



AQUILA[®]
GROUP OF FUNDS

Aquila Churchill Tax-Free Fund of Kentucky

Taxable Equivalent Yield Comparison



AQUILA[®]
Churchill Tax-Free
Fund of Kentucky

Here is what tax-free income can mean to you!

To see how beneficial a tax-free rate of return can be to you, check the chart below. The chart shows what a taxable investment would have to yield to match a tax-free investment.

Aquila Churchill Tax-Free Fund of Kentucky is a mutual fund which seeks to provide as high a level of current income, exempt from both state of Kentucky and federal income taxes, as is consistent with preservation of capital.¹ To achieve this objective, the Fund invests primarily in tax-free municipal obligations of Kentucky issuers; securities that finance schools, highways, hospitals, water and sewer facilities, and other projects in Kentucky. These obligations can be of any maturity, but the Fund's weighted average maturity has traditionally been between 5 and 15 years.

AQUILA CHURCHILL TAX-FREE FUND OF KENTUCKY · TAXABLE EQUIVALENT YIELD TABLE · 2018 RATES

TAXPAYER FILING STATUS/ FEDERAL TAXABLE INCOME		FEDERAL TAX BRACKET	NET INV INCOME TAX ²	KENTUCKY STATE TAX RATE	COMBINED EFFECTIVE RATES	TAX FREE YIELD				
SINGLE RETURN	JOINT RETURN					1.50%	2.00%	2.50%	3.00%	3.50%
						TAXABLE EQUIVALENT YIELD ³				
\$0-9,525	\$0-19,050	10.00%		5.00%	15.00%	1.76%	2.35%	2.94%	3.53%	4.12%
\$9,526-38,700	\$19,051-77,400	12.00%		5.00%	17.00%	1.81%	2.41%	3.01%	3.61%	4.22%
\$38,701-82,500	\$77,401-165,000	22.00%		5.00%	27.00%	2.05%	2.74%	3.42%	4.11%	4.79%
\$82,501-157,500	\$165,001-250,000	24.00%		5.00%	29.00%	2.11%	2.82%	3.52%	4.23%	4.93%
-----	\$250,001-315,000	24.00%	3.80%	5.00%	32.80%	2.23%	2.98%	3.72%	4.46%	5.21%
\$157,501-200,000	-----	32.00%		5.00%	37.00%	2.38%	3.17%	3.97%	4.76%	5.56%
-----	\$315,001-400,000	32.00%	3.80%	5.00%	40.80%	2.53%	3.38%	4.22%	5.07%	5.91%
\$200,001-500,000	\$400,001-600,000	35.00%	3.80%	5.00%	43.80%	2.67%	3.56%	4.45%	5.34%	6.23%
OVER \$500,000	OVER \$600,000	37.00%	3.80%	5.00%	45.80%	2.77%	3.69%	4.61%	5.54%	6.46%

This chart is for illustration purposes only; it does not represent past or future performance of any investment. The taxable equivalent yields assume the highest marginal tax rates applicable to the income levels indicated within each bracket. The tax rates shown represent 2018 federal tax rates, the federal Net Investment Income tax rate where applicable, and 2018 Kentucky income tax rates and do not take into account any itemized deductions, including state and local taxes.

¹For certain investors, some Fund dividends may be subject to federal and state taxes, including the Alternative Minimum Tax. Consult your professional tax advisor.

²The Net Investment Income tax is a 3.8% tax established by the Patient Protection and Affordable Care Act (PPACA) that applies to the lesser of (1) net investment income or (2) a taxpayer's modified adjusted gross income (MAGI) in excess of an applicable threshold amount. For more information, please consult your professional tax advisor.

³The taxable equivalent yields displayed do not take into consideration individual taxpayer limitations on deductions.

Mutual fund investing involves risk; loss of principal is possible. Investments in bonds may decline in value due to rising interest rates, a real or perceived decline in credit quality of the issuer, borrower, counterparty, or collateral, adverse tax or legislative changes, court decisions, market or economic conditions. Fund performance could be more volatile than that of funds with greater geographic diversification.

Before investing in the Fund, carefully read about and consider the investment objectives, risks, charges, expenses and other information found in the Fund prospectus. The prospectus is available from your financial advisor, when you call 800-437-1020, or visit www.aquilafunds.com.