| Ratio of expenses to average net assets .....                         | 1.36%                   | 1.19%          | 1.23%          | 1.20%          | 1.11%          |
| Ratio of net investment income (loss) to<br>average net assets .....  | 0.09%                   | (0.60)%        | (0.33)%        | (0.05)%        | (0.18)%        |
| Portfolio turnover rate .....   | 102%                    | 99%            | 69%            | 88%            | 123%           |

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

## **Broker-Defined Sales Charge Waiver Policies**

The information below has been provided by the named financial intermediaries. Please contact the applicable financial intermediary with any questions regarding how it applies the policies described below or for assistance in determining whether you may qualify for a particular sales charge waiver or discount.

### **Merrill Lynch:**

Shareholders purchasing Fund shares through a Merrill Lynch platform or account will be eligible only for the following load waivers (front-end sales charge waivers and contingent deferred, or back-end, sales charge waivers) and discounts, which may differ from those disclosed elsewhere in this Fund's prospectus or SAI.

### **Front-end Sales Load Waivers on Class A Shares available at Merrill Lynch**

- Employer-sponsored retirement, deferred compensation and employee benefit plans (including health savings accounts) and trusts used to fund those plans, provided that the shares are not held in a commission-based brokerage account and shares are held for the benefit of the plan
- Shares purchased by a 529 Plan (does not include 529 Plan units or 529-specific share classes or equivalents)
- Shares purchased through a Merrill Lynch affiliated investment advisory program
- Shares exchanged due to the holdings moving from a Merrill Lynch affiliated investment advisory program to a Merrill Lynch brokerage (non-advisory) account pursuant to Merrill Lynch's policies relating to sales load discounts and waivers
- Shares purchased by third party investment advisors on behalf of their advisory clients through Merrill Lynch's platform
- Shares of funds purchased through the Merrill Edge Self-Directed platform (if applicable)
- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund (but not any other fund within Aquila Group of Funds)
- Shares exchanged from Class C (i.e. level-load) shares of the same fund pursuant to Merrill Lynch's policies relating to sales load discounts and waivers
- Employees and registered representatives of Merrill Lynch or its affiliates and their family members
- Directors or Trustees of the Fund, and employees of the Fund's investment adviser or any of its affiliates, as described in the prospectus
- Eligible shares purchased from the proceeds of redemptions within the Aquila Group of Funds, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same account, and

(3) redeemed shares were subject to a front-end or deferred sales load (known as Rights of Reinstatement). Automated transactions (i.e. systematic purchases and withdrawals) and purchases made after shares are automatically sold to pay Merrill Lynch's account maintenance fees are not eligible for reinstatement

### **CDSC Waivers on Class A and C Shares available at Merrill Lynch**

- Death or disability of the shareholder
- Shares sold as part of a systematic withdrawal plan as described in the Fund's Prospectus
- Return of excess contributions from an IRA Account
- Shares sold as part of a required minimum distribution for IRA and retirement accounts pursuant to the Internal Revenue Code
- Shares sold to pay Merrill Lynch fees but only if the transaction is initiated by Merrill Lynch
- Shares acquired through a right of reinstatement
- Shares held in retirement brokerage accounts, that are exchanged for a lower cost share class due to transfer to certain fee based accounts or platforms (applicable to Class A and Class C shares only)
- Shares received through an exchange due to the holdings moving from a Merrill Lynch affiliated investment advisory program to a Merrill Lynch brokerage (non-advisory) account pursuant to Merrill Lynch's policies relating to sales load discounts and waivers

### **Front-end load Discounts Available at Merrill Lynch: Breakpoints, Rights of Accumulation & Letters of Intent**

- Breakpoints as described in this prospectus.
- Rights of Accumulation (ROA) which entitle shareholders to breakpoint discounts as described in the Fund's prospectus will be automatically calculated based on the aggregated holding of Aquila Group of Funds assets held by accounts (including 529 program holdings, where applicable) within the purchaser's household at Merrill Lynch. Eligible Aquila Group of Funds not held at Merrill Lynch may be included in the ROA calculation only if the shareholder notifies his or her financial advisor about such assets
- Letters of Intent (LOI) which allow for breakpoint discounts based on anticipated purchases within Aquila Group of Funds, through Merrill Lynch, over a 13-month period of time (if applicable)

### **Morgan Stanley Smith Barney:**

Effective July 1, 2018, shareholders purchasing Fund shares through a Morgan Stanley Wealth Management transactional brokerage account will be eligible only for the following front-end sales charge waivers with respect

to Class A shares, which may differ from and may be more limited than those disclosed elsewhere in this Fund's Prospectus or SAI.

#### **Front-End Sales Charge Waivers on Class A Shares available at Morgan Stanley Wealth Management**

- Employer-sponsored retirement plans (e.g., 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans). For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs, SAR-SEPs or Keogh plans
- Morgan Stanley employee and employee-related accounts according to Morgan Stanley's account linking rules
- Shares purchased through reinvestment of dividends and capital gains distributions when purchasing shares of the same fund
- Shares purchased through a Morgan Stanley self-directed brokerage account
- Class C (i.e., level-load) shares that are no longer subject to a contingent deferred sales charge and are converted to Class A shares of the same fund pursuant to Morgan Stanley Wealth Management's share class conversion program
- Shares purchased from the proceeds of redemptions within the same fund family, provided (i) the repurchase occurs within 90 days following the redemption, (ii) the redemption and purchase occur in the same account, and (iii) redeemed shares were subject to a front-end or deferred sales charge.

#### **Raymond James & Associates, Inc., Raymond James Financial Services & Raymond James affiliates ("Raymond James"):**

Effective March 1, 2019, shareholders purchasing fund shares through a Raymond James platform or account, or through an introducing broker-dealer or independent registered investment adviser for which Raymond James provides trade execution, clearance, and/or custody services, will be eligible only for the following load waivers (front-end sales charge waivers and contingent deferred, or back-end, sales charge waivers) and discounts, which may differ from those disclosed elsewhere in this fund's prospectus or SAI.

#### **Front-End Sales Load Waivers on Class A Shares available at Raymond James**

- Shares purchased in an investment advisory program.
- Shares purchased within the same fund family through a systematic reinvestment of capital gains and dividend distributions.
- Employees and registered representatives of Raymond James or its affiliates and their family

members as designated by Raymond James.

- Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (known as Rights of Reinstatement).
- A shareholder in the Fund's Class C shares will have their shares converted at net asset value to Class A shares (or the appropriate share class) of the Fund if the shares are no longer subject to a CDSC and the conversion is in line with the policies and procedures of Raymond James.

#### **CDSC Waivers on Classes A, B and C Shares available at Raymond James**

- Death or disability of the shareholder.
- Shares sold as part of a systematic withdrawal plan as described in the fund's prospectus.
- Return of excess contributions from an IRA Account.
- Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the shareholder reaching the qualified age based on applicable IRS regulations as described in the fund's prospectus.
- Shares sold to pay Raymond James fees but only if the transaction is initiated by Raymond James.
- Shares acquired through a right of reinstatement.

#### **Front-End Load Discounts available at Raymond James: Breakpoints, and/or Rights of Accumulation**

- Breakpoints as described in this prospectus.
- Rights of accumulation which entitle shareholders to breakpoint discounts will be automatically calculated based on the aggregated holding of fund family assets held by accounts within the purchaser's household at Raymond James. Eligible fund family assets not held at Raymond James may be included in the calculation of rights of accumulation only if the shareholder notifies his or her financial advisor about such assets.
- Letters of intent which allow for breakpoint discounts based on anticipated purchases within a fund family, over a 13-month time period. Eligible fund family assets not held at Raymond James may be included in the calculation of letters of intent only if the shareholder notifies his or her financial advisor about such assets.

#### **Janney Montgomery Scott LLC ("Janney"):**

Effective May 1, 2020, if you purchase fund shares through a Janney brokerage account, you will be eligible for the following load waivers (front-end sales charge waivers and contingent deferred sales charge ("CDSC"), or back-end sales charge, waivers) and discounts, which may differ from those disclosed elsewhere in this fund's Prospectus or SAI.

### **Front-end sales charge\* waivers on Class A shares available at Janney**

- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund (but not any other fund within the fund family).
- Shares purchased by employees and registered representatives of Janney or its affiliates and their family members as designated by Janney.
- Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within ninety (90) days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (i.e., right of reinstatement).
- Employer-sponsored retirement plans (e.g., 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans). For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs, SAR-SEPs or Keogh plans.
- Shares acquired through a right of reinstatement.
- Class C shares that are no longer subject to a contingent deferred sales charge and are converted to Class A shares of the same fund pursuant to Janney's policies and procedures.

### **CDSC waivers on Class A and C shares available at Janney**

- Shares sold upon the death or disability of the shareholder.
- Shares sold as part of a systematic withdrawal plan as described in the fund's Prospectus.
- Shares purchased in connection with a return of excess contributions from an IRA account.
- Shares sold as part of a required minimum distribution for IRA and retirement accounts if the redemption is taken in or after the year the shareholder reaches qualified age based on applicable IRS regulations.
- Shares sold to pay Janney fees but only if the transaction is initiated by Janney.
- Shares acquired through a right of reinstatement.
- Shares exchanged into the same share class of a different fund.

### **Front-end sales charge\* discounts available at Janney: breakpoints, rights of accumulation, and/or letters of intent**

- Breakpoints as described in the fund's Prospectus.
- Rights of accumulation ("ROA"), which entitle shareholders to breakpoint discounts, will be automatically calculated based on the aggregated holding of fund family assets held by accounts within the purchaser's household at Janney. Eligible fund family assets not held at Janney

may be included in the ROA calculation only if the shareholder notifies his or her financial advisor about such assets.

- Letters of intent which allow for breakpoint discounts based on anticipated purchases within a fund family, over a 13-month time period. Eligible fund family assets not held at Janney Montgomery Scott may be included in the calculation of letters of intent only if the shareholder notifies his or her financial advisor about such assets.

\* Also referred to as an "initial sales charge."

### **Oppenheimer & Co. Inc. ("OPCO"):**

Effective May 1, 2020, shareholders purchasing Fund shares through an OPCO platform or account are eligible only for the following load waivers (front-end sales charge waivers and contingent deferred, or back-end, sales charge waivers) and discounts, which may differ from those disclosed elsewhere in this Fund's prospectus or SAI.

### **Front-end Sales Load Waivers on Class A Shares available at OPCO**

- Employer-sponsored retirement, deferred compensation and employee benefit plans (including health savings accounts) and trusts used to fund those plans, provided that the shares are not held in a commission-based brokerage account and shares are held for the benefit of the plan
- Shares purchased by or through a 529 Plan
- Shares purchased through a OPCO affiliated investment advisory program
- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund (but not any other fund within the fund family)
- Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (known as Rights of Restatement).
- A shareholder in the Fund's Class C shares will have their shares converted at net asset value to Class A shares (or the appropriate share class) of the Fund if the shares are no longer subject to a CDSC and the conversion is in line with the policies and procedures of OPCO
- Employees and registered representatives of OPCO or its affiliates and their family members
- Directors or Trustees of the Fund, and employees of the Fund's investment adviser or any of its affiliates, as described in this prospectus

### **CDSC Waivers on A, B and C Shares available at OPCO**

- Death or disability of the shareholder

- Shares sold as part of a systematic withdrawal plan as described in the Fund's prospectus
- Return of excess contributions from an IRA Account
- Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the shareholder reaching the qualified age based on applicable IRS regulations as described in the prospectus
- Shares sold to pay OPCO fees but only if the transaction is initiated by OPCO
- Shares acquired through a right of reinstatement

#### **Front-end load Discounts Available at OPCO: Breakpoints, Rights of Accumulation & Letters of Intent**

- Breakpoints as described in this prospectus.
- Rights of Accumulation (ROA) which entitle shareholders to breakpoint discounts will be automatically calculated based on the aggregated holding of fund family assets held by accounts within the purchaser's household at OPCO. Eligible fund family assets not held at OPCO may be included in the ROA calculation only if the shareholder notifies his or her financial advisor about such assets.

#### **Edward D. Jones & Co. ("Edward Jones"):**

##### **Sales Waivers and Reductions in Sales Charges**

Effective on or after February 1, 2021, the following information supersedes prior information with respect to transactions and positions held in fund shares through an Edward Jones system. Clients of Edward Jones (also referred to as "shareholders") purchasing fund shares on the Edward Jones commission and fee-based platforms are eligible only for the following sales charge discounts (also referred to as "breakpoints") and waivers, which can differ from discounts and waivers described elsewhere in the mutual fund prospectus or statement of additional information ("SAI") or through another broker-dealer. In all instances, it is the shareholder's responsibility to inform Edward Jones at the time of purchase of any relationship, holdings of Aquila Group of Funds, or other facts qualifying the purchaser for discounts or waivers. Edward Jones can ask for documentation of such circumstance. Shareholders should contact Edward Jones if they have questions regarding their eligibility for these discounts and waivers.

##### **Breakpoints**

- Breakpoint pricing, otherwise known as volume pricing, at dollar thresholds as described in the prospectus.

##### **Rights of Accumulation ("ROA")**

- The applicable sales charge on a purchase of Class A shares is determined by taking into account all share classes (except certain money market funds and any assets held in group retirement plans) of Aquila Group of Funds held by the shareholder or in an account grouped by Edward Jones with other

accounts for the purpose of providing certain pricing considerations ("pricing groups"). If grouping assets as a shareholder, this includes all share classes held on the Edward Jones platform and/or held on another platform. The inclusion of eligible fund family assets in the ROA calculation is dependent on the shareholder notifying Edward Jones of such assets at the time of calculation. Money market funds are included only if such shares were sold with a sales charge at the time of purchase or acquired in exchange for shares purchased with a sales charge.

- The employer maintaining a SEP IRA plan and/or SIMPLE IRA plan may elect to establish or change ROA for the IRA accounts associated with the plan to a plan-level grouping as opposed to including all share classes at a shareholder or pricing group level.
- ROA is determined by calculating the higher of cost minus redemptions or market value (current shares x NAV).

##### **Letter of Intent ("LOI")**

- Through a LOI, shareholders can receive the sales charge and breakpoint discounts for purchases shareholders intend to make over a 13-month period from the date Edward Jones receives the LOI. The LOI is determined by calculating the higher of cost or market value of qualifying holdings at LOI initiation in combination with the value that the shareholder intends to buy over a 13-month period to calculate the front-end sales charge and any breakpoint discounts. Each purchase the shareholder makes during that 13-month period will receive the sales charge and breakpoint discount that applies to the total amount. The inclusion of eligible fund family assets in the LOI calculation is dependent on the shareholder notifying Edward Jones of such assets at the time of calculation. Purchases made before the LOI is received by Edward Jones are not adjusted under the LOI and will not reduce the sales charge previously paid. Sales charges will be adjusted if LOI is not met.
- If the employer maintaining a SEP IRA plan and/or SIMPLE IRA plan has elected to establish or change ROA for the IRA accounts associated with the plan to a plan-level grouping, LOIs will also be at the plan-level and may only be established by the employer.

##### **Sales Charge Waivers**

Sales charges are waived for the following shareholders and in the following situations:

- Associates of Edward Jones and its affiliates and their family members who are in the same pricing group (as determined by Edward Jones under its policies and procedures) as the associate. This waiver will continue for the remainder of the associate's life if

the associate retires from Edward Jones in good-standing and remains in good standing pursuant to Edward Jones' policies and procedures.

- Shares purchased in an Edward Jones fee-based program.
- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment.
- Shares purchased from the proceeds of redeemed shares of the same fund family so long as the following conditions are met: 1) the proceeds are from the sale of shares within 60 days of the purchase, and 2) the sale and purchase are made in the same share class and the same account or the purchase is made in an individual retirement account with proceeds from liquidations in a non-retirement account.
- Shares exchanged into Class A shares from another share class so long as the exchange is into the same fund and was initiated at the discretion of Edward Jones. Edward Jones is responsible for any remaining CDSC due to the fund company, if applicable. Any future purchases are subject to the applicable sales charge as disclosed in the prospectus.
- Exchanges from Class C shares to Class A shares of the same fund, generally, in the 84th month following the anniversary of the purchase date or earlier at the discretion of Edward Jones.

#### **Contingent Deferred Sales Charge ("CDSC") Waivers**

If the shareholder purchases shares that are subject to a CDSC and those shares are redeemed before the CDSC is expired, the shareholder is responsible to pay the CDSC except in the following conditions:

- The death or disability of the shareholder.
- Systematic withdrawals with up to 10% per year of the account value.
- Return of excess contributions from an Individual Retirement Account (IRA).
- Shares sold as part of a required minimum distribution for IRA and retirement accounts if the redemption is taken in or after the year the shareholder reaches qualified age based on applicable IRS regulations.
- Shares sold to pay Edward Jones fees or costs in such cases where the transaction is initiated by Edward Jones.
- Shares exchanged in an Edward Jones fee-based program.
- Shares acquired through NAV reinstatement.
- Shares redeemed at the discretion of Edward Jones for Minimum Balances, as described below.

\*\*\*\*\*

#### **Other Important Information Regarding Transactions Through Edward Jones**

##### **Minimum Purchase Amounts**

- Initial purchase minimum: \$250
- Subsequent purchase minimum: none

##### **Minimum Balances**

- Edward Jones has the right to redeem at its discretion fund holdings with a balance of \$250 or less. The following are examples of accounts that are not included in this policy:
  - A fee-based account held on an Edward Jones platform
  - A 529 account held on an Edward Jones platform
  - An account with an active systematic investment plan or LOI

##### **Exchanging Share Classes**

- At any time it deems necessary, Edward Jones has the authority to exchange at NAV a shareholder's holdings in a fund to Class A shares of the same fund.

##### **Robert W. Baird & Co. ("Baird"):**

Effective June 15, 2020, shareholders purchasing fund shares through a Baird platform or account will only be eligible for the following sales charge waivers (front-end sales charge waivers and CDSC waivers) and discounts, which may differ from those disclosed elsewhere in this prospectus or the SAI

##### **Front-End Sales Charge Waivers on Investors A-shares Available at Baird**

- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund
- Shares purchased by employees and registers representatives of Baird or its affiliate and their family members as designated by Baird
- Shares purchased using the proceeds of redemptions from an Aquila Fund, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same accounts, and (3) redeemed shares were subject to a front-end or deferred sales charge (known as rights of reinstatement)
- A shareholder in the Funds Investor C Shares will have their share converted at net asset value to Investor A shares of the same fund if the shares are no longer subject to CDSC and the conversion is in line with the policies and procedures of Baird



- Employer-sponsored retirement plans or charitable accounts in a transactional brokerage account at Baird, including 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans. For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs or SAR-SEPs

**CDSC Waivers on Investor A and C shares Available at Baird**

- Shares sold due to death or disability of the shareholder
- Shares sold as part of a systematic withdrawal plan as described in the Fund's Prospectus
- Shares bought due to returns of excess contributions from an IRA Account
- Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the shareholder reaching the qualified age based on applicable Internal Revenue Service regulations as described in the Fund's prospectus

- Shares sold to pay Baird fees but only if the transaction is initiated by Baird
- Shares acquired through a right of reinstatement

**Front-End Sales Charge Discounts Available at Baird: Breakpoints and/or Rights of Accumulations**

- Breakpoints as described in this prospectus
- Rights of accumulations which entitles shareholders to breakpoint discounts will be automatically calculated based on the aggregated holding of Aquila Group of Funds assets held by accounts within the purchaser's household at Baird. Eligible Aquila Group of Funds assets not held at Baird may be included in the rights of accumulations calculation only if the shareholder notifies his or her financial advisor about such assets
- Letters of Intent (LOI) allow for breakpoint discounts based on anticipated purchases of Aquila Group of Funds through Baird, over a 13-month period of time

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**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

**Board of Trustees**

Glenn P. O'Flaherty, Chair  
Diana P. Herrmann, Vice Chair  
John M. Burlingame  
Gary C. Cornia  
Grady Gammage, Jr.  
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John P. McPeake, Vice President and Portfolio Manager  
David M. Schiffman, Vice President and Portfolio Manager  
Steven Yang, Assistant Vice President  
Randall S. Fillmore, Chief Compliance Officer  
Joseph P. DiMaggio, Chief Financial Officer and Treasurer  
Anita Albano, Secretary

**Distributor**

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**Custodian**

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New York, New York 10286

**Independent Registered Public Accounting Firm**

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Two Liberty Place  
50 South 16th Street, Suite 2900  
Philadelphia, Pennsylvania 19102

**Counsel**

Morgan, Lewis & Bockius LLP  
One Federal Street  
Boston, Massachusetts 02110

This Prospectus concisely states information about the Funds that you should know before investing. A Statement of Additional Information about the Funds (the "SAI") has been filed with the Securities and Exchange Commission. The SAI contains information about each Fund and its management not included in this Prospectus. The SAI is incorporated by reference into this Prospectus and is therefore legally a part of this Prospectus.

The Funds' annual and semi-annual reports to shareholders contain additional information about the Funds' investments. The Funds' annual report additionally includes a discussion of the market conditions and investment strategies that significantly affected each Fund's performance during its last fiscal year. You can get the SAI and the Funds' annual and semi-annual reports without charge upon request, and request other information about the Funds and make other inquiries, by calling 800-437-1000 (toll-free) or by visiting the Funds' website at [www.aquilafunds.com](http://www.aquilafunds.com).

Reports and other information about the Funds are available on the EDGAR Database on the Securities and Exchange Commission's Internet site at <http://www.sec.gov>. Copies of this information may be obtained for a duplicating fee by electronic request at the following E-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov).

The file number under which the Funds are registered with the SEC under the Investment Company Act of 1940 is 811-03578.

This Prospectus should be read and retained for future reference