



AQUILA[®]
Tax-Free Trust
of Oregon

Semi-Annual Report

September 30, 2020

Beginning in March 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Trust's shareholder reports like this one will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Trust's website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already receive shareholder reports electronically, you will not be affected by this change and need not take any action. You may elect to receive shareholder reports and other communications electronically by contacting your financial intermediary (i.e. broker dealer or bank) or, if you invest directly with the Trust, by calling 1-800-437-1000.

You may elect to receive all future reports in paper free of charge. If you invest directly with the Trust, you can inform the Trust that you wish to continue receiving paper copies of your shareholder reports by calling 1-800-437-1000. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. Your election to receive reports in paper will apply to all funds held in your account if you invest through a financial intermediary or all funds held with the Aquila Group of Funds if you invest directly.



Please Save the Tentative* Date for Your 2021 Shareholder Meeting

Tuesday, May 18, 2021

Oregon Convention Center, Portland, OR

Details will be available on our website as the date approaches:

www.aquilafunds.com

You may also contact your financial professional.

*In light of public health concerns regarding the ongoing coronavirus pandemic (COVID-19), and out of an abundance of caution with a goal to support the health and well-being of shareholders, we will determine at a later date whether or not we believe it is appropriate to hold a meeting. Thank you for your understanding while we navigate these difficult times.



Aquila Tax-Free Trust of Oregon

“Staying the Course”

Serving Oregon investors since 1986



November, 2020

Dear Fellow Shareholder:

The road to financial well-being can be a winding one fraught with obstacles. Since there can be many twists and turns on the path to financial success, what are some steps you can take to increase your odds of reaching your financial goals?

- Get some assistance – A financial professional can help you assess your goals and objectives and, in turn, help you create an investment plan. While many people are highly skilled in their chosen fields of endeavor, when it comes to their personal investments, they often find themselves to be somewhat challenged. This is not surprising. Sufficient personal time and financial knowledge are generally needed to research the broad range of investment options. Fortunately, investors can seek the counsel of qualified financial professionals who are trained to assist in creating an investment program.
- Periodically visit with your financial professional – It’s important to revisit goals and circumstances on a regular basis. Many people mark their calendar to schedule a yearly physical with their doctor. And, many states require annual car inspections. But, when was the last time you scheduled a “financial checkup”? And, if you are already retired, even more importantly, a “retirement checkup?”

A checkup can help you assess if you are still on course for meeting your needs. This is especially important during retirement when it’s more difficult to make corrections. If your numbers don’t add up, the sooner you know, the better. While pre-planning for retirement is critical, it is just as important to evaluate how much money is coming in and going out once you have retired, particularly during periods when the market is volatile or down. Haven’t spoken to your financial professional in a while? Maybe it’s time to give him/her a call and schedule your financial/retirement checkup.

- Sketch out an investment map - where are you now, where do you want to be and how long do you have to get there? Develop an asset allocation model – diversify by not putting all of your eggs in one basket and rebalance your portfolio periodically to stay in line with your goals and timeline. Creating a sound investment strategy is a step-by-step process that requires thought and discipline. Consideration should be given to:
 - o establishing the length of time over which you intend to invest,
 - o determining your risk tolerance or level of comfort, and
 - o developing a diversified investment program that is right for you.

NOT A PART OF THE SEMI-ANNUAL REPORT

- Make a plan and stick to it. In other words, stay the course. Stay focused on your long-term goals. While there may be little bumps along the way, it can be helpful to remember that you (oftentimes with the assistance of a financial professional) have to conduct thorough research in order to choose an appropriate “financial road”. If your financial plan is a sound one, and is in line with your goals, be patient. It may not make sense to get off the road looking for a short-cut - you may just get lost.

Sincerely,



A handwritten signature in black ink that reads "Diana P. Herrmann". The signature is fluid and cursive.

Diana P. Herrmann, Vice Chair and President

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

The market prices of the Fund's securities may rise or decline in value due to general market conditions, such as real or perceived adverse economic or political conditions, inflation, changes in interest rates, lack of liquidity in the bond markets or adverse investor sentiment. When market prices fall, the value of your investment may go down. In the past several years, financial markets have experienced increased volatility, depressed valuations, decreased liquidity and heightened uncertainty. These conditions may continue, recur, worsen or spread.

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

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

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

The value of municipal securities can be adversely affected by changes in the financial condition of one or more individual municipal issuers or insurers of municipal issuers, regulatory developments, legislative actions, and by uncertainties and public perceptions concerning these and other factors. The Fund may be affected significantly by adverse economic, political or other events affecting state and other municipal issuers in which it invests, and may be more volatile than a more geographically diverse fund.

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

These risks may result in share price volatility.

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

AQUILA TAX-FREE TRUST OF OREGON
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2020 (unaudited)

| Principal Amount | General Obligation Bonds (55.1%) | Ratings Moody's, S&P and Fitch | Value |
|------------------|---|--------------------------------------|--------------|
| | City & County (5.0%) | | |
| | Bend, Oregon | | |
| \$ 2,435,000 | 4.000%, 06/01/24 | Aa2/NR/NR | \$ 2,582,512 |
| | Canby, Oregon | | |
| 1,060,000 | 5.000%, 06/01/27 | Aa3/NR/NR | 1,090,051 |
| 1,405,000 | 4.000%, 12/01/24 AGMC Insured | Aa3/NR/NR | 1,490,073 |
| | Clackamas County, Oregon Refunding | | |
| 1,135,000 | 4.000%, 06/01/24 | Aaa/NR/NR | 1,206,301 |
| | Clatsop County, Oregon | | |
| 1,000,000 | 5.000%, 06/15/32 | Aa2/NR/NR | 1,323,300 |
| | Gresham, Oregon Full Faith and Credit Refunding and Project Obligations | | |
| 1,545,000 | 5.000%, 05/01/23 | Aa2/NR/NR | 1,734,680 |
| | Hermiston, Oregon Full Faith and Credit Refunding Obligations | | |
| 780,000 | 4.000%, 06/01/32 Series 2020 | NR/A+/NR | 953,160 |
| | City of Hillsboro, Washington County Oregon Full Faith and Credit Bonds | | |
| 465,000 | 5.000%, 06/01/30 | Aa1/NR/NR | 621,226 |
| | Lake Oswego, Oregon Refunding | | |
| 3,140,000 | 4.000%, 12/01/30 | Aaa/AAA/NR | 3,779,398 |
| | Lebanon, Oregon Refunding | | |
| 1,050,000 | 5.000%, 06/01/24 | A1/NR/NR | 1,177,617 |
| 1,165,000 | 5.000%, 06/01/25 | A1/NR/NR | 1,400,796 |
| | McMinnville, Oregon Refunding | | |
| 2,075,000 | 5.000%, 02/01/27 | Aa3/NR/NR | 2,473,608 |
| | Multnomah County, Oregon | | |
| 3,000,000 | 5.000%, 06/01/30 | Aaa/AAA/NR | 3,818,070 |
| | Portland, Oregon Limited Tax, Sellwood Bridge & Archive Space Projects | | |
| 1,640,000 | 4.000%, 04/01/29 2017 Series A | Aaa/NR/NR | 1,966,032 |
| 1,710,000 | 4.000%, 04/01/30 2017 Series A | Aaa/NR/NR | 2,027,615 |
| 1,775,000 | 4.000%, 04/01/31 2017 Series A | Aaa/NR/NR | 2,088,589 |
| | Portland, Oregon Public Safety | | |
| 1,345,000 | 5.000%, 06/15/25 Series A | Aaa/NR/NR | 1,642,353 |
| | Redmond, Oregon Full Faith and Credit Bonds | | |
| 1,140,000 | 5.000%, 06/01/34 Series B-1 | Aa3/NR/NR | 1,457,889 |

AQUILA TAX-FREE TRUST OF OREGON
SCHEDULE OF INVESTMENTS (continued)
SEPTEMBER 30, 2020 (unaudited)

| Principal Amount | General Obligation Bonds (continued) | Ratings Moody's, S&P and Fitch | Value |
|------------------|---|--------------------------------------|-------------------|
| | <u>City & County (continued)</u> | | |
| | Redmond, Oregon Refunding | | |
| \$ 735,000 | 5.000%, 06/01/23 Series A | Aa3/NR/NR | \$ 793,094 |
| | Total City & County | | <u>33,626,364</u> |
| | <u>Community College (4.9%)</u> | | |
| | Blue Mountain Community College District Umatilla, Oregon Morrow and Baker Counties Oregon (Umatilla and Morrow Counties Service Area) | | |
| 970,000 | 4.000%, 06/15/27 Series 2015 | NR/AA+/NR | 1,116,218 |
| | Central Oregon Community College District | | |
| 1,850,000 | 4.750%, 06/15/22 | NR/AA+/NR | 1,854,514 |
| 2,195,000 | 4.750%, 06/15/23 | NR/AA+/NR | 2,200,290 |
| 2,175,000 | 4.750%, 06/15/26 | NR/AA+/NR | 2,180,089 |
| | Chemeketa, Oregon Community College District | | |
| 2,000,000 | 5.000%, 06/15/25 | NR/AA+/NR | 2,341,200 |
| | Clackamas, Oregon Community College District | | |
| 1,405,000 | 5.000%, 06/15/27 Series A | Aa1/AA+/NR | 1,697,310 |
| | Columbia Gorge, Oregon Community College District, Refunding | | |
| 1,000,000 | 4.000%, 06/15/24 | Aa1/NR/NR | 1,063,720 |
| | Lane, Oregon Community College | | |
| 1,840,000 | 5.000%, 06/15/24 | NR/AA+/NR | 1,988,801 |
| 1,750,000 | 4.000%, 06/15/24 | Aa1/NR/NR | 1,991,868 |
| 1,930,000 | 5.000%, 06/15/30 Series 2020 A | Aa1/NR/NR | 2,651,897 |
| 1,735,000 | 4.000%, 06/15/32 Series 2020 A | Aa1/NR/NR | 2,174,181 |
| 1,000,000 | 4.000%, 06/15/33 Series 2020 A | Aa1/NR/NR | 1,245,120 |
| 750,000 | 4.000%, 06/15/34 Series 2020 A | Aa1/NR/NR | 929,528 |
| | Linn Benton, Oregon Community College | | |
| 1,520,000 | 5.000%, 06/01/27 | NR/AA+/NR | 1,833,880 |
| | Mount Hood, Oregon Community College District Refunding | | |
| 1,865,000 | 5.000%, 06/01/27 | Aa2/NR/NR | 2,320,582 |
| 1,000,000 | 5.000%, 06/01/29 | Aa2/NR/NR | 1,241,130 |

AQUILA TAX-FREE TRUST OF OREGON
SCHEDULE OF INVESTMENTS (continued)
SEPTEMBER 30, 2020 (unaudited)

| Principal Amount | General Obligation Bonds (continued) | Ratings Moody's, S&P and Fitch | Value |
|---------------------|---|--------------------------------------|-------------------|
| | <u>Community College (continued)</u> | | |
| | Oregon Coast Community College District State | | |
| \$ 1,770,000 | 5.000%, 06/15/25 | Aa1/NR/NR | \$ 1,911,883 |
| | Rogue, Oregon Community College District | | |
| 1,375,000 | 4.000%, 06/15/29 Series B | Aa1/NR/NR | <u>1,606,633</u> |
| | Total Community College | | <u>32,348,844</u> |
| | <u>Hospital (0.8%)</u> | | |
| | Pacific Communities Health District, Oregon | | |
| 1,220,000 | 5.000%, 06/01/29 | A1/NR/NR | 1,488,363 |
| 1,060,000 | 5.000%, 06/01/30 | A1/NR/NR | 1,287,296 |
| 1,000,000 | 5.000%, 06/01/31 | A1/NR/NR | 1,209,540 |
| 1,200,000 | 5.000%, 06/01/32 | A1/NR/NR | <u>1,444,872</u> |
| | Total Hospital | | <u>5,430,071</u> |
| | <u>School District (30.2%)</u> | | |
| | Benton & Linn Counties, Oregon School District #509J (Corvallis) | | |
| 2,000,000 | 5.000%, 06/15/31 Series B | Aa1/AA+/NR | 2,590,840 |
| 1,615,000 | 5.000%, 06/15/32 Series B | Aa1/AA+/NR | 2,079,619 |
| | Clackamas County, Oregon School District #12 (North Clackamas) | | |
| 1,165,000 | 5.000%, 06/15/25 | Aa1/AA+/NR | 1,416,465 |
| 3,205,000 | 5.000%, 06/15/30 | Aa1/AA+/NR | 4,056,761 |
| 4,725,000 | 5.000%, 06/15/31 | Aa1/AA+/NR | 5,952,649 |
| 1,100,000 | 5.000%, 06/15/32 | Aa1/NR/NR | 1,413,654 |
| 2,160,000 | 5.000%, 06/15/29 Series B | Aa1/AA+/NR | 2,748,082 |
| 3,000,000 | 5.000%, 06/15/34 Series B | Aa1/AA+/NR | 3,732,420 |
| | Clackamas County, Oregon School District #62 (Oregon City) | | |
| 560,000 | 5.000%, 06/01/29 MAC Insured | Aa3/AA/NR | 649,925 |
| 1,310,000 | 5.000%, 06/15/31 Series B | Aa1/AA+/NR | 1,699,253 |
| | Clackamas County, Oregon School District #86 (Canby) | | |
| 1,100,000 | 4.000%, 06/15/34 Series 2020 A | Aa1/NR/NR | 1,363,307 |
| | Clackamas & Washington Counties, Oregon School District No. 3JT (West Linn-Wilsonville) | | |
| 3,500,000 | 5.000%, 06/15/26 | Aa1/AA+/NR | 4,257,295 |
| 5,500,000 | 5.000%, 06/15/27 | Aa1/AA+/NR | 6,687,175 |

AQUILA TAX-FREE TRUST OF OREGON
SCHEDULE OF INVESTMENTS (continued)
SEPTEMBER 30, 2020 (unaudited)

| Principal Amount | General Obligation Bonds (continued) | Ratings Moody's, S&P and Fitch | Value |
|---------------------|---|--------------------------------------|--------------|
| | School District (continued) | | |
| | Clackamas & Washington Counties, Oregon School District No. 3JT (West Linn-Wilsonville) (continued) | | |
| \$ 1,115,000 | 5.000%, 06/15/28 | Aa1/AA+/NR | \$ 1,351,023 |
| 1,000,000 | 5.000%, 06/15/33 | Aa1/NR/NR | 1,341,380 |
| | Clatsop County, Oregon School District #1C (Astoria) | | |
| 1,080,000 | 5.000%, 06/15/31 Series B | Aa1/NR/NR | 1,430,255 |
| 1,215,000 | 5.000%, 06/15/32 Series B | Aa1/NR/NR | 1,598,381 |
| | Clatsop County, Oregon School District #30 (Warrenton-Hammond) | | |
| 1,590,000 | 5.000%, 06/15/31 Series B | Aa1/NR/NR | 2,105,653 |
| 1,145,000 | 5.000%, 06/15/32 Series B | Aa1/NR/NR | 1,506,293 |
| 1,115,000 | 5.000%, 06/15/34 Series B | Aa1/NR/NR | 1,453,592 |
| | Clatsop County, Oregon School District #10 (Seaside) | | |
| 1,000,000 | 5.000%, 06/15/29 Series B | Aa1/AA+/NR | 1,273,760 |
| | Columbia County, Oregon School District #502 (St. Helens) | | |
| 1,000,000 | 5.000%, 06/15/34 | Aa1/NR/NR | 1,240,500 |
| | Coos County, Oregon School District #9 (Coos Bay) | | |
| 1,035,000 | 5.000%, 06/15/32 | NR/AA+/NR | 1,330,120 |
| | Deschutes County, Oregon Administrative School District #1 (Bend - La Pine) | | |
| 740,000 | 5.000%, 06/15/30 | Aa1/NR/NR | 993,080 |
| 3,000,000 | 4.000%, 06/15/30 | Aa1/AA+/NR | 3,581,070 |
| 2,150,000 | 5.000%, 06/15/31 | Aa1/NR/NR | 2,868,293 |
| 1,470,000 | 4.000%, 06/15/32 | Aa1/NR/NR | 1,805,748 |
| | Deschutes County, Oregon School District #6 (Sisters) | | |
| 1,030,000 | 5.250%, 06/15/21 AGMC Insured | A2/AA+/NR | 1,067,028 |
| | Deschutes and Jefferson Counties, Oregon School District #02J (Redmond) | | |
| 80,000 | 5.000%, 06/15/21 NCFG/ FGIC Insured. . | Aa1/NR/NR | 80,314 |
| 1,025,000 | zero coupon, 06/15/23 | Aa1/NR/NR | 1,012,382 |
| | Greater Albany School District #8J (Linn & Benton Counties) | | |
| 1,000,000 | 5.000%, 06/15/30 | Aa1/AA+/NR | 1,269,490 |

AQUILA TAX-FREE TRUST OF OREGON
SCHEDULE OF INVESTMENTS (continued)
SEPTEMBER 30, 2020 (unaudited)

| Principal Amount | General Obligation Bonds (continued) | Ratings Moody's, S&P and Fitch | Value |
|------------------|---|--------------------------------------|--------------|
| | School District (continued) | | |
| | Hood River County, Oregon School District | | |
| \$ 2,260,000 | 4.000%, 06/15/30 | NR/AA+/NR | \$ 2,627,476 |
| 2,400,000 | 4.000%, 06/15/31 | NR/AA+/NR | 2,771,520 |
| | Jackson County, Oregon School District #5 (Ashland) | | |
| 1,385,000 | 5.000%, 06/15/28 | Aa1/AA+/NR | 1,828,906 |
| 2,700,000 | 5.000%, 06/15/29 Series 2019 | Aa1/AA+/NR | 3,641,409 |
| 550,000 | 5.000%, 06/15/30 Series 2019 | Aa1/AA+/NR | 735,383 |
| 2,845,000 | 5.000%, 06/15/34 | Aa1/AA+/NR | 3,708,941 |
| | Jackson County, Oregon School District #6 (Central Point) | | |
| 2,665,000 | 5.000%, 06/15/31 | Aa1/NR/NR | 3,529,286 |
| | Klamath County, Oregon School District | | |
| 1,250,000 | 5.000%, 06/15/24 | NR/AA+/NR | 1,409,512 |
| | Lane County, Oregon School District #4J (Eugene) Refunding | | |
| 2,765,000 | 3.000%, 06/15/24 | Aa1/NR/NR | 3,039,924 |
| | Lane County, Oregon School District #19 (Springfield) | | |
| 1,000,000 | 5.000%, 06/15/25 | Aa1/AA+/NR | 1,213,240 |
| 1,735,000 | 5.000%, 06/15/27 | Aa1/AA+/NR | 2,100,460 |
| | Lane County, Oregon School District #69 (Junction City) | | |
| 630,000 | 5.000%, 06/15/25 | Aa1/NR/NR | 765,324 |
| | Lane & Douglas Counties, Oregon School District #45J3 | | |
| 2,665,000 | 4.000%, 06/15/27 Series B | Aa1/NR/NR | 3,150,376 |
| | Lincoln County, Oregon School District | | |
| 2,370,000 | 4.000%, 06/15/24 Series A | Aa1/NR/NR | 2,432,402 |
| | Linn & Marion Counties, Oregon School District #129J (Santiam Canyon) | | |
| 750,000 | 5.000%, 06/15/34 | NR/AA+/NR | 974,175 |
| | Marion County, Oregon School District #103 (Woodburn) | | |
| 2,140,000 | 5.000%, 06/15/27 | Aa1/NR/NR | 2,573,050 |
| 2,260,000 | 5.000%, 06/15/28 | Aa1/NR/NR | 2,715,028 |

AQUILA TAX-FREE TRUST OF OREGON
SCHEDULE OF INVESTMENTS (continued)
SEPTEMBER 30, 2020 (unaudited)

| Principal Amount | General Obligation Bonds (continued) | Ratings Moody's, S&P and Fitch | Value |
|---------------------|---|--------------------------------------|--------------|
| | School District (continued) | | |
| | Marion & Polk Counties, Oregon School District #24J (Salem-Keizer) | | |
| \$ 5,000,000 | 5.000%, 06/15/30 | Aa1/AA+/NR | \$ 6,528,950 |
| 5,525,000 | 5.000%, 06/15/31 | Aa1/AA+/NR | 7,176,202 |
| 1,000,000 | zero coupon, 06/15/33 (Convertible Deferred Interest Bonds) Series 2020B. | Aa1/AA+/NR | 1,290,450 |
| | Multnomah County, Oregon School District #1J (Portland) | | |
| 2,970,000 | 5.000%, 06/15/26 Series B | Aa1/AA+/NR | 3,607,956 |
| 5,000,000 | 5.000%, 06/15/29 Series 2020 | Aa1/AA+/NR | 6,733,400 |
| | Multnomah County, Oregon School District #7 (Reynolds) | | |
| 5,680,000 | 5.000%, 06/15/26 Series A | Aa1/NR/NR | 6,897,110 |
| 1,500,000 | 5.000%, 06/15/27 Series A | Aa1/NR/NR | 1,817,520 |
| 1,825,000 | 5.000%, 06/15/28 Series A | Aa1/NR/NR | 2,208,469 |
| | Multnomah County, Oregon School District #7 (Reynolds) Refunding | | |
| 1,165,000 | 5.000%, 06/01/29 | Aa3/NR/NR | 1,167,866 |
| | Multnomah County, Oregon School District #40 (David Douglas) | | |
| 1,500,000 | 5.000%, 06/15/23 Series A | NR/AA+/NR | 1,621,305 |
| | Multnomah and Clackamas Counties, Oregon School District #10 (Gresham- Barlow) | | |
| 1,535,000 | 5.000%, 06/15/29 | Aa1/NR/NR | 2,070,208 |
| 1,175,000 | 5.000%, 06/15/31 | Aa1/AA+/NR | 1,487,256 |
| 2,500,000 | 5.000%, 06/15/29 Series B | Aa1/AA+/NR | 3,184,400 |
| | Multnomah and Clackamas Counties, Oregon School District #28JT (Centennial) | | |
| 1,260,000 | 5.000%, 06/15/34 Series 2020 | Aa1/NR/NR | 1,669,059 |
| 715,000 | 5.000%, 06/15/35 Series 2020 | Aa1/NR/NR | 943,164 |
| | Polk, Marion & Benton Counties, Oregon School District #13J (Central) | | |
| 1,515,000 | 4.000%, 02/01/28 | NR/AA+/NR | 1,715,616 |
| | Tillamook & Yamhill Counties, Oregon School District #101 (Nestucca Valley) | | |
| 1,275,000 | 5.000%, 06/15/31 | NR/AA+/NR | 1,664,857 |

AQUILA TAX-FREE TRUST OF OREGON
SCHEDULE OF INVESTMENTS (continued)
SEPTEMBER 30, 2020 (unaudited)

| Principal Amount | General Obligation Bonds (continued) | Ratings Moody's, S&P and Fitch | Value |
|---------------------|--|--------------------------------------|--------------------|
| | School District (continued) | | |
| | Umatilla County, Oregon School District #8 (Hermiston) | | |
| \$ 2,750,000 | 5.000%, 06/15/30 | NR/AA+/NR | \$ 3,824,783 |
| | Union County, Oregon School District #1 (La Grande) | | |
| 1,000,000 | 5.000%, 06/15/27 | Aa1/NR/NR | 1,209,600 |
| | Washington County, Oregon School District #48J (Beaverton) | | |
| 1,500,000 | 5.000%, 06/15/27 Series C | Aa1/AA+/NR | 1,931,475 |
| 2,400,000 | 5.000%, 06/15/35 Series C | Aa1/AA+/NR | 2,994,312 |
| | Washington & Clackamas Counties, Oregon School District #23J (Tigard) | | |
| 2,405,000 | 5.000%, 06/15/30 | Aa1/AA+/NR | 3,053,123 |
| 1,000,000 | 5.000%, 06/15/31 Series A | Aa1/AA+/NR | 1,334,090 |
| 1,000,000 | 5.000%, 06/15/32 Series A | Aa1/AA+/NR | 1,325,250 |
| | Washington, Clackamas & Yamhill Counties, Oregon School District #88J | | |
| 2,785,000 | 5.000%, 06/15/29 Series B | Aa1/AA+/NR | 3,553,688 |
| 2,000,000 | 5.000%, 06/15/29 Series B | Aa1/AA+/NR | 2,623,240 |
| | Washington, Multnomah & Yamhill Counties, Oregon School District #1J (Hillsboro) | | |
| 1,535,000 | 4.000%, 06/15/25 | Aa1/NR/NR | 1,632,304 |
| 3,105,000 | 5.000%, 06/15/30 | Aa1/NR/NR | 3,941,766 |
| 2,110,000 | 5.000%, 06/15/31 | Aa1/NR/NR | 2,666,027 |
| 1,750,000 | 4.000%, 06/15/32 | Aa1/NR/NR | 2,183,913 |
| 2,175,000 | 4.000%, 06/15/33 | Aa1/NR/NR | 2,696,957 |
| | Yamhill County, Oregon School District #8 (Dayton) | | |
| 1,045,000 | 5.000%, 06/15/32 | NR/AA+/NR | 1,374,739 |
| 1,080,000 | 5.000%, 06/15/33 | NR/AA+/NR | 1,412,716 |
| 900,000 | 5.000%, 06/15/34 | NR/AA+/NR | 1,169,010 |
| | Yamhill County, Oregon School District #40 (McMinnville) | | |
| 2,255,000 | 4.000%, 06/15/26 | Aa1/NR/NR | 2,470,984 |
| 1,000,000 | 4.000%, 06/15/29 | Aa1/AA+/NR | 1,170,890 |
| 1,000,000 | 4.000%, 06/15/30 | Aa1/AA+/NR | 1,162,600 |
| | Total School District | | <u>200,687,474</u> |

AQUILA TAX-FREE TRUST OF OREGON
SCHEDULE OF INVESTMENTS (continued)
SEPTEMBER 30, 2020 (unaudited)

| Principal Amount | General Obligation Bonds (continued) | Ratings Moody's, S&P and Fitch | Value |
|------------------|---|--------------------------------------|-------------------|
| | Special District (3.7%) | | |
| | Bend, Oregon Metropolitan Park & Recreational District | | |
| \$ 1,430,000 | 4.000%, 06/01/27 | Aa3/NR/NR | \$ 1,550,806 |
| | Clackamas County, Oregon Fire District No. 1 | | |
| 1,020,000 | 4.000%, 06/01/30 | NR/AA/NR | 1,213,096 |
| 2,705,000 | 4.000%, 06/01/31 | NR/AA/NR | 3,182,703 |
| | Metro, Oregon | | |
| 4,000,000 | 4.000%, 06/01/26 Series A | Aaa/AAA/NR | 4,236,760 |
| 1,100,000 | 5.000%, 06/01/32 Series 2020 A (Green Bond) | Aaa/AAA/NR | 1,495,758 |
| | Tualatin Hills, Oregon Park & Recreational District | | |
| 3,480,000 | 5.000%, 06/01/23 | Aa1/NR/NR | 3,928,746 |
| 4,725,000 | 5.000%, 06/01/24 | Aa1/NR/NR | 5,551,497 |
| 2,775,000 | 5.000%, 06/01/26 | Aa1/NR/NR | <u>3,363,772</u> |
| | Total Special District | | <u>24,523,138</u> |
| | State (9.0%) | | |
| | State of Oregon | | |
| 750,000 | 5.000%, 05/01/25 Series A | Aa1/AA+/AA+ | 877,778 |
| 600,000 | 5.000%, 05/01/31 Series 2018A | Aa1/AA+/AA+ | 781,152 |
| | State of Oregon Article XI-F(1) University Project | | |
| 1,250,000 | 5.000%, 08/01/31 Series I | Aa1/AA+/AA+ | 1,589,313 |
| | State of Oregon Article XI-G Community College Projects | | |
| 1,160,000 | 5.000%, 08/01/27 Series J | Aa1/AA+/AA+ | 1,415,316 |
| | State of Oregon Article XI-G Higher Education | | |
| 500,000 | 5.000%, 08/01/25 Series O | Aa1/AA+/AA+ | 613,010 |
| 1,000,000 | 5.000%, 08/01/26 Series O | Aa1/AA+/AA+ | 1,222,780 |
| 1,000,000 | 5.000%, 08/01/27 Series O | Aa1/AA+/AA+ | 1,220,100 |
| | State of Oregon Article XI-M Seismic Projects | | |
| 1,000,000 | 5.000%, 06/01/30 | Aa1/AA+/AA+ | 1,241,130 |

AQUILA TAX-FREE TRUST OF OREGON
SCHEDULE OF INVESTMENTS (continued)
SEPTEMBER 30, 2020 (unaudited)

| Principal Amount | General Obligation Bonds (continued) | Ratings Moody's, S&P and Fitch | Value |
|------------------|--|--------------------------------------|-------------------|
| | State (continued) | | |
| | State of Oregon Article XI-M and XI-N Seismic Projects | | |
| \$ 1,200,000 | 5.000%, 06/01/31 Series E | Aa1/AA+/AA+ | \$ 1,646,208 |
| 1,180,000 | 5.000%, 06/01/32 Series E | Aa1/AA+/AA+ | 1,607,125 |
| 765,000 | 5.000%, 06/01/33 Series E | Aa1/AA+/AA+ | 1,035,351 |
| 1,125,000 | 5.000%, 06/01/34 Series E | Aa1/AA+/AA+ | 1,516,793 |
| | State of Oregon Article XI-Q State Projects | | |
| 2,140,000 | 5.000%, 11/01/28 | Aa1/AA+/AA+ | 2,665,991 |
| 1,000,000 | 5.000%, 11/01/30 | Aa1/AA+/AA+ | 1,235,250 |
| 2,000,000 | 5.000%, 11/01/31 | Aa1/AA+/AA+ | 2,460,640 |
| 2,920,000 | 5.000%, 05/01/31 Series A | Aa1/AA+/AA+ | 3,890,842 |
| 4,000,000 | 5.000%, 05/01/32 Series A | Aa1/AA+/AA+ | 5,295,880 |
| 1,195,000 | 5.000%, 05/01/28 Series D | Aa1/AA+/AA+ | 1,490,966 |
| 1,255,000 | 5.000%, 05/01/29 Series D | Aa1/AA+/AA+ | 1,563,466 |
| 1,000,000 | 5.000%, 05/01/30 Series D | Aa1/AA+/AA+ | 1,237,720 |
| 2,300,000 | 5.000%, 05/01/28 Series F | Aa1/AA+/AA+ | 2,776,560 |
| 1,500,000 | 5.000%, 05/01/33 Series N | Aa1/AA+/AA+ | 2,000,610 |
| 1,680,000 | 5.000%, 05/01/34 Series N | Aa1/AA+/AA+ | 2,232,132 |
| | State of Oregon Higher Education | | |
| 1,000,000 | 5.000%, 08/01/28 Series A | Aa1/AA+/AA+ | 1,216,880 |
| 1,390,000 | 5.000%, 08/01/31 Series G | Aa1/AA+/AA+ | 1,862,350 |
| 1,920,000 | 5.000%, 08/01/32 Series G | Aa1/AA+/AA+ | 2,554,771 |
| 3,000,000 | 5.000%, 08/01/33 Series G | Aa1/AA+/AA+ | 3,969,780 |
| 1,900,000 | 5.000%, 08/01/34 Series G | Aa1/AA+/AA+ | 2,506,423 |
| 1,250,000 | 5.000%, 08/01/30 Series L | Aa1/AA+/AA+ | 1,596,838 |
| 1,300,000 | 5.000%, 08/01/32 Series L | Aa1/AA+/AA+ | 1,643,772 |
| | State of Oregon Veteran's Welfare | | |
| 450,000 | 1.950%, 06/01/31 Series 2020 I | Aa1/AA+/AA+ | 468,950 |
| 2,000,000 | 2.150%, 12/01/34 Series 2020 I | Aa1/AA+/AA+ | <u>2,088,880</u> |
| | Total State | | <u>59,524,757</u> |
| | Transportation (1.1%) | | |
| | Oregon State Department Transportation Highway User Tax (Senior Lien) | | |
| 5,000,000 | 5.000%, 11/15/29 Series B | Aa1/AAA/AA+ | 6,331,250 |
| | State of Oregon ODOT Projects | | |
| 1,020,000 | 5.000%, 11/15/30 Series M | Aa1/AA+/AA+ | <u>1,292,697</u> |
| | Total Transportation | | <u>7,623,947</u> |

AQUILA TAX-FREE TRUST OF OREGON
SCHEDULE OF INVESTMENTS (continued)
SEPTEMBER 30, 2020 (unaudited)

| Principal Amount | General Obligation Bonds (continued) | Ratings Moody's, S&P and Fitch | Value |
|---------------------|--|--------------------------------------|--------------------|
| | Water & Sewer (0.4%) | | |
| | Gearheart, Oregon | | |
| \$ 1,060,000 | 4.500%, 03/01/26 AGMC Insured | A2/NR/NR | \$ 1,076,165 |
| | Rockwood, Oregon Water Peoples Utility District Water Revenue Refunding | | |
| 1,270,000 | 4.250%, 08/15/26 | Aa3/NR/NR | <u>1,308,443</u> |
| | Total Water & Sewer | | <u>2,384,608</u> |
| | Total General Obligation Bonds | | <u>366,149,203</u> |
| | Revenue Bonds (25.9%) | | |
| | City & County (2.0%) | | |
| | Beaverton, Oregon Special Revenue Bonds | | |
| 200,000 | 5.000%, 06/01/32 Series 2020A | Aa3/NR/NR | 266,760 |
| 500,000 | 5.000%, 06/01/33 Series 2020A | Aa3/NR/NR | 662,185 |
| 400,000 | 5.000%, 06/01/34 Series 2020A | Aa3/NR/NR | 527,744 |
| | Newport, Oregon Urban Renewal Obligations, Refunding | | |
| 565,000 | 4.500%, 06/15/22 Series B | NR/AA-/NR | 566,283 |
| | Portland, Oregon Revenue Refunding Limited Tax, Oregon Convention Center | | |
| 2,825,000 | 5.000%, 06/01/24 | Aaa/NR/NR | 2,915,485 |
| 4,265,000 | 5.000%, 06/01/27 | Aaa/NR/NR | 4,397,556 |
| | Portland, Oregon River District Urban Renewal and Redevelopment | | |
| 1,600,000 | 5.000%, 06/15/22 Series B | Aa3/NR/NR | 1,731,056 |
| 1,830,000 | 5.000%, 06/15/23 Series B | Aa3/NR/NR | <u>1,975,046</u> |
| | Total City & County | | <u>13,042,115</u> |
| | Electric (1.9%) | | |
| | Eugene, Oregon Electric Utility Refunding System | | |
| 2,875,000 | 5.000%, 08/01/29 Series A | Aa2/AA-/AA- | 3,578,570 |
| 4,030,000 | 5.000%, 08/01/30 Series A | Aa2/AA-/AA- | 4,992,807 |
| | Northern Wasco County, Oregon Peoples Utility District (McNary Dam Fishway Hydroelectric Project), Refunding | | |
| 1,585,000 | 5.000%, 12/01/21 Series A | NR/AA-/NR | 1,674,362 |

AQUILA TAX-FREE TRUST OF OREGON
SCHEDULE OF INVESTMENTS (continued)
SEPTEMBER 30, 2020 (unaudited)

| Principal Amount | Revenue Bonds (continued) | Ratings Moody's, S&P and Fitch | Value |
|------------------|---|--------------------------------------|-------------------|
| | <u>Electric (continued)</u> | | |
| | Warm Springs Reservation, Oregon Confederated Tribes, Hydroelectric Revenue, Tribal Economic Development, Pelton Round Butte Proj 2019 B Green Bond | | |
| \$ 500,000 | 5.000%, 11/01/32 144A | A3/NR/NR | \$ 618,230 |
| 1,000,000 | 5.000%, 11/01/33 144A | A3/NR/NR | 1,226,100 |
| 500,000 | 5.000%, 11/01/34 144A | A3/NR/NR | 609,630 |
| | Total Electric | | <u>12,699,699</u> |
| | <u>Higher Education (1.0%)</u> | | |
| | Oregon State Facilities Authority (Linfield College Project) | | |
| 1,180,000 | 5.000%, 10/01/22 Series A | Baa2/NR/NR | 1,252,794 |
| 1,000,000 | 5.000%, 10/01/23 Series A | Baa2/NR/NR | 1,084,840 |
| 1,220,000 | 5.000%, 10/01/31 Series A 2010 | Baa2/NR/NR | 1,221,720 |
| | Oregon State Facilities Authority (Reed College Project) | | |
| 500,000 | 5.000%, 07/01/30 Series A | Aa2/AA-/NR | 626,905 |
| 1,135,000 | 4.000%, 07/01/31 Series A | Aa2/AA-/NR | 1,342,160 |
| | Oregon State Facilities Authority (Willamette University) | | |
| 1,000,000 | 4.000%, 10/01/24 | NR/A-/NR | <u>1,001,990</u> |
| | Total Higher Education | | <u>6,530,409</u> |
| | <u>Hospital (1.2%)</u> | | |
| | Oregon Health Sciences University | | |
| 2,310,000 | zero coupon, 07/01/21 NPFPG Insured ... | Aa3/AA-/AA- | 2,305,680 |
| 2,000,000 | 5.000%, 07/01/23 Series A | Aa3/AA-/AA- | 2,156,420 |
| 500,000 | 5.000%, 07/01/30 Series A | Aa3/AA-/AA- | 667,470 |
| 250,000 | 5.000%, 07/01/31 Series A | Aa3/AA-/AA- | 331,680 |
| 1,250,000 | 5.000%, 07/01/28 Series B | Aa3/AA-/AA- | 1,539,475 |
| 1,000,000 | 5.000%, 07/01/33 Series B | Aa3/AA-/AA- | 1,204,530 |
| | Total Hospital | | <u>8,205,255</u> |

AQUILA TAX-FREE TRUST OF OREGON
SCHEDULE OF INVESTMENTS (continued)
SEPTEMBER 30, 2020 (unaudited)

| Principal Amount | Revenue Bonds (continued) | Ratings Moody's, S&P and Fitch | Value |
|------------------|--|--------------------------------------|-------------------|
| | <u>Housing (0.5%)</u> | | |
| | Clackamas County, Oregon Housing Authority Multifamily Housing Revenue (Easton Ridge Apartments Project) | | |
| \$ 1,310,000 | 4.000%, 09/01/27 Series A | Aa2/NR/NR | \$ 1,394,914 |
| | Portland, Oregon Urban Renewal and Redevelopment, Interstate Corridor | | |
| 1,390,000 | 5.000%, 06/15/27 Series B | Aa3/NR/NR | 1,434,925 |
| | State of Oregon Housing and Community Services | | |
| 610,000 | 1.800%, 01/01/23 | Aa2/NR/NR | <u>625,384</u> |
| | Total Housing | | <u>3,455,223</u> |
| | <u>Lottery (4.0%)</u> | | |
| | Oregon State Department of Administration Services (Lottery Revenue) | | |
| 1,015,000 | 5.250%, 04/01/26 Series A | Aa2/AAA/NR | 1,039,583 |
| 2,000,000 | 5.000%, 04/01/32 Series A | Aa2/AAA/NR | 2,635,840 |
| 1,000,000 | 5.000%, 04/01/33 Series A | Aa2/AAA/NR | 1,310,090 |
| 1,715,000 | 5.000%, 04/01/24 Series B | Aa2/AAA/NR | 1,837,588 |
| 1,500,000 | 5.000%, 04/01/25 Series B | Aa2/AAA/NR | 1,606,275 |
| 1,000,000 | 5.000%, 04/01/25 Series B | Aa2/AAA/NR | 1,162,420 |
| 4,000,000 | 5.000%, 04/01/30 Series C | Aa2/AAA/NR | 5,051,040 |
| 5,000,000 | 5.000%, 04/01/26 Series D | Aa2/AAA/NR | 6,031,250 |
| 4,000,000 | 5.000%, 04/01/28 Series D | Aa2/AAA/NR | 4,813,080 |
| 1,000,000 | 5.000%, 04/01/29 Series D | Aa2/AAA/NR | <u>1,199,810</u> |
| | Total Lottery | | <u>26,686,976</u> |
| | <u>Sales Tax (0.2%)</u> | | |
| | Metro, Oregon Dedicated Tax Revenue (Oregon Convention Center Hotel) | | |
| 750,000 | 5.000%, 06/15/31 | Aa3/NR/NR | <u>936,593</u> |
| | <u>Transportation (3.9%)</u> | | |
| | Oregon State Department Transportation Highway User-tax (Subordinate Lien) | | |
| 1,000,000 | 5.000%, 11/15/35 Series A | Aa2/AA+/AA+ | 1,314,720 |
| 1,250,000 | 5.000%, 11/15/35 Series 2020A | Aa2/AA+/AA+ | 1,676,725 |

AQUILA TAX-FREE TRUST OF OREGON
SCHEDULE OF INVESTMENTS (continued)
SEPTEMBER 30, 2020 (unaudited)

| Principal Amount | Revenue Bonds (continued) | Ratings Moody's, S&P and Fitch | Value |
|------------------|---|--------------------------------------|-------------------|
| | Transportation (continued) | | |
| | Port Portland, Oregon Airport Revenue Refunding, Portland International Airport Series Twenty Three | | |
| \$ 2,525,000 | 5.000%, 07/01/26 | NR/A+/NR | \$ 3,010,280 |
| 1,000,000 | 5.000%, 07/01/28 | NR/A+/NR | 1,181,960 |
| 2,390,000 | 5.000%, 07/01/29 | NR/A+/NR | 2,815,181 |
| | Tri-County Metropolitan Transportation District, Oregon Capital Grant Receipt | | |
| 1,100,000 | 5.000%, 10/01/27 Series A | A3/A/NR | 1,411,773 |
| 2,000,000 | 5.000%, 10/01/30 Series A | A3/A/NR | 2,530,320 |
| | Tri-County Metropolitan Transportation District, Oregon (Senior Lien Payroll Tax) | | |
| 1,000,000 | 5.000%, 09/01/25 Series A | Aaa/AAA/NR | 1,230,110 |
| 1,890,000 | 5.000%, 09/01/28 Series A | Aaa/AAA/NR | 2,387,637 |
| 1,650,000 | 5.000%, 09/01/29 Series A | Aaa/AAA/NR | 2,080,056 |
| 3,975,000 | 5.000%, 09/01/30 Series A | Aaa/AAA/NR | 4,997,847 |
| 1,000,000 | 5.000%, 09/01/31 Series A | Aaa/AAA/NR | 1,274,160 |
| | Total Transportation | | <u>25,910,769</u> |
| | Water and Sewer (11.2%) | | |
| | Beaverton, Oregon Water Revenue | | |
| 1,000,000 | 5.000%, 04/01/32 Series 2020 | NR/AA+/NR | 1,344,910 |
| | Bend, Oregon Water Revenue, Bridge Creek Project | | |
| 695,000 | 5.000%, 12/01/30 | AA2/AA/NR | 859,534 |
| | Clackamas County, Oregon Service District No. 1 | | |
| 2,240,000 | 5.000%, 12/01/26 | NR/AAA/NR | 2,848,406 |
| | Clean Water Services, Oregon Refunding (Senior Lien) | | |
| 1,510,000 | 5.000%, 10/01/27 | Aa1/AAA/NR | 1,969,025 |
| | Eugene, Oregon Water Utility System | | |
| 115,000 | 5.000%, 08/01/28 | Aa2/AA/AA+ | 143,665 |
| 450,000 | 5.000%, 08/01/29 | Aa2/AA/AA+ | 560,124 |
| | Grants Pass, Oregon | | |
| 1,000,000 | 4.000%, 12/01/23 | NR/AA/NR | 1,080,970 |
| | Hillsboro, Oregon Water System | | |
| 1,630,000 | 5.000%, 06/01/31 | Aa2/NR/NR | 2,164,803 |
| 1,710,000 | 5.000%, 06/01/32 | Aa2/NR/NR | 2,256,191 |

AQUILA TAX-FREE TRUST OF OREGON
SCHEDULE OF INVESTMENTS (continued)
SEPTEMBER 30, 2020 (unaudited)

| Principal Amount | Revenue Bonds (continued) | Ratings Moody's, S&P and Fitch | Value |
|---------------------|---|--------------------------------------|--------------------|
| | <u>Water and Sewer (continued)</u> | | |
| | Madras, Oregon | | |
| \$ 725,000 | 4.500%, 02/15/27 | A3/NR/NR | \$ 787,669 |
| | Portland, Oregon Water System (First Lien) | | |
| 3,230,000 | 5.000%, 05/01/27 Series A | Aa1/NR/NR | 3,773,964 |
| 3,500,000 | 5.000%, 06/01/28 Series A | Aa1/AA+/NR | 4,224,570 |
| | Portland, Oregon Sewer System (Second Lien) | | |
| 5,405,000 | 4.500%, 05/01/31 Series A | Aa2/AA/NR | 6,469,839 |
| 6,355,000 | 5.000%, 03/01/32 Series A | Aa2/AA/NR | 8,474,774 |
| 2,000,000 | 5.000%, 03/01/33 Series 2019 A | Aa2/AA/NR | 2,646,220 |
| 2,000,000 | 5.000%, 10/01/25 Series B | Aa2/AA/NR | 2,375,420 |
| 2,000,000 | 5.000%, 06/01/26 Series B | Aa2/AA/NR | 2,428,460 |
| 2,000,000 | 5.000%, 06/01/27 Series B | Aa2/AA/NR | 2,426,400 |
| | Portland, Oregon Water System (Second Lien) | | |
| 2,590,000 | 5.000%, 05/01/31 Series A | Aa1/NR/NR | 3,499,168 |
| 2,000,000 | 5.000%, 05/01/32 Series A | Aa1/NR/NR | 2,683,940 |
| 2,000,000 | 5.000%, 05/01/33 Series A | Aa1/NR/NR | 2,667,480 |
| | Portland, Oregon Water System Revenue Refunding (Junior Lien) | | |
| 2,000,000 | 5.000%, 10/01/23 | Aa1/NR/NR | 2,239,360 |
| | Salem, Oregon Water & Sewer Revenue Refunding | | |
| 3,500,000 | 5.000%, 06/01/25 | Aa2/NR/NR | 4,240,775 |
| | Seaside, Oregon Wastewater System | | |
| 1,000,000 | 4.250%, 07/01/26 | A3/NR/NR | 1,024,200 |
| | Tigard, Oregon Water System Revenue Refunding | | |
| 2,565,000 | 5.000%, 08/01/24 | Aa3/AA-/NR | 2,782,461 |
| | Washington County, Oregon Clean Water Services Sewer (Senior Lien) | | |
| 1,010,000 | 4.000%, 10/01/22 Series B | Aa1/AAA/NR | 1,047,390 |
| 1,500,000 | 4.000%, 10/01/23 Series B | Aa1/AAA/NR | 1,555,125 |
| 2,850,000 | 4.000%, 10/01/26 Series B | Aa1/AAA/NR | 2,945,903 |
| 2,745,000 | 4.000%, 10/01/28 Series B | Aa1/AAA/NR | 2,829,189 |
| | Total Water and Sewer | | <u>74,349,935</u> |
| | Total Revenue Bonds | | <u>171,816,974</u> |

AQUILA TAX-FREE TRUST OF OREGON
SCHEDULE OF INVESTMENTS (continued)
SEPTEMBER 30, 2020 (unaudited)

| Principal Amount | Pre-Refunded\Escrowed to Maturity Bonds (16.6%)†† | Ratings Moody's, S&P and Fitch | Value |
|------------------|--|--------------------------------------|------------------|
| | Pre-Refunded General Obligation Bonds (9.0%) | | |
| | Higher Education (1.2%) | | |
| | Oregon State Higher Education | | |
| \$ 1,000,000 | 5.000%, 08/01/25 Series C | Aa1/AA+/AA+ | \$ 1,182,650 |
| 1,795,000 | 5.000%, 08/01/27 Series C | Aa1/AA+/AA+ | 2,122,857 |
| | Oregon State, Oregon University System | | |
| 1,170,000 | 4.000%, 08/01/25 Series B | Aa1/AA+/AA+ | 1,252,087 |
| 1,090,000 | 5.000%, 08/01/25 Series N | Aa1/AA+/AA+ | 1,238,262 |
| | Oregon State, Oregon University System Projects | | |
| 2,365,000 | 4.000%, 08/01/26 Series H | Aa1/AA+/AA+ | <u>2,441,200</u> |
| | Total Higher Education | | <u>8,237,056</u> |
| | School District (6.2%) | | |
| | Clackamas County, Oregon School District #12 (North Clackamas) | | |
| 2,450,000 | 5.000%, 06/15/25 | Aa1/AA+/NR | 2,878,652 |
| 1,500,000 | 5.000%, 06/15/26 | Aa1/AA+/NR | 1,762,440 |
| | Clackamas County, Oregon School District #62 (Oregon City) | | |
| 440,000 | 5.000%, 06/01/29 MAC Insured | NR/AA/NR | 515,297 |
| | Clackamas County, Oregon School District #86 (Canby) | | |
| 1,800,000 | 5.000%, 06/15/24 | Aa1/AA+/NR | 1,948,086 |
| 1,110,000 | 5.000%, 06/15/25 Series A | Aa1/AA+/NR | 1,201,320 |
| | Jefferson County, Oregon School District #509J | | |
| 1,400,000 | 5.000%, 06/15/25 | Aa1/NR/NR | 1,580,236 |
| | Lane County, Oregon School District #4J (Eugene) Refunding | | |
| 1,130,000 | 4.000%, 06/15/23 | Aa1/NR/NR | 1,160,951 |
| 2,850,000 | 4.000%, 06/15/24 | Aa1/NR/NR | 3,036,020 |
| 4,575,000 | 5.000%, 06/15/26 | Aa1/NR/NR | 5,384,729 |
| | Marion & Clackamas Counties, Oregon School District #4J (Silver Falls) | | |
| 1,260,000 | 5.000%, 06/15/24 | Aa1/NR/NR | 1,422,212 |

AQUILA TAX-FREE TRUST OF OREGON
SCHEDULE OF INVESTMENTS (continued)
SEPTEMBER 30, 2020 (unaudited)

| Principal Amount | Pre-Refunded General Obligation Bonds (continued) | Ratings Moody's, S&P and Fitch | Value |
|---|---|--------------------------------------|-------------------|
| School District (continued) | | | |
| | Washington County, Oregon School District #48J (Beaverton) | | |
| \$ 2,750,000 | 4.000%, 06/15/25 | Aa1/AA+/NR | \$ 2,929,493 |
| 2,275,000 | 4.000%, 06/15/23 Series B | Aa1/AA+/NR | 2,423,489 |
| 5,290,000 | 4.000%, 06/15/24 Series B | Aa1/AA+/NR | 5,635,278 |
| 3,000,000 | 5.000%, 06/15/25 Series 2014B | Aa1/AA+/NR | 3,530,970 |
| 3,000,000 | 5.000%, 06/15/28 Series 2014B | Aa1/AA+/NR | 3,530,970 |
| 1,845,000 | 5.000%, 06/15/29 Series 2014B | Aa1/AA+/NR | 2,171,547 |
| | Total School District | | <u>41,111,690</u> |
| Special District (0.4%) | | | |
| | Tualatin Valley, Oregon Fire & Rescue Rural Fire Protection District | | |
| 1,235,000 | 4.000%, 06/01/26 | Aaa/NR/NR | 1,266,962 |
| 1,170,000 | 4.000%, 06/01/27 | Aaa/NR/NR | 1,200,280 |
| | Total Special District | | <u>2,467,242</u> |
| State (1.2%) | | | |
| | State of Oregon | | |
| 3,000,000 | 5.000%, 05/01/23 Series L | Aa1/AA+/AA+ | 3,085,470 |
| 1,125,000 | 5.000%, 05/01/24 Series L | Aa1/AA+/AA+ | 1,157,051 |
| 1,470,000 | 4.000%, 11/01/26 Series M | Aa1/AA+/AA+ | 1,531,079 |
| 2,125,000 | 4.000%, 05/01/25 Series O | Aa1/AA+/AA+ | 2,173,216 |
| | Total State | | <u>7,946,816</u> |
| | Total Pre-Refunded General Obligation Bonds | | <u>59,762,804</u> |
| Pre-Refunded\Escrowed to Maturity Revenue Bonds (7.6%) | | | |
| City & County (0.4%) | | | |
| | Local Oregon Capital Assets Program COP Cottage Grove | | |
| 2,375,000 | 5.000%, 09/15/25 Series 2013A | A2/NR/NR | <u>2,484,868</u> |
| Electric (0.3%) | | | |
| | Eugene, Oregon Electric Utility Refunding System | | |
| 2,000,000 | 5.000%, 08/01/27 Series A | Aa2/AA-/AA- | <u>2,080,820</u> |

AQUILA TAX-FREE TRUST OF OREGON
SCHEDULE OF INVESTMENTS (continued)
SEPTEMBER 30, 2020 (unaudited)

| Principal Amount | Pre-Refunded\Escrowed to Maturity Revenue Bonds (continued) | Ratings Moody's, S&P and Fitch | Value |
|--------------------------------|---|--------------------------------------|-------------------|
| Higher Education (0.6%) | | | |
| | Oregon State Facilities Authority (Lewis & Clark College Project) | | |
| \$ 1,000,000 | 5.250%, 10/01/24 Series A | A3/A-/NR | \$ 1,050,280 |
| 3,000,000 | 5.000%, 10/01/27 Series A | A3/A-/NR | <u>3,143,400</u> |
| | Total Higher Education | | <u>4,193,680</u> |
| Hospital (0.7%) | | | |
| | Oregon State Facilities Authority Revenue Refunding, Samaritan Health Services | | |
| 1,500,000 | 4.375%, 10/01/20 ETM | NR/BBB+/NR | 1,500,000 |
| 2,000,000 | 4.500%, 10/01/21 | NR/BBB+/NR | 2,000,000 |
| 1,520,000 | 5.000%, 10/01/23 | NR/BBB+/NR | <u>1,520,000</u> |
| | Total Hospital | | <u>5,020,000</u> |
| Lottery (1.0%) | | | |
| | Oregon State Department of Administration Services (Lottery Revenue) | | |
| 6,285,000 | 5.250%, 04/01/26 | NR/NR/NR* | <u>6,443,005</u> |
| Transportation (4.2%) | | | |
| | Oregon State Department Transportation Highway Usertax (Senior Lien) | | |
| 3,605,000 | 5.000%, 11/15/24 Series A | Aa1/AAA/AA+ | 3,973,215 |
| 625,000 | 5.000%, 11/15/25 Series A | Aa1/AAA/AA+ | 688,838 |
| 1,000,000 | 5.000%, 11/15/26 Series A | Aa1/AAA/AA+ | 1,149,530 |
| 1,040,000 | 5.000%, 11/15/26 Series A | Aa1/AAA/AA+ | 1,243,746 |
| 8,000,000 | 5.000%, 11/15/28 Series A | Aa1/AAA/AA+ | 9,567,280 |
| | Tri-County Metropolitan Transportation District, Oregon Capital Grant Receipt | | |
| 1,685,000 | 5.000%, 10/01/24 Series A | A3/A-/NR | 1,765,543 |
| 3,480,000 | 5.000%, 10/01/26 Series A | A3/A-/NR | 3,646,344 |
| 3,000,000 | 5.000%, 10/01/27 Series A | A3/A-/NR | 3,143,400 |
| | Tri-County Metropolitan Transportation District, Oregon (Senior Lien Payroll Tax) | | |
| 2,010,000 | 5.000%, 09/01/29 Series B | Aaa/AAA/NR | <u>2,473,767</u> |
| | Total Transportation | | <u>27,651,663</u> |

AQUILA TAX-FREE TRUST OF OREGON
SCHEDULE OF INVESTMENTS (continued)
SEPTEMBER 30, 2020 (unaudited)

| Principal Amount | Pre-Refunded\Escrowed to Maturity Revenue Bonds (continued) | Ratings Moody's, S&P and Fitch | Value |
|------------------|--|--------------------------------------|----------------------|
| | Water and Sewer (0.4%) | | |
| | Prineville, Oregon Refunding | | |
| \$ 1,255,000 | 4.400%, 06/01/29 AGMC Insured | NR/AA/NR | \$ 1,290,378 |
| | Woodburn, Oregon Wastewater Revenue Refunding | | |
| 1,090,000 | 5.000%, 03/01/21 Series A ETM | A1/NR/NR | <u>1,111,680</u> |
| | Total Water and Sewer | | |
| | | | <u>2,402,058</u> |
| | Total Pre-Refunded\Escrowed to Maturity Revenue Bonds | | |
| | | | <u>50,276,094</u> |
| | Total Pre-Refunded\Escrowed to Maturity Bonds | | |
| | | | <u>110,038,898</u> |
| | Total Municipal Bonds | | |
| | (cost \$609,383,262) | | <u>648,005,075</u> |
| | | | |
| Shares | Short-Term Investment (1.2%) | | |
| 8,153,865 | Dreyfus Treasury Obligations Cash Management - Institutional Shares, 0.01%** (cost \$8,153,865). | Aaa-mf/AAAm/NR | <u>8,153,865</u> |
| | Total Investments | | |
| | (cost \$617,537,127- note 4) | 98.8% | 656,158,940 |
| | Other assets less liabilities | <u>1.2</u> | <u>8,100,210</u> |
| | Net Assets | <u>100.0%</u> | <u>\$664,259,150</u> |

| Portfolio Distribution By Quality Rating | Percentage of Investments† |
|---|----------------------------|
| Aaa of Moody's or AAA of S&P | 13.5% |
| Pre-refunded bonds/ETM bonds†† | 17.0 |
| Aa of Moody's or AA of S&P or Fitch | 64.9 |
| A of Moody's or S&P | 4.1 |
| Baa of Moody's | <u>0.5</u> |
| | <u>100.0%</u> |

AQUILA TAX-FREE TRUST OF OREGON
SCHEDULE OF INVESTMENTS (continued)
SEPTEMBER 30, 2020 (unaudited)

PORTFOLIO ABBREVIATIONS

AGMC - Assured Guaranty Municipal Corp.

COP- Certificates of Participation

ETM - Escrowed to Maturity

FGIC - Financial Guaranty Insurance Co.

MAC - Municipal Assurance Corp.

NPFG - National Public Finance Guarantee

NR - Not Rated

ODOT - Oregon Department of Transportation

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

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

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

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

Note: 144A – Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

See accompanying notes to financial statements.

AQUILA TAX-FREE TRUST OF OREGON
STATEMENT OF ASSETS AND LIABILITIES
SEPTEMBER 30, 2020 (unaudited)

ASSETS

| | |
|---|--------------------|
| Investments at value (cost \$617,537,127) | \$ 656,158,940 |
| Interest receivable | 8,323,624 |
| Receivable for Trust shares sold | 620,334 |
| Other assets | 38,007 |
| Total assets | <u>665,140,905</u> |

LIABILITIES

| | |
|---|----------------|
| Payable for Trust shares redeemed | 471,282 |
| Management fee payable | 213,618 |
| Dividends payable | 169,735 |
| Distribution and service fees payable | 1,661 |
| Accrued expenses payable | 25,459 |
| Total liabilities | <u>881,755</u> |

| | |
|-----------------------------|-----------------------|
| NET ASSETS | <u>\$ 664,259,150</u> |
|-----------------------------|-----------------------|

Net Assets consist of:

| | |
|---|-----------------------|
| Capital Stock – Authorized an unlimited number of shares, par value \$0.01 per share | \$ 583,672 |
| Additional paid-in capital | 626,662,137 |
| Total distributable earnings | 37,013,341 |
| | <u>\$ 664,259,150</u> |

CLASS A

| | |
|--|-----------------------|
| Net Assets | <u>\$ 383,754,755</u> |
| Capital shares outstanding | <u>33,709,348</u> |
| Net asset value and redemption price per share | <u>\$ 11.38</u> |
| Maximum offering price per share (100/97 of \$11.38) | <u>\$ 11.73</u> |

CLASS C

| | |
|--|----------------------|
| Net Assets | <u>\$ 14,691,331</u> |
| Capital shares outstanding | <u>1,291,735</u> |
| Net asset value and offering price per share | <u>\$ 11.37</u> |

CLASS F

| | |
|--|---------------------|
| Net Assets | <u>\$ 2,734,410</u> |
| Capital shares outstanding | <u>240,716</u> |
| Net asset value and offering price per share | <u>\$ 11.36</u> |

CLASS Y

| | |
|--|-----------------------|
| Net Assets | <u>\$ 263,078,654</u> |
| Capital shares outstanding | <u>23,125,352</u> |
| Net asset value, offering and redemption price per share | <u>\$ 11.38</u> |

See accompanying notes to financial statements.

AQUILA TAX-FREE TRUST OF OREGON
STATEMENT OF OPERATIONS
SIX MONTHS ENDED SEPTEMBER 30, 2020 (unaudited)

Investment income

Interest income \$ 7,697,600

Expenses

Management fee (note 3) \$ 1,301,964
Distribution and service fee (note 3) 363,301
Transfer and shareholder servicing agent fees 143,035
Legal fees 138,334
Shareholders' reports and proxy statements 84,530
Trustees' fees and expenses (note 6) 63,601
Registration fees and dues 37,337
Auditing and tax fees 15,542
Insurance 15,145
Custodian fees 11,418
Credit facility fees (note 10) 10,353
Compliance services (note 3) 4,037
Miscellaneous 23,370
Total expenses 2,211,967

Management fee waived (note 3) (24,989)
Net expenses 2,186,978
Net investment income 5,510,622

Realized and Unrealized Gain (Loss) on Investments:

Net realized gain (loss) from securities transactions 8,284
Change in unrealized appreciation on investments 14,226,728

Net realized and unrealized gain (loss) on investments 14,235,012
Net change in net assets resulting from operations \$ 19,745,634

See accompanying notes to financial statements.

AQUILA TAX-FREE TRUST OF OREGON
STATEMENTS OF CHANGES IN NET ASSETS

| | Six Months Ended September 30, 2020 (unaudited) | Year Ended March 31, 2020 |
|--|---|------------------------------|
| OPERATIONS | | |
| Net investment income | \$ 5,510,622 | \$ 11,991,756 |
| Net realized gain (loss) from securities transactions | 8,284 | (347,630) |
| Change in unrealized appreciation (depreciation) on investments | 14,226,728 | 8,454,115 |
| Change in net assets resulting from operations . . . | 19,745,634 | 20,098,241 |
| DISTRIBUTIONS TO SHAREHOLDERS (note 9): | | |
| Class A Shares | (3,179,506) | (7,099,560) |
| Class C Shares | (63,220) | (184,907) |
| Class F Shares | (21,334) | (33,732) |
| Class Y Shares | (2,245,226) | (4,669,075) |
| Change in net assets from distributions | (5,509,286) | (11,987,274) |
| CAPITAL SHARE TRANSACTIONS (note 7): | | |
| Proceeds from shares sold | 67,054,426 | 130,631,386 |
| Reinvested dividends and distributions | 4,472,559 | 9,879,552 |
| Cost of shares redeemed | (50,766,964) | (121,882,046) |
| Change in net assets from capital share transactions | 20,760,021 | 18,628,892 |
| Change in net assets | 34,996,369 | 26,739,859 |
| NET ASSETS: | | |
| Beginning of period | 629,262,781 | 602,522,922 |
| End of period | \$ 664,259,150 | \$ 629,262,781 |

See accompanying notes to financial statements.

AQUILA TAX-FREE TRUST OF OREGON
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 (unaudited)

1. Organization

Aquila Tax-Free Trust of Oregon (the “Trust”) is one of six series of Aquila Municipal Trust, a Massachusetts business trust registered under the Investment Company Act of 1940 as a non-diversified, open-end management investment company. The Trust, which commenced operations on June 27, 2020, is the successor to Aquila Tax-Free Trust of Oregon. Aquila Tax-Free Trust of Oregon transferred all of its assets and liabilities in exchange for shares of the Trust on June 26, 2020 pursuant to an agreement and plan of reorganization (the “reorganization”). The reorganization was approved by shareholders of Aquila Tax-Free Trust of Oregon on May 29, 2020. The reorganization was accomplished by exchanging the assets and liabilities of the predecessor fund for shares of the Trust. Shareowners holding shares of Aquila Tax-Free Trust of Oregon received corresponding shares of the Trust in a one-to-one exchange ratio in the reorganization. Accordingly, the reorganization, which was a tax-free exchange, had no effect on the Trust’s operations. The Trust is authorized to issue an unlimited number of shares. Class A Shares are sold at net asset value plus a sales charge of varying size (depending upon a variety of factors) paid at the time of purchase and bear a distribution fee. Class C Shares are sold at net asset value with no sales charge payable at the time of purchase but with a level charge for service and distribution fees for six years thereafter. Class C Shares automatically convert to Class A Shares after six years. Class F Shares and Class Y Shares are sold only through authorized financial institutions acting for investors in a fiduciary, advisory, agency, custodial or similar capacity, and are not offered directly to retail customers. Class F Shares and Class Y Shares are sold at net asset value with no sales charge, no redemption fee, no contingent deferred sales charge (“CDSC”) and no distribution fee. All classes of shares represent interests in the same portfolio of investments and are identical as to rights and privileges but differ with respect to the effect of sales charges, the distribution and/or service fees borne by each class, expenses specific to each class, voting rights on matters affecting a single class and the exchange privileges of each class.

2. Significant Accounting Policies

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

- a) *Portfolio valuation:* Municipal securities are valued each business day based upon information provided by a nationally prominent independent pricing service and periodically verified through other pricing services. In the case of securities for which market quotations are readily available, securities are valued by the pricing service at the mean of bid and ask quotations. If a market quotation or a valuation from the pricing service is not readily available, the security is valued at fair value determined in good faith under procedures established by and under the general supervision of the Board of Trustees.
- b) *Fair value measurements:* The Trust follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Trust’s own market assumptions (unobservable inputs). These inputs are used in determining the value of the Trust’s investments and are summarized in the following fair value hierarchy:

AQUILA TAX-FREE TRUST OF OREGON
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020 (unaudited)

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

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

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

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

The following is a summary of the valuation inputs, representing 100% of the Trust’s investments, used to value the Trust’s net assets as of September 30, 2020:

| <u>Valuation Inputs*</u> | <u>Investments in Securities</u> |
|--|--------------------------------------|
| Level 1 – Quoted Prices | \$ 8,153,865 |
| Level 2 – Other Significant Observable Inputs — Municipal Bonds*. | 648,005,075 |
| Level 3 – Significant Unobservable Inputs. | — |
| Total | \$ 656,158,940 |

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

- c) *Subsequent events*: In preparing these financial statements, the Trust has evaluated events and transactions for potential recognition or disclosure through the date these financial statements were issued.
- d) *Securities transactions and related investment income*: Securities transactions are recorded on the trade date. Realized gains and losses from securities transactions are reported on the identified cost basis. Interest income is recorded daily on the accrual basis and is adjusted for amortization of premium and accretion of original issue and market discount.
- e) *Federal income taxes*: It is the policy of the Trust to continue to qualify as a regulated investment company by complying with the provisions of the Internal Revenue Code applicable to certain investment companies. The Trust intends to make distributions of income and securities profits sufficient to relieve it from all, or substantially all, Federal income and excise taxes.

Management has reviewed the tax positions for each of the open tax years (2017 – 2019) or expected to be taken in the Trust’s 2020 tax returns and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

AQUILA TAX-FREE TRUST OF OREGON
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020 (unaudited)

- f) *Multiple Class Allocations*: All income, expenses (other than class-specific expenses), and realized and unrealized gains or losses are allocated daily to each class of shares based on the relative net assets of each class. Class-specific expenses, which include distribution and service fees and any other items that are specifically attributed to a particular class, are also charged directly to such class on a daily basis.
- g) *Use of estimates*: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.
- h) *Reclassification of capital accounts*: Accounting principles generally accepted in the United States of America require that certain components of net assets relating to permanent differences be reclassified between financial and tax reporting. These reclassifications had no effect on net assets or net asset value per share. For the year ended March 31, 2020, there were no items identified that have been reclassified among components of net assets.
- i) The Trust is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standard Codification Topic 946 “Financial Services-Investment Companies”.

3. Fees and Related Party Transactions

a) Management Arrangements:

Aquila Investment Management LLC (the “Manager”), a wholly-owned subsidiary of Aquila Management Corporation, the Trust’s founder and sponsor, serves as the Manager for the Trust under an Advisory and Administration Agreement with the Trust. The portfolio management of the Trust has been delegated to a Sub-Adviser as described below. Under the Advisory and Administrative Agreement, the Manager provides all administrative services to the Trust, other than those relating to the day-to-day portfolio management. The Manager’s services include providing the office of the Trust and all related services as well as overseeing the activities of the Sub-Adviser and managing relationships with all the various support organizations to the Trust such as the shareholder servicing agent, custodian, legal counsel, auditors and distributor and additionally maintaining the Trust’s accounting books and records. For its services, the Manager is entitled to receive a fee which is payable monthly and computed as of the close of business each day at the annual rate of 0.40% of net assets of the Trust. The Manager has contractually agreed to waive its fees through September 30, 2021 to the extent necessary in order to pass savings through to the shareholders recognized under the Sub-Advisory Agreement (as described below) such that its fees are as follows: the annual rate shall be equivalent to 0.40% of net assets of the Trust up to \$400 million; 0.38% of the Trust’s net assets above that amount to \$1 billion and 0.36% of the Trust’s net assets above \$1 billion. This contractual undertaking is currently in effect until September 30, 2021. The Manager may not terminate the arrangement without the approval of the Board of Trustees. For the six months ended September 30, 2020, the Trust incurred management fees of \$1,301,964, of which \$24,989 was waived.

AQUILA TAX-FREE TRUST OF OREGON
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020 (unaudited)

Kirkpatrick Pettis Capital Management (the “Sub-Adviser”) serves as the Investment Sub-Adviser for the Trust under a Sub-Advisory Agreement between the Manager and the Sub-Adviser. Under this agreement, the Sub-Adviser continuously provides, subject to oversight of the Manager and the Board of Trustees of the Trust, the investment program of the Trust and the composition of its portfolio, arranges for the purchases and sales of portfolio securities, and provides for daily pricing of the Trust’s portfolio. Starting December 1, 2019, for its services, the Sub-Adviser has contractually agreed to waive its fee through September 30, 2021 such that its annual rate of fees is at 0.16% of net assets of the Trust up to \$400 million; 0.14% of net assets above \$400 million up to \$1 billion; and 0.12% of net assets above \$1 billion.

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

Specific details as to the nature and extent of the services provided by the Manager and the Sub-Adviser are more fully defined in the Trust’s Prospectus and Statement of Additional Information.

b) Distribution and Service Fees:

The Trust has adopted a Distribution Plan (the “Plan”) pursuant to Rule 12b-1 (the “Rule”) under the 1940 Act. Under one part of the Plan, with respect to Class A Shares, the Trust is authorized to make distribution fee payments to broker-dealers or others (“Qualified Recipients”) selected by Aquila Distributors LLC (the “Distributor”), including, but not limited to, any principal underwriter of the Trust, with which the Distributor has entered into written agreements contemplated by the Rule and which have rendered assistance in the distribution and/or retention of the Trust’s shares or servicing of shareholder accounts. The Trust makes payment of this distribution fee at the annual rate of 0.15% of the Trust’s average net assets represented by Class A Shares. For the six months ended September 30, 2020, distribution fees on Class A Shares amounted to \$285,329 of which the Distributor retained \$11,633.

Under another part of the Plan, the Trust is authorized to make payments with respect to Class C Shares to Qualified Recipients which have rendered assistance in the distribution and/or retention of the Trust’s Class C shares or servicing of shareholder accounts. These payments are made at the annual rate of 0.75% of the Trust’s average net assets represented by Class C Shares and for the six months ended September 30, 2020, amounted to \$58,479. In addition, under a Shareholder Services Plan, the Trust is authorized to make service fee payments with respect to Class C Shares to Qualified Recipients for providing personal services and/or maintenance of shareholder accounts. These payments are made at the annual rate of 0.25% of the Trust’s average net assets represented by Class C Shares and for the six months ended September 30, 2020, amounted to \$19,493. The total of these payments made with respect to Class C Shares amounted to \$77,972 of which the Distributor retained \$18,993.

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

Under a Distribution Agreement, the Distributor serves as the exclusive distributor of the Trust’s shares. Through agreements between the Distributor and various brokerage and advisory firms (“financial intermediaries”), the Trust’s shares are sold primarily through the facilities of these financial intermediaries having offices within Oregon, with the bulk of

AQUILA TAX-FREE TRUST OF OREGON
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020 (unaudited)

any sales commissions inuring to such financial intermediaries. For the six months ended September 30, 2020, total commissions on sales of Class A Shares amounted to \$67,480 of which the Distributor received \$16,968.

c) Transfer and shareholder servicing fees:

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

4. Purchases and Sales of Securities

During the six months ended September 30, 2020, purchases of securities and proceeds from the sales of securities aggregated \$48,135,618 and \$20,250,114, respectively.

At September 30, 2020, the aggregate tax cost for all securities was \$617,537,127. At September 30, 2020, the aggregate gross unrealized appreciation for all securities in which there is an excess of value over tax cost amounted to \$38,810,335 and aggregate gross unrealized depreciation for all securities in which there is an excess of tax cost over value amounted to \$188,522 for a net unrealized appreciation of \$38,621,813.

5. Portfolio Orientation

Since the Trust invests principally and may invest entirely in double tax-free municipal obligations of issuers within Oregon, it is subject to possible risks associated with economic, political, or legal developments or industrial or regional matters specifically affecting Oregon and whatever effects these may have upon Oregon issuers' ability to meet their obligations. For example, Measure 5, a 1990 amendment to the Oregon Constitution, as well as Measures 47 and 50, limit the taxing and spending authority of certain Oregon governmental entities. These amendments could have an adverse effect on the general financial condition of certain municipal entities that would impair the ability of certain Oregon issuers to pay interest and principal on their obligations. At September 30, 2020, the Trust had 100% of its long-term portfolio holdings invested in municipal obligations of issuers within Oregon.

6. Trustees' Fees and Expenses

At September 30, 2020, there were 9 Trustees, one of whom is affiliated with the Manager and is not paid any fees. The total amount of Trustees' service fees (for carrying out their responsibilities) and attendance fees paid during the six months ended September 30, 2020 was \$63,601. Attendance fees are paid to those in attendance at regularly scheduled quarterly Board Meetings and meetings of the Independent Trustees held prior to each quarterly Board Meeting, as well as additional meetings (such as Audit, Nominating, Shareholder and special meetings). Trustees are reimbursed for their expenses such as travel, accommodations, and meals incurred in connection with attendance at Board Meetings and at the Annual Meeting of Shareholders. For the six months ended September 30, 2020, due to the COVID-19 pandemic, such meeting-related expenses amounted to \$0.

AQUILA TAX-FREE TRUST OF OREGON
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020 (unaudited)

7. Capital Share Transactions

Transactions in Capital Shares of the Trust were as follows:

| | Six Months Ended September 30, 2020 (unaudited) | | Year Ended March 31, 2020 | |
|---|--|----------------------|--------------------------------------|----------------------|
| | Shares | Amount | Shares | Amount |
| Class A Shares: | | | | |
| Proceeds from shares sold.. | 1,810,144 | \$ 20,553,759 | 3,482,476 | \$ 38,763,004 |
| Reinvested dividends and distributions | 256,155 | 2,907,500 | 578,161 | 6,447,862 |
| Cost of shares redeemed ... | <u>(2,090,209)</u> | <u>(23,697,102)</u> | <u>(3,896,216)</u> | <u>(43,332,736)</u> |
| Net change | <u>(23,910)</u> | <u>(235,843)</u> | <u>164,421</u> | <u>1,878,130</u> |
| Class C Shares: | | | | |
| Proceeds from shares sold.. | 96,751 | 1,098,757 | 278,362 | 3,098,914 |
| Reinvested dividends and distributions | 5,297 | 60,027 | 15,736 | 175,211 |
| Cost of shares redeemed ... | <u>(274,640)</u> | <u>(3,118,803)</u> | <u>(648,219)</u> | <u>(7,181,104)</u> |
| Net change | <u>(172,592)</u> | <u>(1,960,019)</u> | <u>(354,121)</u> | <u>(3,906,979)</u> |
| Class F Shares: | | | | |
| Proceeds from shares sold.. | 57,821 | 657,416 | 115,507 | 1,280,691 |
| Reinvested dividends and distributions | 1,887 | 21,380 | 3,028 | 33,732 |
| Cost of shares redeemed ... | <u>(8,666)</u> | <u>(98,255)</u> | <u>(20,999)</u> | <u>(233,617)</u> |
| Net change | <u>51,042</u> | <u>580,541</u> | <u>97,536</u> | <u>1,080,806</u> |
| Class Y Shares: | | | | |
| Proceeds from shares sold.. | 3,941,601 | 44,744,494 | 7,866,522 | 87,488,777 |
| Reinvested dividends and distributions | 130,796 | 1,483,652 | 289,214 | 3,222,747 |
| Cost of shares redeemed ... | <u>(2,109,342)</u> | <u>(23,852,804)</u> | <u>(6,426,391)</u> | <u>(71,134,589)</u> |
| Net change | <u>1,963,055</u> | <u>22,375,342</u> | <u>1,729,345</u> | <u>19,576,935</u> |
| Total transactions in Trust shares | <u>1,817,595</u> | <u>\$ 20,760,021</u> | <u>1,637,181</u> | <u>\$ 18,628,892</u> |

AQUILA TAX-FREE TRUST OF OREGON
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020 (unaudited)

8. Securities Traded on a When-Issued Basis

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

9. Income Tax Information and Distributions

The Trust intends to maintain, to the maximum extent possible, the tax-exempt status of interest payments received from portfolio municipal securities in order to allow dividends paid to shareholders from net investment income to be exempt from regular Federal and State of Oregon income taxes. Due to differences between financial statement reporting and Federal income tax reporting requirements, distributions made by the Trust may not be the same as the Trust's net investment income, and/or net realized securities gains. Further, a portion of the dividends may, under some circumstances, be subject to taxes at ordinary income and/or capital gain rates. As a result of the passage of the Regulated Investment Company Act of 2010 (the "Act"), losses incurred in this fiscal year and beyond retain their character as short-term or long-term, have no expiration date and are utilized before capital losses incurred prior to the enactment of the Act. At March 31, 2020, the Fund had capital loss carry forwards of \$1,407,180 of which \$923,853 retains its character of short-term and \$483,327 retains its character of long-term; both have no expiration. As of March 31, 2020, the Trust had post-October losses of \$535,097, which is deferred until fiscal 2021 for tax purposes.

The tax character of distributions was as follows:

| | <u>Year Ended</u> <u>March 31, 2020</u> | <u>Year Ended</u> <u>March 31, 2019</u> |
|-----------------------------|--|--|
| Net tax-exempt income | \$ 11,785,976 | \$ 13,677,544 |
| Ordinary Income | <u>201,298</u> | <u>43,941</u> |
| | <u>\$ 11,987,274</u> | <u>\$ 13,721,485</u> |

As of March 31, 2020, the components of distributable earnings on a tax basis were:

| | |
|--|----------------------|
| Unrealized appreciation | \$ 24,408,516 |
| Undistributed tax-exempt income..... | 490,314 |
| Accumulated net loss on investments..... | (1,407,180) |
| Post October losses | (535,097) |
| Other temporary differences..... | (179,560) |
| | <u>\$ 22,776,993</u> |

AQUILA TAX-FREE TRUST OF OREGON
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020 (unaudited)

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

10. Credit Facility

Since August 30, 2017, The Bank of New York Mellon and the Aquila Group of Funds (which is comprised of 9 funds) have been parties to a \$40 million credit agreement, which currently terminates on August 25, 2021. In accordance with the Aquila Group of Funds Guidelines for Allocation of Committed Line of Credit, principal, interest and other expenses associated with a specific loan that is made to a fund under the credit agreement will be paid solely by that particular fund. The interest rate is selected at the time of borrowing by the borrowing fund and is either the one month Eurodollar Rate, or the Alternate Base Rate (equal to the greater of the lender's prime rate, the Federal Funds effective rate and the one-month Eurodollar rate in effect on the applicable date) plus, in each case, 1.25%. In addition, each fund is responsible for payment of its proportionate share of

- a) an upfront fee; and
- b) a 0.17% per annum commitment fee on the unused portion of the facility.

There were no borrowings under the credit agreement during the six months ended September 30, 2020.

11. Recent events

The respiratory illness COVID-19 caused by a novel coronavirus has resulted in a global pandemic and major disruption to economies and markets around the world, including the United States. Global financial markets have experienced extreme volatility and severe losses, and trading in many instruments has been disrupted. Liquidity for many instruments has been greatly reduced for periods of time. Some interest rates are very low. Some sectors of the economy and individual issuers have experienced particularly large losses. These circumstances may continue for an extended period of time, and affect adversely the value and/or liquidity of the Fund's investments. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, are not known. Governments and central banks, including the Federal Reserve in the U.S., have taken extraordinary and unprecedented actions to support national economies and the financial markets. These actions have resulted in significant expansion of public debt, including in the U.S. The impact of these measures, and whether they will be effective to mitigate the economic and market disruption, may not be known for some time. The consequences of high public debt, including its future impact on the economy and securities markets, likewise may not be known for some time.

AQUILA TAX-FREE TRUST OF OREGON FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

| | Class A | | | | | |
|--|--|----------------------|----------------|----------------|----------------|----------------|
| | Six Months Ended 9/30/20 (unaudited) | Year Ended March 31, | | | | |
| | | 2020 | 2019 | 2018 | 2017 | 2016 |
| Net asset value, beginning of period | \$11.13 | \$10.98 | \$10.81 | \$10.99 | \$11.33 | \$11.31 |
| Income (loss) from investment operations: | | | | | | |
| Net investment income ⁽¹⁾ | 0.09 | 0.21 | 0.24 | 0.26 | 0.28 | 0.31 |
| Net gain (loss) on securities (both realized and unrealized) | 0.25 | 0.15 | 0.17 | (0.18) | (0.35) | 0.01 |
| Total from investment operations | 0.34 | 0.36 | 0.41 | 0.08 | (0.07) | 0.32 |
| Less distributions (note 9): | | | | | | |
| Dividends from net investment income | (0.09) | (0.21) | (0.24) | (0.26) | (0.27) | (0.30) |
| Distributions from capital gains | — | — | — | — | — | — |
| Total distributions | (0.09) | (0.21) | (0.24) | (0.26) | (0.27) | (0.30) |
| Net asset value, end of period | <u>\$11.38</u> | <u>\$11.13</u> | <u>\$10.98</u> | <u>\$10.81</u> | <u>\$10.99</u> | <u>\$11.33</u> |
| Total return (not reflecting sales charge) | 3.10% ⁽²⁾ | 3.30% | 3.90% | 0.68% | (0.66)% | 2.91% |
| Ratios/supplemental data | | | | | | |
| Net assets, end of period (in millions) | \$384 | \$375 | \$368 | \$390 | \$414 | \$419 |
| Ratio of expenses to average net assets | 0.71% ⁽³⁾ | 0.71% | 0.70% | 0.71% | 0.73% | 0.74% |
| Ratio of net investment income to average net assets | 1.66% ⁽³⁾ | 1.90% | 2.27% | 2.35% | 2.48% | 2.72% |
| Portfolio turnover rate | 3% ⁽²⁾ | 12% | 10% | 8% | 13% | 7% |
| Expense and net investment income ratios without the effect of the contractual expense waiver were (note 3): | | | | | | |
| Ratio of expenses to average net assets | 0.72% ⁽³⁾ | 0.72% | 0.70% | 0.72% | 0.74% | 0.74% |
| Ratio of net investment income to average net assets | 1.65% ⁽³⁾ | 1.89% | 2.26% | 2.34% | 2.47% | 2.72% |

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

(2) Not annualized.

(3) Annualized.

See accompanying notes to financial statements.

AQUILA TAX-FREE TRUST OF OREGON
FINANCIAL HIGHLIGHTS (continued)

For a share outstanding throughout each period

| | Class C | | | | | |
|--|--|----------------------|----------------|----------------|----------------|----------------|
| | Six Months Ended 9/30/20 (unaudited) | Year Ended March 31, | | | | |
| | | 2020 | 2019 | 2018 | 2017 | 2016 |
| Net asset value, beginning of period | \$11.12 | \$10.97 | \$10.80 | \$10.98 | \$11.32 | \$11.30 |
| Income (loss) from investment operations: | | | | | | |
| Net investment income ⁽¹⁾ | 0.05 | 0.12 | 0.15 | 0.16 | 0.18 | 0.21 |
| Net gain (loss) on securities (both realized and unrealized) | 0.25 | 0.15 | 0.17 | (0.18) | (0.35) | 0.02 |
| Total from investment operations | 0.30 | 0.27 | 0.32 | (0.02) | (0.17) | 0.23 |
| Less distributions (note 9): | | | | | | |
| Dividends from net investment income | (0.05) | (0.12) | (0.15) | (0.16) | (0.17) | (0.21) |
| Distributions from capital gains | — | — | — | — | — | — |
| Total distributions | (0.05) | (0.12) | (0.15) | (0.16) | (0.17) | (0.21) |
| Net asset value, end of period | <u>\$11.37</u> | <u>\$11.12</u> | <u>\$10.97</u> | <u>\$10.80</u> | <u>\$10.98</u> | <u>\$11.32</u> |
| Total return (not reflecting CDSC) | 2.66% ⁽²⁾ | 2.43% | 3.02% | (0.18)% | (1.50)% | 2.05% |
| Ratios/supplemental data | | | | | | |
| Net assets, end of period (in millions) | \$15 | \$16 | \$20 | \$28 | \$38 | \$36 |
| Ratio of expenses to average net assets | 1.56% ⁽³⁾ | 1.56% | 1.54% | 1.56% | 1.59% | 1.59% |
| Ratio of net investment income to average net assets | 0.81% ⁽³⁾ | 1.05% | 1.42% | 1.49% | 1.63% | 1.86% |
| Portfolio turnover rate | 3% ⁽²⁾ | 12% | 10% | 8% | 13% | 7% |
| Expense and net investment income ratios without the effect of the contractual expense waiver were (note 3): | | | | | | |
| Ratio of expenses to average net assets | 1.57% ⁽³⁾ | 1.57% | 1.55% | 1.57% | 1.59% | 1.59% |
| Ratio of net investment income to average net assets | 0.80% ⁽³⁾ | 1.04% | 1.42% | 1.49% | 1.62% | 1.86% |

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

(2) Not annualized.

(3) Annualized.

See accompanying notes to financial statements.

AQUILA TAX-FREE TRUST OF OREGON
FINANCIAL HIGHLIGHTS (continued)

For a share outstanding throughout each period

| | Class F | | |
|---|---|------------------------------|---|
| | Six Months Ended 9/30/20 (unaudited) | Year Ended March 31, 2020 | For the Period November 30, 2018* through March 31, 2019 |
| Net asset value, beginning of period | \$11.11 | \$10.95 | \$10.71 |
| Income (loss) from investment operations: | | | |
| Net investment income ⁽¹⁾ | 0.10 | 0.23 | 0.08 |
| Net gain (loss) on securities (both realized and unrealized) | 0.25 | 0.16 | 0.24 |
| Total from investment operations | 0.35 | 0.39 | 0.32 |
| Less distributions (note 9): | | | |
| Dividends from net investment income | (0.10) | (0.23) | (0.08) |
| Distributions from capital gains | — | — | — |
| Total distributions | (0.10) | (0.23) | (0.08) |
| Net asset value, end of period | <u>\$11.36</u> | <u>\$11.11</u> | <u>\$10.95</u> |
| Total return | 3.19% ⁽²⁾ | 3.58% | 3.03% ⁽²⁾ |
| Ratios/supplemental data | | | |
| Net assets, end of period (in millions) | \$3 | \$2 | \$1 |
| Ratio of expenses to average net assets | 0.53% ⁽³⁾ | 0.53% | 0.54% ⁽³⁾ |
| Ratio of net investment income to average net assets | 1.82% ⁽³⁾ | 2.05% | 2.36% ⁽³⁾ |
| Portfolio turnover rate | 3% ⁽²⁾ | 12% | 10% ⁽³⁾ |
| Expense and net investment income ratios without the effect of the contractual expense waiver were: | | | |
| Ratio of expenses to average net assets | 0.54% ⁽³⁾ | 0.54% | 0.55% ⁽³⁾ |
| Ratio of investment income to average net assets | 1.81% ⁽³⁾ | 2.04% | 2.35% ⁽³⁾ |

* Commencement of operations.

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

(2) Not annualized.

(3) Annualized.

See accompanying notes to financial statements.

AQUILA TAX-FREE TRUST OF OREGON
FINANCIAL HIGHLIGHTS (continued)

For a share outstanding throughout each period

| | Class Y | | | | | |
|--|--|----------------------|---------|---------|---------|---------|
| | Six Months Ended 9/30/20 (unaudited) | Year Ended March 31, | | | | |
| | | 2020 | 2019 | 2018 | 2017 | 2016 |
| Net asset value, beginning of period | \$11.12 | \$10.97 | \$10.80 | \$10.98 | \$11.32 | \$11.30 |
| Income (loss) from investment operations: | | | | | | |
| Net investment income ⁽¹⁾ | 0.10 | 0.23 | 0.26 | 0.27 | 0.29 | 0.32 |
| Net gain (loss) on securities (both realized and unrealized) | 0.26 | 0.15 | 0.17 | (0.18) | (0.35) | 0.02 |
| Total from investment operations | 0.36 | 0.38 | 0.43 | 0.09 | (0.06) | 0.34 |
| Less distributions (note 9): | | | | | | |
| Dividends from net investment income | (0.10) | (0.23) | (0.26) | (0.27) | (0.28) | (0.32) |
| Distributions from capital gains | — | — | — | — | — | — |
| Total distributions | (0.10) | (0.23) | (0.26) | (0.27) | (0.28) | (0.32) |
| Net asset value, end of period | \$11.38 | \$11.12 | \$10.97 | \$10.80 | \$10.98 | \$11.32 |
| Total return | 3.27% ⁽²⁾ | 3.46% | 4.05% | 0.83% | (0.51)% | 3.08% |
| Ratios/supplemental data | | | | | | |
| Net assets, end of period (in millions) | \$263 | \$235 | \$213 | \$209 | \$186 | \$180 |
| Ratio of expenses to average net assets | 0.56% ⁽³⁾ | 0.56% | 0.55% | 0.56% | 0.58% | 0.59% |
| Ratio of net investment income to average net assets | 1.80% ⁽³⁾ | 2.04% | 2.42% | 2.50% | 2.63% | 2.86% |
| Portfolio turnover rate | 3% ⁽²⁾ | 12% | 10% | 8% | 13% | 7% |
| Expense and net investment income ratios without the effect of the contractual expense waiver were (note 3): | | | | | | |
| Ratio of expenses to average net assets | 0.57% ⁽³⁾ | 0.57% | 0.55% | 0.57% | 0.59% | 0.59% |
| Ratio of net investment income to average net assets | 1.80% ⁽³⁾ | 2.03% | 2.41% | 2.49% | 2.62% | 2.86% |

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

(2) Not annualized.

(3) Annualized.

See accompanying notes to financial statements.

Additional Information:

Statement Regarding Liquidity Risk Management Program

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

The Board met on June 12, 2020 to review the program. At the meeting, the Committee provided the Board with a report that addressed the operation of the program and assessed its adequacy and effectiveness of implementation, and any material changes to the program (the "Report"). The Report covered the period from December 1, 2018 through May 29, 2020 (the "Reporting Period").

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

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

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

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

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

Additional Information (unaudited):

Renewal of the Advisory and Administration Agreement and the Sub-Advisory Agreement

Aquila Investment Management LLC (the “Manager”) serves as the investment adviser to the Trust pursuant to an Advisory and Administration Agreement (the “Advisory Agreement”). Davidson Fixed Income Management, Inc., doing business as Kirkpatrick Pettis Capital Management (the “Sub-Adviser”), serves as the sub-adviser to the Trust pursuant to a Sub-Advisory Agreement between the Manager and the Sub-Adviser (the “Sub-Advisory Agreement”). In order for the Manager and the Sub-Adviser to continue to serve in their respective roles, the Trustees of the Trust must determine annually whether to renew the Advisory Agreement and the Sub-Advisory Agreement for the Trust.

In considering whether to approve the renewal of the Advisory Agreement and the Sub-Advisory Agreement, the Trustees requested and obtained such information as they deemed reasonably necessary. The independent Trustees met telephonically on August 7, 2020 and on August 13, 2020 to review and discuss the contract review materials that were provided in advance of the August 7, 2020 meeting. The Trustees considered, among other things, information presented by the Manager and Sub-Adviser. They also considered information presented in a report prepared by an independent consultant with respect to the Trust’s fees, expenses and investment performance, which included comparisons of the Trust’s investment performance against peers and the Trust’s benchmark and comparisons of the advisory fee payable by the Trust under the Advisory Agreement against the advisory fees paid by the Trust’s peers, as well as information regarding the operating margins of certain investment advisory firms (the “Consultant’s Report”). In addition, the Trustees took into account the information related to the Trust provided to the Trustees at each regularly scheduled meeting. The Trustees considered the Advisory Agreement and the Sub-Advisory Agreement separately as well as in conjunction with each other to determine their combined effects on the Trust. The Trustees also discussed the memorandum provided by Trust counsel that summarized the legal standards and other considerations that are relevant to the Trustees in their deliberations regarding the renewal of the Advisory and Sub-Advisory Agreements.

At the meeting held on August 13, 2020, based on their evaluation of the information provided by the Manager, the Sub-Adviser and the independent consultant, the Trustees of the Trust, including the independent Trustees voting separately, unanimously approved the renewal of each of the Advisory Agreement and the Sub-Advisory Agreement until September 30, 2021.

In considering the renewal of the Advisory Agreement and the Sub-Advisory Agreement, the Trustees considered various factors, including the factors described below. The Trustees did not identify any single factor as the controlling factor in determining to approve the renewal of the Advisory Agreement or the Sub-Advisory Agreement.

The nature, extent, and quality of the services provided by the Manager and the Sub-Adviser

The Trustees considered the nature, extent and quality of the services that had been provided by the Manager and the Sub-Adviser to the Trust, taking into account the investment objectives and strategies of the Trust. The Trustees reviewed the terms of the Advisory Agreement and the Sub-Advisory Agreement.

At the direction of the Trustees, the Manager has retained the Sub-Adviser to provide investment management of the Trust’s portfolio. The Trustees reviewed the Sub-Adviser’s investment approach for the Trust. The Trustees considered the personnel of the Sub-Adviser who provide investment management services to the Trust. The Trustees noted the extensive experience of the Sub-Adviser’s portfolio managers, Messrs. Christopher Johns

and Timothy Iltz, and their comprehensive understanding regarding the economy of the State of Oregon and the securities in which the Trust invests. The Trustees also considered the Sub-Adviser's credit analysis of the securities in which the Trust invests. The Trustees noted that, compared to other Oregon state-specific municipal bond-funds, the portfolio of the Trust generally was of higher quality, and that the Trust did not hold any securities subject to the alternative minimum tax or any securities issued by a U.S. territory.

The Trustees considered that the Manager and the Sub-Adviser had provided all advisory services to the Trust that the Trustees deemed necessary or appropriate, including the specific services that the Trustees have determined are required for the Trust, given that it seeks to provide shareholders with as high a level of current income exempt from Oregon state and regular Federal income taxes as is consistent with preservation of capital.

The Trustees also noted that the Manager has additionally provided all administrative services to the Trust and provided the Trust with personnel (including Trust officers) and other resources that are necessary for the Trust's business management and operations. The Trustees considered the nature and extent of the Manager's supervision of third-party service providers, including the Trust's fund accountant, shareholder servicing agent and custodian.

Based on these considerations, the Trustees concluded that the nature, extent and quality of services that had been provided by the Manager and the Sub-Adviser to the Trust were satisfactory and consistent with the terms of the Advisory Agreement and Sub-Advisory Agreement, respectively.

The investment performance of the Trust

The Trustees reviewed the Trust's performance (Class A shares) and compared its performance to the performance of:

- the funds in the Trust's peer group (the "Peer Group"), as selected by the independent consultant (the Trust and six other Oregon intermediate and long municipal bond funds, as classified by Morningstar, that charge a front-end sales charge);
- the funds in the Trust's product category for performance (the "Product Category for Performance") (all funds (and all classes) included in the Morningstar Single-State Intermediate Municipal Bond Funds category); and
- the Trust's benchmark index, the Bloomberg Barclays Quality Intermediate Municipal Bond Index.

The Trustees considered that the materials included in the Consultant's Report indicated that the Trust's average annual total return was higher than the average annual total return of the funds in the Peer Group for the one-year period ended May 31, 2020, but lower than the average annual total return of the funds in the Peer Group for the three, five, and ten-year periods ended May 31, 2020. The Trustees considered that the Trust's average annual total return was higher than the average annual total return of the funds in the Product Category for Performance for each of the one, three, five and ten-year periods ended May 31, 2020. They also considered that the Trust's average annual return was higher than the average annual return of the benchmark index for the one-year period ended May 31, 2020 but lower than the average annual return of the benchmark index for the three, five and ten-year periods ended May 31, 2020. The Trustees noted that the Fund invests primarily in municipal obligations issued by the State of Oregon, its counties and various other local authorities, while the funds in the Product Category for Performance invest in, and the Fund's benchmark index includes, municipal bonds of issuers throughout the United States and its territories and that only 1.2% of the

benchmark index consists of Oregon bonds. The Trustees noted that, unlike the Trust's returns, the performance of the benchmark index did not reflect any fees or expenses. They also considered that four of the six funds in the Peer Group were long municipal bond funds, while the Trust was a shorter-duration intermediate municipal bond fund.

In addition, the Trustees considered that, as reflected in the Consultant's Report, the Trust's standard deviation, a measure of volatility, was in the second quintile relative to the funds in the Product Category for Performance for the three and five-year periods ended May 31, 2020. The Trustees further noted that the Fund's Sharpe ratio was in the second and third quintiles for the three and five-year periods ended May 31, 2020, respectively, when compared to the funds in the Product Category for Performance. A Sharpe ratio is a measure for calculating risk-adjusted return. The higher the Sharpe ratio, the better the fund's historical risk-adjusted performance.

The Trustees discussed the Trust's performance record with the Manager and the Sub-Adviser and considered the Manager's and the Sub-Adviser's view that the Trust's performance, as compared to its Peer Group, was explained in part by the Trust's generally higher-quality portfolio and lower duration.

The Trustees considered the Trust's investment performance to be consistent with the investment objectives of the Trust. Evaluation of this factor indicated to the Trustees that renewal of the Advisory Agreement and Sub-Advisory Agreement would be appropriate.

Advisory and Sub-Advisory Fees and Trust Expenses

The Trustees evaluated the fee payable under the Advisory Agreement. They noted that the Manager paid the Sub-Adviser under the Sub-Advisory Agreement. The Trustees evaluated both the fee under the Sub-Advisory Agreement and the portion of the advisory fee paid under the Advisory Agreement and retained by the Manager. The Trustees reviewed the Trust's advisory fees and expenses and compared them to the advisory fee and expense data for:

- the funds in the Peer Group (as defined above); and
- the funds in the product category for expenses (the "Product Category for Expenses") (Morningstar Single-State Intermediate Municipal Bond Funds and Morningstar Single-State Long Municipal Bond Funds from states within which 4-7 mutual funds are operating, with similar operating expense structures).

The Trustees considered that the Trust's contractual advisory fee was lower than the average and median contractual advisory fee of the funds in the Peer Group (at the Trust's current asset level) and lower than the asset-weighted average contractual advisory fee of the funds in the Product Category for Expenses (at various asset levels up to \$5 billion). They noted that the Trust's average actual management fee and expenses (for Class A shares) were lower than the average actual management fee and expenses, respectively, of the funds in both the Product Category for Expenses and the Peer Group (after giving effect to fee waivers and expense reimbursements in effect for those funds).

The Trustees reviewed management fees charged by each of the Manager and the Sub-Adviser to its other clients. It was noted that the Manager does not have any other clients except for other funds in the Aquila Group of Funds. The Trustees noted that the fee rates for those clients were not lower than the contractual fee rate for the Trust. With respect to the Sub-Adviser, the Trustees noted that the fee rates for its separately managed account clients were generally lower than the fees paid to the Sub-Adviser with respect to the Trust. In evaluating the fees associated with the separately managed accounts, the Trustees took into account the respective demands, resources and complexity associated with the Trust and those client accounts.

The Trustees concluded that the advisory and sub-advisory fees were reasonable in relation to the nature and quality of the services provided to the Trust by the Manager and the Sub-Adviser.

Profitability

The Trustees received materials from each of the Manager and the Sub-Adviser and from the independent consultant related to profitability. The Manager provided information which showed the profitability to the Manager of its services to the Trust, as well as the profitability of Aquila Distributors LLC of distribution services provided to the Trust. The Manager also provided other financial information to the members of the financial review committee of the Trust and the other funds in the Aquila Group of Funds. The independent consultant provided publicly available data regarding the profitability of other asset managers in comparison to the overall profitability of the Manager.

The Trustees considered the information provided by the Manager regarding the profitability of the Manager with respect to the advisory services provided by the Manager to the Trust, including the methodology used by the Manager in allocating certain of its costs to the services provided to the Trust, as well as the other financial information provided to the financial review committee. The Trustees also considered information regarding the profitability of the Manager provided to the Trustees by the independent consultant. The Trustees concluded that profitability to the Manager with respect to advisory services provided to the Trust was at the low end of the profitability data provided to the Trustees with respect to much larger publicly traded asset managers and supported the renewal of the Advisory Agreement.

The Trustees also considered information provided by the Sub-Adviser regarding the profitability of the Sub-Adviser with respect to the sub-advisory services provided by the Sub-Adviser to the Trust. The Trustees concluded that the profitability of the Sub-Adviser with respect to sub-advisory services provided to the Trust supported the renewal of the Sub-Advisory Agreement.

The extent to which economies of scale would be realized as the Trust grows

The Trustees considered the extent to which the Manager and the Sub-Adviser may realize economies of scale or other efficiencies in managing the Trust. They noted that the Trust has in place breakpoints in the sub-advisory fee schedule based on the size of the Trust. In addition, it was noted that the Manager has contractually agreed to waive fees to the extent necessary so that the annual rate payable under the Advisory Agreement shall be equivalent to 0.40% on the Trust's net assets up to \$400 million; 0.38% on assets above that amount to \$1 billion in net assets and 0.36% on net assets thereafter. Accordingly, the Trustees concluded that economies of scale, if any, were being appropriately shared with the Trust.

Benefits derived or to be derived by the Manager and the Sub-Adviser and their affiliates from their relationships with the Trust

The Trustees observed that, as is generally true of most fund complexes, the Manager and Sub-Adviser and their affiliates, by providing services to a number of funds or other investment clients including the Trust, were able to spread costs as they would otherwise be unable to do. The Trustees noted that while that could produce efficiencies and increased profitability for the Manager and Sub-Adviser and their affiliates, it also makes their services available to the Trust at favorable levels of quality and cost which are more advantageous to the Trust than would otherwise have been possible.

Your Trust's Expenses (unaudited)

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

Actual Expenses

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

Hypothetical Example for Comparison with Other Funds

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

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

| | Actual | | | Hypothetical | | |
|-------------|-----------------------------------|--|--|------------------------------------|--|------------------------------|
| | (actual return after expenses) | | | (5% annual return before expenses) | | |
| Share Class | Beginning Account Value 4/1/20 | Ending ⁽¹⁾ Account Value 9/30/20 | Expenses ⁽²⁾ Paid During Period 4/1/20 – 9/30/20 | Ending Account Value 9/30/20 | Expenses ⁽²⁾ Paid During Period 4/1/20 – 9/30/20 | Net Annualized Expense Ratio |
| A | \$1,000 | \$1,031.00 | \$3.61 | \$1,021.51 | \$3.60 | 0.71% |
| C | \$1,000 | \$1,026.60 | \$7.93 | \$1,017.25 | \$7.89 | 1.56% |
| F | \$1,000 | \$1,031.90 | \$2.70 | \$1,022.41 | \$2.69 | 0.53% |
| Y | \$1,000 | \$1,032.70 | \$2.85 | \$1,022.26 | \$2.84 | 0.56% |

- (1) Assumes reinvestment of all dividends and capital gain distributions, if any, at net asset value and does not reflect the deduction of the applicable sales charges with respect to Class A or the applicable CDSC with respect to Class C shares. Total return is not annualized and as such, it may not be representative of the total return for the year.
- (2) Expenses are equal to the annualized expense ratio for the six-month period as indicated above - in the far right column - multiplied by the simple average account value over the period indicated, and then multiplied by 183/365 to reflect the one-half year period.

Information Available (unaudited)

Much of the information that the funds in the Aquila Group of Funds produce is automatically sent to you and all other shareholders. Specifically, you are routinely sent your Trust's entire list of portfolio securities twice a year in the semi-annual and annual reports that you receive. Additionally, under Trust policies, the Manager publicly discloses the complete schedule of the Trust's portfolio holdings, as of each calendar quarter, generally by the 15th day after the end of each calendar quarter. Such information remains accessible until the next schedule is made publicly available. You may obtain a copy of the Trust's portfolio holdings schedule for the most recently completed period by visiting the Trust's website at www.aquilafunds.com. Whenever you wish to see a listing of your Trust's portfolio other than in your shareholder reports, please check our website at www.aquilafunds.com or call us at 1-800-437-1000.

The Trust additionally files a complete list of its portfolio holdings with the SEC for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT, which may be obtained free of charge on the SEC website at www.sec.gov. You may also review or, for a fee, copy the forms at the SEC's Public Reference Room in Washington, D.C. or by calling 1-800-SEC-0330.

Proxy Voting Record (unaudited)

During the 12 month period ended June 30, 2020, there were no proxies related to any portfolio instruments held by the Trust. As such, the Trust did not vote any proxies. Applicable regulations require us to inform you that the Trust's proxy voting information is available on the SEC website at www.sec.gov.

Federal Tax Status of Distributions (unaudited)

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

For the fiscal year ended March 31, 2020, \$11,785,976 of dividends paid by Aquila Tax-Free Trust of Oregon, constituting 98.3% of total dividends paid during the fiscal year ended March 31, 2020, were exempt-interest dividends; and the balance was ordinary income.

Prior to February 15, 2021, shareholders will be mailed the appropriate tax form(s) which will contain information on the status of distributions paid for the **2020 calendar year**.

Founders

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

Manager

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

Investment Sub-Adviser

KIRKPATRICK PETTIS CAPITAL MANAGEMENT
222 SW Columbia Street, Suite 1400
Portland, Oregon 97201

Board of Trustees

Thomas A. Christopher, Chair
Diana P. Herrmann, Vice Chair
Earnest Calderón
Gary C. Cornia
Grady Gammage, Jr.
James A. Gardner
Patricia L. Moss
Glenn P. O'Flaherty
Lauren L. White

Officers

Diana P. Herrmann, President
Paul G. O'Brien, Senior Vice President
Christine L. Neimeth, Vice President
Randall S. Fillmore, Chief Compliance Officer
Joseph P. DiMaggio, Chief Financial Officer and Treasurer
Anita Albano, Secretary

Distributor

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

Transfer and Shareholder Servicing Agent

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4400 Computer Drive
Westborough, Massachusetts 01581

Custodian

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

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