NEXTX

Shelton Sustainable Equity Fund

Quarterly Commentary

As of June 30, 2026

Quarter in Review

The Shelton Sustainable Equity Fund (NEXTX) delivered a positive Q2 return of 7.79%. Relative results were mixed: NEXTX outperformed the MSCI Global Environmental Select Index, which returned 1.57%, and trailed the S&P MidCap 400 Index, which returned 14.47%. Attribution indicates that stock-specific contribution, country positioning, and select style exposures supported results versus the environmental benchmark, while stock selection and style exposure weighed on relative performance versus the mid-cap benchmark.

Attribution Snapshot

What Worked

Relative to the MSCI Global Environmental Select Index, the strongest factor contribution came from country positioning, led by China, the United States, Hong Kong, and Korea. Style effects also added value, with market sensitivity and profitability the largest contributors. At the industry level, Automobiles, Electronic Equipment, Instruments & Components, and IT Services were the principal positives. Compared with the S&P MidCap 400 Index, industry positioning was modestly positive, led by Metals & Mining, Aerospace & Defense, Energy Equipment & Services, and Capital Markets. Sector-level contribution was strongest in Industrials, Consumer Discretionary, Materials, and Financials.

Stock-specific attribution was positive versus the environmental benchmark. Aramark, Valmont Industries, Siemens, and Warby Parker contributed in both comparisons. Additional relative contributors included NVIDIA, Vestas Wind Systems, Alstom, BYD, and Digital Realty versus the environmental benchmark, and Shoals Technologies, Fabrinet, and EnerSys versus the mid-cap benchmark.

What Worked Against Results

Industry positioning detracted meaningfully versus the MSCI Global Environmental Select Index, with Semiconductors & Semiconductor Equipment, Oil, Gas & Consumable Fuels, Chemicals, Food Products, and Health Care Equipment & Supplies the largest negative effects. Local China exposure within the benchmark and currency effects also detracted from relative performance. Relative to the S&P MidCap 400 Index, style exposure was the primary factor headwind, driven by market sensitivity, momentum, value, growth, and dividend yield. Information Technology, Energy, Consumer Staples, and Utilities were the largest sector detractors, while currency and country effects were also modestly negative.

Stock-specific results were negative versus the mid-cap benchmark. Bunge Global, First Solar, Teledyne Technologies, CF Industries, and AECOM were the largest detractors. Bunge Global, Teledyne Technologies, CF Industries, AECOM, and Contemporary Amperex Technology also detracted versus the environmental benchmark, offsetting part of the quarter's positive absolute return.

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

Q2 2026 performance reflected a portfolio with a positive absolute return and divergent relative outcomes across the two benchmarks. Stock-specific contribution, country positioning, and style exposure supported outperformance versus the MSCI Global Environmental Select Index. Against the S&P MidCap 400 Index, however, stock selection and style effects, including market sensitivity, more than offset modestly positive industry positioning. The quarter highlights how benchmark composition can influence the sources and direction of relative attribution.

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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.

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

SHELTON CAPITAL MANAGEMENT

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