



AQUILA[®]
GROUP OF FUNDS

Aquila Narragansett Tax-Free Income Fund

Taxable Equivalent Yield Comparison



AQUILA[®]
Narragansett
Tax-Free Income Fund

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 Narragansett Tax-Free Income Fund is a mutual fund which seeks to provide as high a level of current income, exempt from both state of Rhode Island 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 Rhode Island issuers; securities that finance schools, highways, hospitals, water and sewer facilities, and other projects in Rhode Island. These obligations can be of any maturity, but the Fund's weighted average maturity has traditionally been between 5 and 15 years.

AQUILA NARRAGANSETT TAX-FREE INCOME FUND · TAXABLE EQUIVALENT YIELD TABLE · 2018 RATES

TAXPAYER FILING STATUS		FEDERAL	NET INV	RHODE	COMBINED	TAX FREE YIELD				
FEDERAL TAXABLE INCOME		TAX	INCOME	ISLAND	EFFECTIVE	1.50%	2.00%	2.50%	3.00%	3.50%
SINGLE RETURN	JOINT RETURN	BACKET	TAX ²	TAX RATE	RATES	TAXABLE EQUIVALENT YIELD ³				
\$9,526-38,700	\$19,051-62,550	12.00%		3.75%	15.75%	1.78%	2.37%	2.97%	3.56%	4.15%
-----	\$62,551-77,400	12.00%		4.75%	16.75%	1.80%	2.40%	3.00%	3.60%	4.20%
\$38,701-62,550	-----	22.00%		3.75%	25.75%	2.02%	2.69%	3.37%	4.04%	4.71%
\$62,551-82,500	\$77,401-142,150	22.00%		4.75%	26.75%	2.05%	2.73%	3.41%	4.10%	4.78%
-----	\$142,151-165,000	22.00%		5.99%	27.99%	2.08%	2.78%	3.47%	4.17%	4.86%
\$82,501-142,150	-----	24.00%		4.75%	28.75%	2.11%	2.81%	3.51%	4.21%	4.91%
\$142,151-157,500	\$165,001-250,000	24.00%		5.99%	29.99%	2.14%	2.86%	3.57%	4.29%	5.00%
-----	\$250,001-315,000	24.00%	3.80%	5.99%	33.79%	2.27%	3.02%	3.78%	4.53%	5.29%
\$157,501-200,000	-----	32.00%		5.99%	37.99%	2.42%	3.23%	4.03%	4.84%	5.64%
-----	\$315,001-400,000	32.00%	3.80%	5.99%	41.79%	2.58%	3.44%	4.29%	5.15%	6.01%
\$200,001-500,000	\$400,001-600,000	35.00%	3.80%	5.99%	44.79%	2.72%	3.62%	4.53%	5.43%	6.34%
OVER \$500,000	OVER \$600,000	37.00%	3.80%	5.99%	46.79%	2.82%	3.76%	4.70%	5.64%	6.58%

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 Rhode Island income tax rates and do not take into account any itemized deductions, including state and local taxes.

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

² The 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.

³ The 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.