

Quarter in Review

The Shelton Sustainable Equity Fund (NEXTX) delivered a positive Q1 return of 3.82%. Relative results were positive against both comparison sets: NEXTX outperformed the MSCI Global Environmental Select Index, which returned -0.36%, and the S&P MidCap 400 Index, which returned 2.50%. The attribution points to a quarter where industry positioning and stock-specific contribution were the primary drivers of relative value, while broad market exposure and certain style factors offset part of the gain.

Attribution Snapshot**What Worked**

The clearest source of strength was industry positioning. Relative to the MSCI Global Environmental Select Index, NEXTX benefited from positive industry effects led by Oil, Gas & Consumable Fuels, Automobiles, and Equity REITs. Compared with the S&P MidCap 400 Index, NEXTX benefited from a stronger industry contribution led by Oil, Gas & Consumable Fuels, Electrical Equipment, Independent Power & Renewable Electricity Producers, and Chemicals. At the sector (factor) level, the mid-cap comparison showed positive contributions from Industrials, Energy, Materials, Utilities, Consumer Discretionary, and Real Estate, suggesting that the quarter's relative return was broad across several economically sensitive and infrastructure-oriented areas.

Stock-specific attribution also added value in both comparisons. Common contributors included CF Industries, Bunge Global, Vertiv Holdings, HA Sustainable Infrastructure, and Deere & Co. These names helped support the portfolio's relative results beyond factor exposure alone, with company-level contribution positive versus both benchmarks.

What Worked Against Results

The fund's broad market exposure was a headwind in both comparisons, detracting versus the MSCI Global Environmental Select Index versus the S&P MidCap 400 Index. Style was mixed: it was modestly positive versus MSCI Global Environmental Select Index, helped by growth, liquidity, profitability, and earnings yield, but negative versus the mid-cap benchmark, where growth, liquidity, volatility, value, and momentum detracted. Technology-related areas were also uneven, with semiconductors, electrical equipment, and software detracting versus the MSCI Global Environmental Select Index, while the mid-cap comparison showed only a modest negative contribution from Information Technology at the sector level.

Single-name detractors were meaningful but not enough to offset the broader positive attribution. Centrus Energy detracted for the MSCI Global Environmental Select Index. Additional detractors included BYD Company, Digital Realty Trust, and Darling Ingredients. For NEXTX versus the S&P MidCap 400 Index, the largest detractors included First Solar, Centrus Energy, Vital Farms, Lumentum, and Ormat Technologies.

Portfolio Takeaway

Q1 2026 performance reflected a portfolio that added value through industry selection and company-specific contribution, rather than relying on a single market or style factor. The strongest relative contribution came from energy, industrials, real estate, materials, infrastructure, and select consumer discretionary exposures. These positives more than offset headwinds from broad market factor exposure, style effects versus the mid-cap benchmark, and select technology- and growth-related detractors.

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 over 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.

**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.

SOURCES

**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: 1.26% (gross & net) | NEXIX: 1.01% (gross & net).

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.

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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://www.sheltoncap.com/wp-content/uploads/2025/11/Prospectus-1.1.26.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.

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