



Aquila Three Peaks High Income Fund

Y Shares: ATPYX
September 30, 2018



HIGH-YIELD CORPORATE BOND FUND

Lipper Category: High-Yield Bond

Morningstar Category: High-Yield Bond

A number of benefits make high-yield bonds appealing to investors who are willing to accept the associated risks. High-yield corporate bonds have a relatively low correlation with investment-grade bonds and stocks, and less sensitivity to interest rate risk, which may make them a valuable addition to a diversified portfolio, where they may be added incrementally to reduce portfolio volatility. Research has also demonstrated that high-yield bonds have provided returns that are very competitive with equities long-term, but with roughly half of the volatility.¹

A distinctive high-yield strategy

We believe that we have developed a proven strategy to manage volatility in the high-yield market. Several aspects of our conservative investment approach make our fund different from many of our peers in the high-yield category, and may make our strategy a nice compliment to a portfolio's overall high-yield allocation. Following are our areas of focus.

Intense Research:

- Extensively research each bond held by the Fund.
- Review financial reports of issuers.
- Interview corporate management in order to fully understand capital allocation decisions.

Reduced Volatility:

- Seek to reduce exposure to a downturn in the high-yield corporate bond market through our conservative approach.
- Typically avoid highly cyclical industries, and invest in companies that we believe can reasonably support leverage.
- Look for companies that are paying down debt and improving their balance sheet.
- Seek to maintain a relatively low duration, and seek to avoid defaults.

True high-yield portfolio:

- The Fund will invest most, if not all, of its assets in high-yield, income-producing, corporate debt securities.
- Limit equity-like securities that are often more volatile.

Through the implementation of our strategy, we generally anticipate that Fund characteristics will plot between those of the High Yield Index and the Aggregate Bond Index.

As of 9/30/18	Number of Issues	Average Issue Size (\$M)	Average Price	Average Spread ²	Average Coupon	Average Maturity	Duration to Worst ⁴	Rated Below B
Bloomberg Barclays Aggregate Bond Index	10,133	2020	99.19	49.1	3.16	8.42	6.32	0.00%
ATPYX	110	785	102.4	177	5.89	3.69	1.53	0.00%
Bloomberg Barclays US Corp High Yield Bond Index	1,976	653	98.77	333.5	6.35	5.98	4.05	15.30%

¹ JP Morgan Research, 2018.

² Average spread measures the average dispersion of returns among issues.

³ Yield to worst measures the average of the lowest potential yield that could be received without the issuers actual defaulting.

⁴ Duration to worst measures change in the value of a security in response to a change in interest rates.

TOP TEN HOLDINGS⁵

Eldorado Resorts, Inc., 7.000%, 08/01/23	2.55%
RHP Hotel Properties, 5.000%, 04/15/23	2.21%
Anixter Inc., 5.625%, 05/01/19	2.01%
Zayo Group LLC, 6.000%, 04/01/23	2.01%
RHP Hotel Properties, 5.000%, 04/15/21	1.91%
Centene Corp., 5.625%, 02/15/21	1.90%
Transdigm Inc., 6.000%, 07/15/22	1.78%
Service Corp. International, 5.375%, 01/15/22	1.76%
Boyd Gaming Corp 6.875%, 05/15/23	1.69%
NLG Energy Partners, 5.125%, 07/15/19	1.68%

RISK & RETURN STATISTICS⁶

(Y shares relative to the Bloomberg Barclays High-Yield Index)

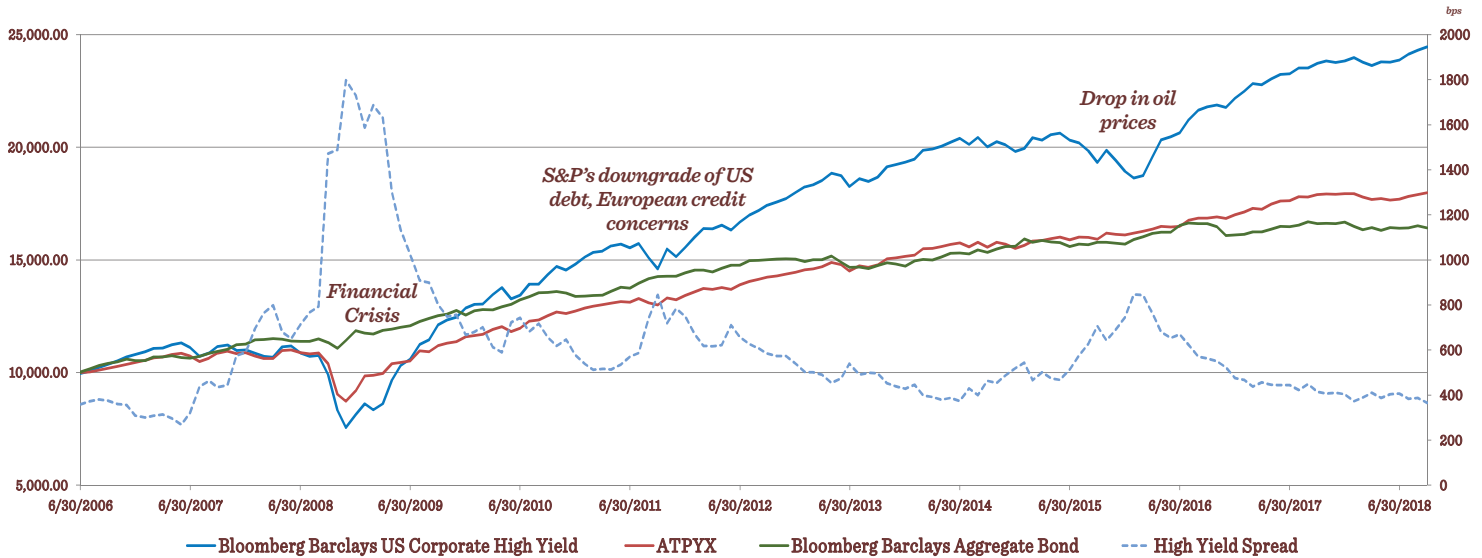
Alpha	1.88%
Beta	.38
R-squared	56.72%
Sharp Ratio	1.41
Standard Deviation	2.48%
Upside Capture Ratio	53.5%
Downside Capture Ratio	35.2%

PERFORMANCE STATISTICS AS OF 09/30/18

Share Class	CUMULATIVE RETURN		AVERAGE ANNUAL RETURN				Since Inception	Inception Date	Total Fund Operating
	3rd quarter	1 year	3 year	5 year	10 year				
A (NAV)	1.43%	0.23%	3.93%	3.78%	5.41%	4.63%	7/22/94	1.13%	
A (MOP)	-2.58%	-3.78%	2.52%	2.93%	4.98%	4.28%	7/22/94	1.13%	
Y	1.60%	0.43%	4.14%	3.99%	5.63%	4.84%	5/01/96	0.93%	

GROWTH OF A HYPOTHETICAL \$10,000⁷ INVESTMENT AND HY SPREAD (ATPYX vs. BB Corp HY, and BB Aggregate Bond Indexes: 09/30/06 - 09/30/18)

The yield spread depicted in this graph is the difference between the yield of the JP Morgan High Yield Index and US Treasury bonds of comparable maturities.



Current month-end performance is available at: 800-437-1020 or www.aquilafunds.com. Performance data represents past performance, but does not guarantee future results. Investment return and principal value will fluctuate; shares, when redeemed, may be worth more or less than their original cost; current performance may be lower or higher than the data presented. Class A MOP returns reflect deduction of the maximum 4.00% sales charge; Class A NAV returns do not reflect deduction of the sales charge and would be lower if that charge were reflected. Class Y shares have no initial or contingent deferred sales charge and may only be purchased through an investment professional or financial institution. Different classes of shares are offered and their performance will vary due to differences in sales charges and fees. An explanation of the share classes appears in the Fund prospectus.⁵ Information regarding holdings is subject to change and is not necessarily representative of the entire portfolio.⁶ Risk Return statistics provided by Zephyr for the five year period ending 09/30/18. Alpha is a measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. Beta is a measure of a fund's sensitivity to market movements. Sharpe Ratio is the average return earned in excess of the risk-free rate per unit of volatility or total risk. Standard deviation is the statistical measurement of dispersion about an average, which depicts how widely a stock or portfolio's returns varied over a certain period of time. R-squared measures what portion of the Fund's return can be explained by fluctuation in the broad market. An R-squared of less than 70.00% indicates that the Fund's performance is less dependent on market moves. Upside capture ratio measures performance in up markets relative to the market. Downside capture ratio measures performance in down markets relative to the market.⁷ The chart illustrates the cumulative results of a hypothetical \$10,000 investment in the Bloomberg Barclays US Corporate High Yield Index, the Bloomberg Barclays Aggregate Bond Index and in Class Y shares of Aquila Three Peaks High Income Fund for the period from the current Fund strategy inception through 06/30/18. The Bloomberg Barclays US Corporate High Yield Index is an unmanaged index considered representative of the universe of fixed-rate, non-investment grade debt. The Bloomberg Barclays US Aggregate Bond Index is an unmanaged index considered representative of the universe of fixed-rate, investment grade taxable debt. Performance of an index does not reflect management fees and expenses which are reflected in Fund performance. An investment cannot be made directly in an index.

This material must be preceded or accompanied by a copy of the Fund's current prospectus. Before investing in the Fund, carefully read about and consider the investment objectives, risks, charges, expenses, and other information found in the Fund prospectus. Investment risks include, but are not limited to, potential loss of value, market risk, financial risk, interest rate and credit risk, and investments in highly-leveraged companies, lower-quality debt securities, foreign markets and foreign currencies.

NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE | NOT NCUA INSURED

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