



# Aquila Tax-Free Fund For Utah

## Podcast Transcript November 16, 2016

**Moderator:**

Today, we're talking to JT Thompson, portfolio manager of Aquila Tax Free Fund for Utah. JT, given the election outcome, what are the expectations in the municipal market for the year ahead?

**JT Thompson:**

The kneejerk reaction is for higher rates; the economy to maybe move forward a little bit. The infrastructure that President Elect Trump has talked about will probably be meaningful for the municipal market and if he does keep the economy, or these ideas, help the economy move forward, there might be a hint of inflation down the road, which would increase interest rates. But the current kneejerk reaction, I think, is overdone and we will probably get back to a normal but leaning towards higher rates.

**Moderator:**

During 2016, how has new issuance in Utah compared to issuance, nationally?

**JT Thompson:**

Utah is a little below issuance compared across the nation. But Utah has always been a very conservative state. They're very careful about issuance because of the constitutional amendment for a balanced budget. So they've always been very careful. And unless the Salt Lake International Airport or the Utah State Prison issues debt to help finance those large projects, Utah will continue to be a very conservative issuer of municipal debt.

**Moderator:**

And were there significant financing proposals on the Utah ballot that were approved by voters?

**JT Thompson:**

Yeah. The largest was probably the \$386 million that taxpayer and voters approved for the Alpine school district to build new schools, some high schools, grade schools, middle schools. And that issuance will happen over the next few years. But that was probably the largest on the ballot.

**Moderator:**

Are you continuing to see improvement in the Utah economy?

**JT Thompson:**

Yes. The economy is improving, but it's moderating somewhat. The large projects of the Salt Lake International Airport and the new Utah State Prison will help construction spending within the state. And once they get that prison built, and they vacate the current prison, there will be a lot of redevelopment of that area. It's an area that everybody calls the Silicon Slopes. There's an area in Salt Lake where a lot of tech companies, Adobe, etc., are located and close to the ski resorts, obviously, as they call it the Silicon Slope. So looking forward, there's a lot of positive things going on in the Utah economy.

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**Moderator:**

Thank you, JT. For those of you listening, before investing in the Fund, carefully read about and consider the investment objectives, risks, charges, expenses and other information found in the Fund prospectus, which is available on this site from your financial advisor and when you call 800-437-1020. Thank you for listening to this podcast.

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