

Market Review

Contributors to Return

During the first quarter of 2025, the Shelton Sustainable Equity Fund resulted in a -6.47 % return relative to the SP400 Mid Cap Index of -6.11%. The Fund's greatest contributors to return were H&E Equipment Services, Siemens and Hannon Armstrong. The greatest detractors for the quarter were Net Power Inc., Elf Beauty and Ag Growth International.

Overall, the impact of allocation across sectors was significant in terms of decreases in the Industrials Information Technology, Consumer Staples sectors, whereas we saw modest positive returns in the Financials, Utilities and Energy sectors.

"All hands, make sail, T'Gansuls and Courses...Stand by the Braces" - Commander William T. Riker.

Despite significant market volatility, we have been keeping our center board in the water. While many of the stocks driven by momentum over the past two years correct significantly, our portfolio remained fairly steady, running pace with our policy benchmark. The surge in imports ahead of potential tariffs dampened earnings overall, yet several of our industrial companies who source raw material domestically fared well against a tariff panicked market.

The more things change, the more things stay the same.

Sector specific companies were challenged due to weakening consumer sentiment in the face of a potential recession where energy companies moved into positive territory. We heard from corporate earnings calls, very muted guidance as uncertainty weighed on business planners as well as cautious approach by the Federal Reserve action on interest rates in the face of growing inflation concerns and economic volatility.

The revolution WILL be televised.

Clearly, the shine has rubbed off of the AI and Data Center apple. However, all estimates for energy demand continue to point upward. Construction plans underway, with fits and starts for building more data centers, has hastened in an exuberance for all forms of energy supply, from natural gas to renewables, geothermal and nuclear (Note, no new coal builds have been financed in the U.S.). But one thing is clear, on demand video content on your smart devices is driving rents on server farms that need to be powered and cooled.

Fund Performance

	1Q25	YTD	1YR	3YR	5YR	10YR
NEXTX	-6.47%	-6.47%	-11.08%	-9.38%	12.86%	7.53%
NEXIX	-6.41%	-6.41%	-10.84%	N/A	N/A	N/A
S&P MidCap 400 Index*	-6.11%	-6.11%	-2.73%	4.37%	16.87%	8.40%

*Effective January 1, 2025, the Fund replaced the MSCI ACWI IMI Index as the Fund's primary benchmark because the Adviser determined that the new benchmark more closely aligns with the investment strategies of the Fund.

Total returns include changes in share price and the reinvestment of income dividends and all capital gains distributions. Performance figures represent past performance and are not a guarantee of future results. The investment return and the principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost; current performance may be lower or higher than the performance data quoted. For more current month-end Fund performance information, please call our office at (800) 955-9988. Expense ratios: NEXTX: 1.25% (gross & net) | NEXIX: 1.00% (gross & net).

Fund Management



Bruce Kahn, Ph.D.

Lead Portfolio Manager

Dr. Kahn has been the lead portfolio manager of the Fund since October 10, 2022. He has 18 years of experience in portfolio management and other responsibilities at Citibank, Deutsche Bank, Macquarie Global Inc., and Sustainable Insight Capital Management. Dr. Kahn earned a Ph.D. in Land Resources from University of Wisconsin, Madison, an MS in Fisheries and Allied Aquacultures from Auburn University, and a BA in Ecology and Evolutionary Biology from the University of Connecticut.



Derek Izuel, CFA

Co-Portfolio Manager

Derek Izuel joined Shelton Capital Management in January 2022 and serves as the Chief Investment Officer and Portfolio Manager for the Firm. He has over 24 years of portfolio management experience at Invesco, HighMark Capital and Vitruvian Capital.



Justin Sheetz, CFA

Co-Portfolio Manager

Justin Sheetz, CFA is a Portfolio Manager of the Shelton Sustainable Equity Fund. His experience includes 12 years as an Investment Strategist at BlackRock/BGI's Scientific Active Equity Group, 3 years as VP and Equity Analyst at HighMark Capital and 3 years as partner at Vitruvian Capital.



Nicolette DiMaggio

Portfolio Analyst

Nicolette DiMaggio is an analyst of the Shelton Sustainable Equity Fund and has over six years of investment experience. Previously, she was the co-director of investment research at WTW, working on their equity and index investment research teams for four years. She is also a published author of the financial literacy book series Stock Explore. In September of 2023, Nicolette was named one of the most "Influential Women in Institutional Investing" by Pensions & Investments.

IMPORTANT INFORMATION

Shelton Sustainable Equity Fund's environmental focus may limit investment options available to the Fund and may result in lower returns than returns of funds not subject to such investment considerations. There are no assurances that the Fund will achieve its objective and or strategy. Investing in securities of small and medium sized companies, even indirectly, may involve greater volatility than investment in larger and more established companies.

INVESTMENTS ARE NOT FDIC INSURED OR BANK GUARANTEED AND MAY LOSE VALUE.

Investors should consider a fund's investment objectives, risks, charges, and expenses carefully before investing. The prospectus contains this and other information about the fund. To obtain a prospectus, visit <https://sheltonfunds.com/wp-content/uploads/2025/01/Prospectus-1.1.25.pdf> or call (800) 955-9988. A prospectus should be read carefully before investing.

It is possible to lose money by investing in a fund. Past performance does not guarantee future results and current performance may be lower or higher than the performance data quoted.

Diversification does not assure a profit or protect against loss.

The Shelton Sustainable Equity Fund is distributed by RFS Partners, a member of FINRA and affiliate of Shelton Capital Management.



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