

# SHELTON BDC INCOME FUND

June 30, 2017



## FUND OBJECTIVE

The primary investment objective of the Shelton Capital BDC Income Fund is to provide a high level of income, with the potential for capital appreciation.

The Fund will invest a majority of (and under normal market conditions, at least 70%), its net assets in common and preferred stock, convertible bonds and other securities of Business Development Companies (“BDCs”) that are traded on one or more nationally recognized securities exchanges. The Fund seeks to construct a portfolio that has low correlation to major equity or bond indices and provides an attractive total return opportunity.

## PORTFOLIO MANAGEMENT PROCESS

Shelton Capital Management utilizes a fundamental investment approach for portfolio construction and security selection. In constructing an investment portfolio for the Fund, the Advisor’s portfolio management team first considers key BDC valuation metrics such as dividend yield, price to book, portfolio composition, and fund fee structures. The Advisor also considers more qualitative factors including quality of management team and shareholder alignment incentives. The Advisor will use various security valuation methodologies including but not limited to: 1) dividend and earnings sustainability and growth analysis, 2) relative multiple analysis, and 3) net asset valuation (NAV) analysis. The Fund typically invests in BDCs with below market energy exposure, senior debt focused investment portfolios and above market dividend coverage metrics.

## FUND INFORMATION

CLASS	CUSIP	TICKER	SHARE PRICE	GROSS EXPENSE RATIO (%)*	NET EXPENSE RATIO (%)*
Investor	78410K402	LOANX	\$9.45	1.75	1.50
Institutional	75410K501	LOAIX	\$9.36	1.50	1.25

\*Excludes Acquired Fund Fees and Expenses.

## AVERAGE ANNUAL TOTAL RETURNS

	2Q17	YTD	1YR	3YR	SINCE INCEPTION
LOANX	-0.24%	5.46%	16.66%	3.72%	4.78%
LOAIX	-0.18%	5.61%	17.12%	3.54%	4.60%

## QUARTERLY DIVIDENDS



Quarterly dividends are annualized and have historically been paid during or within 10 days of end of each calendar quarter. The table presents any dividend paid within each period as being attributed to that quarter.

## INCEPTION DATE

05/02/14

## FUND MANAGEMENT

Shelton Capital Management is the Fund’s advisor. Shelton Capital Management has served as the investment advisor and administrator to the Shelton Funds since 1985.

### JOHN HARNISCH, CFA®



- 13 years experience analyzing and trading credit and derivative markets having managed fixed income portfolios at major insurance companies.

- CFA®, Charter designation and member of Hartford CFA Society and CFA Institute; B.A., Economics, Trinity College.

### WILLIAM MOCK



- 19 years experience as a trader and portfolio manager of fixed income and derivative portfolios. William has been a

portfolio manager at Shelton Capital since 2010.

- MBA, University of Chicago Booth School of Business; B.S., Electrical Engineering, Kansas State University.

\*Includes special dividends on 11/3/16 were paid in relation to the reorganization of the Fund into the SCM Trust.

Shelton Capital Management contractually reimburses expenses to the extent other expenses exceed the net expense ratio until 08/31/17.

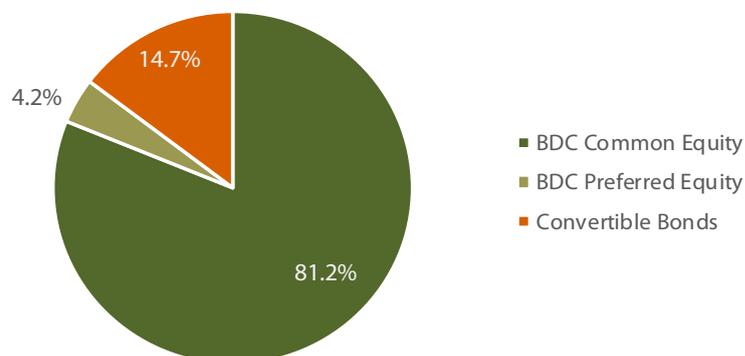
# SHELTON BDC INCOME FUND

## TOP TEN HOLDINGS

COMPANY	HOLDINGS
Ares Capital Corp	8.95%
Golub Capital BDC Inc	6.73%
TCP Capital Corp	6.20%
NewStar Financial Inc	6.18%
Hercules Capital Inc	6.01%
TPG Specialty Lending Inc	6.00%
Solar Capital Ltd	5.92%
PennantPark Floating Rate Capital Ltd	5.71%
Alcentra Capital Corp	4.65%
Apollo Investment Corp	4.46%

Holdings percentages are based upon the total portfolio. Cash and cash equivalents constitute 6.57% of the Fund's assets as of June 30, 2017. Portfolio holdings are subject to change. The securities identified do not represent all of the securities purchased, sold, or held by the Fund, and it should not be assumed that investments in the securities identified were or will be profitable.

## PORTFOLIO ALLOCATION



## DISCLOSURES

It is possible to lose money by investing in the fund. Past performance does not guarantee future results. Investing in the Fund involves risks, including those summarized below.

- An investment in the Fund is generally subject to market risk, including the possible loss of the entire principal amount invested. An investment in the Fund represents an indirect investment in the securities owned by the Fund, and accordingly is subject to the risks associated with those securities.
- Like all financial instruments, the value of these securities may move up or down, sometimes rapidly and unpredictably. The value of your investment in the Fund at any point in time may be worth less than the value of your original investment, even after taking into account any reinvestment of dividends and distributions.
- The Fund may invest in medium- and small-capitalization companies, which may be newly formed or have limited product lines, distribution channels and financial or managerial resources. The risks associated with these investments are generally greater than those associated with investments in the securities of larger, more-established companies.
- The Fund may invest to a limited degree in non-traded securities that have limited operating histories and are considered illiquid investments.
- The Fund is classified as a non-diversified management investment company under the Investment Company Act of 1940, as amended. This means that the Fund may invest a greater portion of its assets in a limited number of issuers.

**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 [www.sheltoncap.com](http://www.sheltoncap.com) or call (800) 955-9988. A prospectus should be read carefully before investing.**

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



1050 17<sup>th</sup> Street, Suite 1710  
Denver, Colorado 80265-2077  
**Tel:** (800) 955.9988  
**Fax:** (303) 534.5627