SHELTON CAPITAL MANAGEMENT

Shelton Sustainable Equity Fund

NEXTX

Quarterly Commentary

As of September 30, 2026

Quarter in Review

The Shelton Sustainable Equity Fund (NEXTX) returned -6.23% in Q3 as mid-cap equities pulled back. On a holdings basis, the portfolio finished ahead of both benchmarks: the MSCI Global Environmental Select Index (via ERTH), which returned -10.16%, and the S&P MidCap 400 Index (via MDY), which returned -6.41%. Attribution indicates that stock-specific contribution led relative results versus both, while industry positioning helped versus the environmental benchmark and hurt versus the mid-cap benchmark.

Attribution Snapshot

What Worked

Relative to the MSCI Global Environmental Select Index, the strongest factor contribution came from industry positioning, led by underweights in Real Estate and Automobiles and an overweight in Energy. Consumer Discretionary and Energy were the leading sector-level positives after Real Estate. Compared with the S&P MidCap 400 Index, style effects added value, with lower market sensitivity and medium-term momentum the largest contributors in a falling market, and country effects were modestly positive. Versus the S&P MidCap 400 Index, the fund's underweight exposure to Equity REITs, Energy, and Aerospace & Defense were the principal industry-level positives, and sector-level contribution was strongest from underweights in Real Estate and Financials and an overweight in Energy.

Stock-specific attribution was positive versus both benchmarks. Deere, Johnson Controls, Schneider Electric, GTT, and CF Industries contributed in both comparisons. Additional relative contributors included BitGo and Dexcom, along with underweights in MasTec, Carpenter Technology, and RB Global, versus the mid-cap benchmark, and underweights in Contemporary Amperex Technology, NIO, XPeng, Applied Digital, and NEXTDC versus the environmental benchmark.

What Worked Against Results

Industry positioning detracted versus the S&P MidCap 400 Index, with Industrials the largest negative effect as Electrical Equipment, Building Products, and Construction & Engineering declined as groups. Health Care also weighed on results, as the underweight missed strength in Life Sciences Tools & Services, and Materials, Information Technology, and Utilities, led by Independent Power Producers, were modest sector detractors. Within style, value, volatility, and earnings yield exposures detracted, and currency effects, mainly the euro, were modestly negative. Relative to the MSCI Global Environmental Select Index, country positioning was the primary factor headwind, as the Fund's U.S.-heavy mix lagged the benchmark's global allocation, while Industrials, currency effects, and Materials also detracted.

Stock-specific detractors versus the mid-cap benchmark were led by Ag Growth International, First Solar, Vertiv, Centrus Energy, Nextpower, and Ormat Technologies. Versus the environmental benchmark, underweights in NVIDIA, Kingspan, and BYD were the largest stock-level detractors, offsetting part of the quarter's positive relative result.

Fund Management

Bruce Kahn, Ph.D.

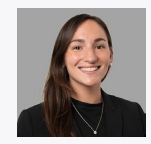
Lead Portfolio Manager

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.

Portfolio Takeaway

Q3 2026 performance reflected a negative absolute return in a declining mid-cap market and positive relative outcomes against both benchmarks. Stock-specific contribution was the common driver: core holdings such as Deere, Johnson Controls, and Schneider Electric outperformed on company-specific results even as the industries they belong to, notably Electrical Equipment and Building Products, declined as groups. Against the S&P MidCap 400 Index, that stock-level strength offset the drag from the Fund's Industrials overweight. Against the MSCI Global Environmental Select Index, it combined with favorable industry positioning to more than offset country effects.

Important Information

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. This material is provided for informational purposes only and summarizes attribution data from the reports provided. Performance attribution is shown for the period indicated in the reports and reflects cumulative attribution using the stated risk model, benchmark, frequency, and realized risk assumptions. Past performance does not guarantee future results. All investments carry a degree of risk, including the possible loss of principal, and there is no assurance that an investment will provide positive performance over any period. Company mentions are for attribution discussion only and should not be considered recommendations to buy or sell individual securities. Portfolio holdings and active weights are subject to change.

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