

Strategy Objective

The Shelton High-Yield Municipal Bond Portfolio Strategy seeks to achieve total return through a combination of income and capital appreciation.

Strategic Overview

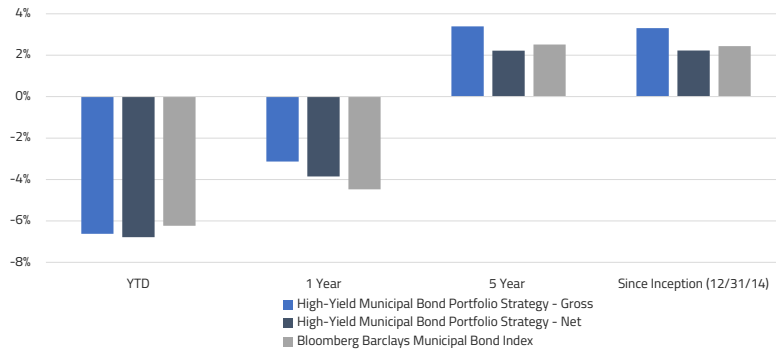
- Actively managed investment strategy focused on lower investment grade and high-yield municipal bonds.
- Fundamental credit research provides pipeline of investment ideas in both new issue and secondary markets.
- Analysis of technical supply and demand factors, credit spreads and overall economic and rates view informs both buy and sell decisions.

Growth of \$1,000,000



An initial investment of \$1,000,000 on 12/31/14 the inception date of the strategy, would have grown to \$1,172,972 as of 3/31/2022 net of all fees.

Performance History



Composite Calendar Year Returns

	2015	2016	2017	2018	2019	2020	2021	2022 [^]
HY Municipal Bond Portfolio - Gross	2.95%	2.05%	4.12%	2.80%	9.14%	5.86%	4.35%	-6.62%
HY Municipal Bond Portfolio - Net	2.17%	1.29%	3.14%	1.62%	7.92%	4.25%	3.14%	-6.78%
Bloomberg Barclays Municipal Bond Index	3.30%	0.25%	5.45%	1.28%	7.54%	5.21%	1.52%	-6.23%

[^]Numbers for 2022 are through March 31, 2022 and are not annualized.

For the full GIPS Report, please visit this link: <https://sheltoncap.com/shelton-high-yield-municipal-bond-strategy-gips-report/>

Shelton Capital Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Shelton Capital Management has been independently verified for the periods December 31, 2003 to December 31, 2019. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

The firm's list of pooled fund descriptions for limited distribution pooled funds and the firm's list of broad distribution pooled funds is available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Portfolio Management Team



David Falk has over 30 years of broad-based fixed income experience as a trader, research analyst and investment banker for firms including Cedar Ridge Partners, LLC, Bear, Stearns & Co. Inc. and Lazard Freres with a focus on the municipal securities market. He is also a Portfolio Manager for the Green California Tax-Free Income Fund and the Shelton Tactical Credit Fund. He holds a Master of Regional Planning from the University of North Carolina at Chapel Hill and a B.A. from Northwestern University.



William Mock has 24 years of experience as a trader and portfolio manager of fixed income and derivatives portfolios, working at Citibank, Societe Generale, and TKI Capital prior to joining Shelton Capital in 2010. He is also lead portfolio manager of Shelton Capital's other municipal and government bond mutual funds. William holds a B.S. in Electrical Engineering from Kansas State University and an MBA from University of Chicago Booth School of Business.

Portfolio Information

Duration (Years)	8.04
Average Rating	A+
Current Yield	4.34%
Yield to Worst	3.22%
Average Coupon	4.67%
Tax Equivalent Yield*	5.44%

Portfolio information is sourced from Bloomberg. *Calculated based on the yield to worst (3.22%) adjusted for a Federal marginal tax rate of 40.8% including the 3.8% tax under the Patient Protection and Affordable Care Act.

Strategy Details

Benchmark	Bloomberg Barclays Municipal Bond Index
Minimum Initial Account	\$500,000

Sector Distribution

General	26.36%
Transportation	26.17%
Medical	16.90%
Higher Education	12.73%
Development	12.39%
Tobacco Settlement	5.45%

Portfolio holdings are subject to change. Sector classifications are sourced from Bloomberg.

Portfolio Construction Process



Focus

Focus on specific sectors in the high-yield municipal bond market where we have credit and trading experience and expertise.



Idea Generation

Identify securities that meet our total return, liquidity, structure and diversification objectives.



Execution

Use our long-standing institutional trading relationships to execute on trade ideas.

Important information

FOR FINANCIAL PROFESSIONAL USE ONLY

Prospective clients should carefully consider the fees and expenses associated with any investment. All investments carry a certain degree of risk, including the possible loss of principal and there are specific risks that apply to each investment strategy. Income may be subject to alternative minimum tax (AMT) and/or state and local taxes, based on state of residence. Past performance is not indicative of future results.

Past performance does not guarantee future results. The strategy is subject to several risks, any of which could cause an account to lose money. These risks include interest rate risk, state specific risk, income risk, call risk, credit risk, and bankruptcy risk. Prospective clients should consult their tax advisor regarding the suitability of tax exempt investments in their portfolios' income. Income may be subject to alternative minimum tax (AMT) and/or state and local taxes, based on the state of residence. There is no assurance that an investment will provide positive performance over any period of time. Prospective clients should consult their financial advisor about investment strategies that are appropriate for their investment objectives, risk tolerance, tax status and liquidity needs. Investors should understand that bond yields generally increase with the risk level and the time to maturity.

The performance numbers represent a composite consisting of all the firm's discretionary accounts that had a minimum balance of at least \$500,000, and were invested in the Shelton High-Yield Municipal Bond Portfolio Strategy. The Strategy seeks income generation and total return with a focus on lower investment grade high-yield municipal bonds. The management fee is as follows: 0.75% for all accounts. Shelton Capital Management may accept accounts at fees other than those shown at its discretion.

The composite includes all existing as well as terminated accounts meeting the above criteria. Performance shown prior to January 1, 2019 represents results achieved by the High-Yield Municipal Bond Portfolio Strategy Team while it was part of Cedar Ridge Partners, LLC.

The US Dollar is the currency used to express performance.

All base index performance information is provided by Advent. The Barclays US Municipal Bond covers the US dollar denominated, fixed tax-exempt bond market. The index includes state and local general obligation, revenue, insured, and pre refunded bonds.



Net returns are presented after all trading costs and actual management fees. Actual management fees may include other advisor investment management fees for accounts where Shelton Capital Management holds a sub advisor relationship. Account in the composite pay a management fee based on percentage of assets under management.

The strategy may be subject to High Yield Bond Risk. Lower rated municipal bonds can be speculative, involve greater risks of default, downgrades, or price declines and are more volatile and tend to be less liquid than investment grade bonds. These issuers may be less financially strong, are more likely to encounter financial difficulties, and are more vulnerable to adverse market events and negative sentiments than those with higher credit ratings.