Shelton Capital Management, Form ADV Part 2: Firm Brochure

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Item 1 Cover Page

SHELTON CAPITAL MANAGEMENT

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Form ADV Part 2:
Firm Disclosure Separately Managed Accounts

March 30, 2017

This brochure provides information about the qualifications and business practices of Shelton Capital Management ("Shelton Capital" or the "Advisor"). If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer, Gregory Pusch, at 800-955-9988 or gpusch@sheltoncap.com. The information in this brochure has not been approved or verified by the United States Securities Exchange Commission (SEC) or any state securities authority.

Additional information about Shelton Capital can be found on the SEC's website at www.adviserinfo.sec.gov using the unique CRD search number 104720. You may request a copy of this brochure by contacting us at the 800 number or email address noted above.

Please keep in mind that nothing in this brochure is to be construed as an offer of securities and, where appropriate, you should refer to applicable product disclosure documents. Registration with the SEC does not imply a certain level of skill or training.

Item 2 Material Changes

This Brochure dated March 30, 2017 contains material changes since the last annual update of the Brochure dated March 28, 2016.

• Effective January 20, 2017, Chris LaJaunie, a member of the international portfolio management team, left Shelton Capital.

• Effective June 30, 2016, Charles Sandmel, a member of the portfolio management team for the fixed income municipal bond strategies, retired.

• Various Items in the Brochure have been updated to reflect Shelton Capital's entry into the management of SMA international strategies, and participation in Wrap and UMA Programs.

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Item 4 Advisory Business

Shelton Capital is a SEC-registered investment advisor organized as a limited partnership on August 1, 1985 under the laws of the State of California with its principal place of business located in Denver, Colorado. Shelton Capital is controlled by a privately held partnership, RFS Partners, LP which is controlled by RFS, Inc. (an S-Corporation). RFS, Inc. is controlled by a family trust. Mr. Stephen C. Rogers is the Chief Executive Officer of Shelton Capital and serves as a co-trustee of the family trust.

Shelton Capital offers its investment management expertise through Separately Managed Account strategies ("SMAs"). These strategies may be managed on a discretionary and non-discretionary basis for the following types of clients:

- Institutional clients (including proprietary and third-party mutual funds, pension and profit sharing plans, trusts, estates, charitable organizations, business entities) and individual clients (collectively, "Direct Clients");
- Sub-Advisory services where we provide the advisory services to the investment advisor for a portion of their advisory client's account ("Sub-Advisory Clients");
- Clients in sponsored wrap programs or wrap fee programs ("Wrap Clients"); and
- Sponsors of UMA Programs where we provide the advisory services to the sponsors rather than to the underlying UMA clients.

We work with each direct client to establish an appropriate investment profile. For Wrap Clients, financial advisors working for the Wrap Sponsor, as defined below, guide the clients to select the appropriate investment strategy we offer. For Sub- Advisory clients, financial advisors working directly with the client choose from our offered strategies. Clients may choose from growth, balanced, and conservative strategies. Direct clients and Sub-Advisory Clients may impose reasonable restrictions on our management of their accounts. Wrap Clients may only impose a limited range of restrictions on our management of their accounts.

Before establishing a direct client relationship, we will enter into a written advisory contract, supplemented in certain cases other documentation, with a client to understand their particular needs and investment goals and to establish guidelines appropriate to the client's account.

Shelton Capital cannot guarantee or assure a client –

- that investment goals and objectives will be achieved,
- of the future performance of an account or any specific level of performance;
- of the success of any investment decision or strategy we may use; or
- of the overall success of our management of a client's account.

The investment decisions we make are subject to various market, currency, economic, political and business risks and the risk that investment decisions will not always be profitable. Please see Item 8: Methods of Analysis, Investment strategies and Risk of Loss for more information about our strategies and related investment risks, which clients should review carefully before deciding to engage us.

ERISA Accounts

Shelton Capital is deemed to be a fiduciary to clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, Shelton Capital is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Shelton Capital may only charge fees for investment advice.

Assets Under Management

As of March 1, 2017, we managed over $1.84 billion of assets under management all of which are managed on a discretionary basis.

Proprietary Mutual Funds

We serve as investment advisor to a number of proprietary mutual funds, some of which offer multiple classes of shares, as described in each Fund's prospectus, a copy of which is available on our website.

Participation in Sub-Advised Option Strategies

We serve as a sub-advisor to investment advisory firms' clientele for various strategies. The investment advisory firms typically provide some or all of the following:

- recommend us to their advisory clients for the management of a portion of their account;
- obtain required suitability information and client's investor profile;

- provide quarterly performance reporting to their clients;
- monitor our performance; and
- determine the custodian.

Participation in Wrap Programs

We serve as the adviser for wrap fee program accounts ("Wrap Programs") sponsored by brokerage firms and/or their affiliates ("Wrap Sponsors"). Under these Wrap Programs, the Wrap Sponsors typically perform some or all of the following services:

- recommend us to their Wrap Clients;
- execute the clients' portfolio transactions without charging a transaction-based fee;
- monitor our performance; and
- act as custodian.

Wrap Sponsors charge a single fee for performing some or all of these services and pay a portion of that fee to us for investment management services. As negotiated between a client and a Wrap Sponsor, our investment management fee may differ from the fee schedules charged for direct clients as shown under Item 5: Fees and Compensation.

Wrap Program accounts typically grant us full investment discretion, depending on the individual needs of the client, as communicated through to us by the Wrap Sponsor. However, we generally do not have the discretion to select broker-dealers to execute portfolio transactions for wrap clients, as discussed in Item 12: Brokerage Practices. Wrap Clients generally have the ability to establish special limitations on the investments in their portfolios, although Wrap Clients must notify their Wrap Sponsor, who will then notify us, of any changes to the client's financial condition, investment objectives, risk tolerance, and restrictions. For more information about Wrap Programs, including information about fees and other terms and conditions of investment, please see the Wrap Sponsor's applicable program brochure.

Participation in UMA Programs
We participate in Unified Managed Account (UMA) programs which may be sponsored by broker-dealers and unaffiliated investment advisory firms, among others. We provide our investment model to the UMA sponsors, but we do not execute transactions for the UMA clients since the UMA sponsors implement the investment model by executing transactions in the UMA accounts at their discretion. We are responsible for communicating any changes to the investment model to the UMA sponsor on a timely basis. Please see Item 12: Brokerage Practices for a discussion of how we communicate changes to the investment model to UMA sponsors.

UMA clients are generally not considered to be clients of Shelton Capital, but rather clients of the UMA sponsor.

Item 5 Fees and Compensation

The management fee paid to Shelton Capital for separately managed accounts is determined based on each client's individual needs and applicable portfolio restrictions and the distribution channel through which the account is established. The annual management fee is charged as a percentage of assets under management (discretionary and non- discretionary accounts) or a minimum fee arrangement and may be negotiable in the sole and absolute discretion of Shelton Capital.

The following provides important information concerning the payment of the management fee and its calculation.

<u>Prepayment of Fees</u>
Management fees are normally paid quarterly in advance generally within fifteen (15) business days of the end of the quarter. The fees are deducted from your account.

<u>Refund of Pre-Paid Fees</u>
In the event an account closes prior to the end of a billing period; the pre- paid management fees will be pro-rated from the date of closing and credited back to the client.

<u>Basis of Fee Calculation</u>
Fees are based on net market value of an account as of the close of business on the last day of the quarter.

<u>New Account Establishment During a Quarter</u>
Management fee is calculated based on the value of the assets and prorated for the number of days remaining in the quarter.

<u>Additional Contributions to an Existing Account during a Quarter</u>
Management fees are calculated based on the value of the contribution as of the investment date and pro-rated for the number of days remaining in the quarter.

<u>Withdrawal of Assets</u>
Assets can be withdrawn generally upon five (5) business days written notice to the Advisor subject to the usual and customary securities settlement procedures.

<u>Withdrawals or Deposits equal to or greater than $20,000 (cash and/or securities)</u>
The management fee for the balance of the billing period will

be pro-rated as of the date of the transaction to reflect the withdrawal or deposit and generally will be credited or due at quarter-end following the date of the withdrawal or deposit.

Withdrawals or Deposits less than $20,000 (cash and/or securities)
No fee adjustment will be made during the billing period of the transaction.

Fees received from Option Strategies
The following management fee schedules are based on which distribution channel establishes the SMA account using Shelton Capital's investment management services.

Advisor (BD, RIA)	Solicitor	Retail Direct		
Diversified ETF	Minimum Investment	$100,000	$100,000	$100,000
	Fees	75 bps -- $100K - $250K 60 bps --Every dollar greater than $250K $750 annual minimum per account	200 bps -- $100K - $250K 150 bps -- Every dollar greater than $250K $2,000 annual minimum per account	100 bps -- all dollar amounts $1,000 annual minimum per account
Option Overlay	Minimum Investment	$500,000	$500,000	$500,000
	Fees	60 bps -- All dollar amounts $3,000 annual minimum per account	150 bps -- All dollar amounts $750 annual minimum per account	100 bps -- All dollar amounts $5,000 annual minimum per account
Equity Income	Minimum Investment	$250,000	$250,000	$250,000
	Fees	60 bps -- All dollar amounts $1,500 annual minimum per account	200 bps -- $250K - $500K 150 bps -Every dollar greater than $500K $5,000 annual minimum per account	100 bps -- all dollar amounts $2,500 annual minimum per account
Fixed Income	Minimum Investment	$300,000	Not Applicable	$300,000
	Fees	30 bps – Less than $2,000,000 25 bps – Next $3,000,000 Negotiable – Over $5,000,000 $900 annual minimum per account	Not Applicable	60 bps – Less than $2,000,000 50 bps – Next $3,000,000 Negotiable – Over $5,000,000 $1,800 annual minimum per account

The above table reflects Shelton Capital's minimum requirements for assets under management for each SMA option strategy and Shelton Capital may waive any minimum in its sole discretion. If the account size falls below the minimum requirement due to market fluctuations only, a client will not be required to invest additional funds with the Advisor to meet the minimum account size.

Fees received from Wrap/UMA Sponsors
We are paid between 0.32% and 1.00% for our investment management services, based on scale and volume of the assets under management in the Wrap or UMA program. Generally, our fees are calculated and billed quarterly, in advance, by each Wrap or UMA sponsor, based on the market value of assets under management at the beginning of each quarter. If the client terminates before the end of the prepaid quarter, a refund is paid on a pro-rata basis.

For additional information regarding fees for these Wrap Programs (in addition to the brief description above in Item 4), please consult the applicable Wrap Program brochure prepared by the Wrap Sponsor or UMA sponsor, in the case of a single contract Wrap Program or UMA program.

While it is not the Shelton Capital's policy to accept new accounts at fees other than those shown above, varying workloads between clients may mean some variability of management fees. Management fees are otherwise negotiable in the sole discretion of the Shelton Capital. Clients should keep in mind that lower fees for comparable services may be available from other sources. We may amend our fee schedule at any time.

Other Fees and Expenses

Client accounts may also be subject to other expenses such as custodial charges, brokerage fees, commissions, interest expenses, taxes, duties and other governmental charges. Item 12: Brokerage Practices further describes the factors that we consider in selecting or recommending broker-dealers for a client's transactions and determining the reasonableness of their compensation (i.e., commissions).

If we invest a client's portfolio in a third-party investment vehicle, such as a mutual fund or an exchange-traded fund ("ETF"), the client will pay our investment management fee on the portion of the assets invested in the investment vehicle. Additionally, the client will pay the separate layer of management, trading and administrative fees that are charged at the investment vehicle level which are described in the investment vehicle's prospectus or other disclosure documents. Additionally, client assets may be invested in other investments, such as stocks, bonds, and derivatives. In these cases, the client will bear its pro rata share of the expenses and fees for these investments.

Item 6 Performance-Based Fees and Side-by-Side Management

In general, the management of multiple funds and accounts may give rise to potential conflicts of interest if, for example, the accounts have different objectives, benchmarks, time horizons, and fees as the portfolio manager must allocate his or her time and investment ideas across multiple funds and accounts. Because a portfolio manager must allocate his or her time and investment ideas across these multiple funds and accounts, the portfolio manager may be motivated to invest more effort on behalf of those funds and accounts that include a higher fee to the extent it could impact Shelton Capital's or the portfolio manager's financial interests.

Shelton Capital seeks to manage such competing interest for the time and attention of the portfolio managers by having portfolio managers focus on an investment discipline or disciplines using similar investment strategies in connection with the management of multiple funds and accounts. Accordingly, portfolio holdings, position sizes and industry and sector exposures tend to be similar across similar accounts, which may minimize the potential for conflicts of interest. To further mitigate these conflicts, Shelton Capital maintains an investment culture which seek to provide that investment personnel make decisions based on the best interests of clients, without consideration of Shelton Capital's or any portfolio manager's financial interests. There can be no assurance, however, that all conflicts have been addressed in all situations.

Shelton Capital does not charge a performance-based fee. In other words, we do not charge fees based on a share of the capital gains or the capital appreciation in your account(s).

Item 7 Types of Clients

Shelton Capital provides advisory services to the following types of clients:

- Individuals (to include high net worth individuals)
- Pension and profit sharing plan sponsors
- Pension and profit sharing plan participants
- Trusts, Estates or charitable organizations
- Nonprofit organizations and other non-governmental organizations
- Mutual funds

Direct Accounts

Direct accounts must execute a written advisory agreement with us before receiving our services.

Sub-Advised Accounts

We may be appointed by other investment management firms to serve as a sub-advisor to one or more accounts managed by such firms. A written sub-advisory agreement must be executed with us before we begin our sub-advisory services. In return for sub-advisory services, an investment management firm pays Shelton Capital a sub- advisory fee which generally takes the form of a percentage of the investment management fee received by the investment management firm. In some cases, Shelton Capital may deduct its fees directly from the client's account if it is the preference of the investment management firm and its client, and is permitted by the custodian.

Wrap Programs and UMA Programs

We also provide advice to Wrap Clients through broker-sponsored Wrap programs and advise clients in UMA

Programs. In some cases, we provide advice to the sponsor of UMA Programs, rather than the underlying UMA clients. For Wrap Clients, we generally do not accept new accounts with less than $100,000 in assets, although we may make exceptions to accommodate the requirements of certain Wrap Sponsors.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

Shelton Capital utilizes a variety of methods and strategies to make investment decisions and recommendations. The methods of analysis include fundamental research, charting analysis, cyclical analysis or technical analytical tools and approaches using various information sources. We believe that clients may benefit from a focused, consistent and repeatable approach to investment management across all strategies. Our philosophy is simple but effective: build high conviction portfolios from our best ideas and make investment decisions based on a long-term horizon which support the goals of each client.

These methods, strategies and investments involve the potential risk of loss to clients and clients must be prepared to bear the loss of their entire contribution/investment.

Our methods of analysis vary by investment strategy and are described below, along with particular associated risks of such strategies. Risks applicable to all strategies also are described further below.

Fixed Income Strategies

The fixed income investment strategies focus on maximizing income and the providing of competitive returns given the client's specified market (e.g., U.S. Treasuries, municipal bonds, corporate bonds and mortgage backed securities) and stated risk tolerance. Fixed income portfolios are actively managed to select securities that Shelton Capital believes will provide the best balance between risk and return specific to each client. Individual securities are evaluated based on the credit risk, interest rate risk, duration risk, etc. of the specific security as well as their contribution to the risk/return profile of the portfolio. The portfolio management team may focus on integrating bond investing with sustainable, green investment principles when consistent with Client objectives.

For clients seeking to maximize income exempt from federal taxes, an actively managed separate account of municipal securities issued by state and local governments can be created based on the specific risk and return of a client. Such municipal securities accounts can also consist of bonds that finance projects considered to be environmentally sustainable and/or focused on environmental solutions.

Shelton Capital may, under certain market conditions, seek to protect or hedge a client's portfolio against a decline in the value of its fixed income investments by holding cash or cash equivalents. Shelton Capital actively manages the fixed income SMA portfolios and may initiate transactions for defensive purposes or otherwise, as deemed necessary.

<u>Risks Associated with Fixed Income Strategies</u>

In the fixed income strategy, we are limited to current market offerings, which may, at times, lead to significant delays in fully investing a portfolio. This is especially true when a client has very explicit criteria which is contrary to current market offering availability.

Interest Rate Risk is the chance that bond prices over all will decline over short and long-term periods due to rising interest rates. Many factors can cause interest rates to rise. Some examples include central bank monetary policy, rising inflation rates and general economic conditions. Interest rates in the United States remain low by historic norms, which may increase the exposure to risks associated with rising interest rates.

Income Risk is the chance that declining interest rates will reduce the amount of income paid.

Call Risk is the chance that during declining interest rates, a bond issuer will call or prepay a high- yielding bond before the bond's maturity date. This would force the purchasing of lower yielding bonds which would reduce the income generated and could potentially result in capital gains.

Credit Risk is the chance that the issuer of a debt security or a guarantor of a security held or counterparty to a transaction may default on its payment obligations or experience a decline in credit quality. Generally, the lower the credit rating of a security, issuer, guarantor or counterparty, the higher the degree of risk as to the payment of interest and return of principal. Also, a downgrade in the credit quality of a security or its issuer, or guarantor may cause the security to decline in value and could affect the security's liquidity and make it more difficult to sell.

Option Equity Strategies

<u>Equity Strategies</u>

Investment strategies for equity accounts seek maximize total return, and with respect to option strategies, may also on certain equity securities write covered options on these securities in order to create cash flow that may be disbursed to clients or reinvested in client accounts.

Shelton Capital may provide option advisory services on a client's stock or ETF portfolio. In those cases, Shelton Capital, the client or another investment advisor would have responsibility for selection and purchase of all or a portion of the stocks in the client's portfolio. After the purchase of a particular stock, Shelton Capital subsequently writes covered call options on the stock, and directs a broker to execute trades. The call options written for a client's account are considered "covered" because the account owns the stock against which the options are written. As a result, the number of covered call options that can be written against any particular stock is limited by the number of shares of that stock the client holds.

If the client's goal is to maximize option premiums generated, Shelton Capital generally writes as many covered call options as it can on the stocks the client owns. Shelton Capital also writes options of duration and exercise price that it believes should provide the client with the best expected outcome consistent with the client's overall objective. For some clients, the goal might be capital appreciation from the equities purchased in combination with cash flow from option premiums. In this case, Shelton Capital would write fewer covered call options on a portion of the portfolio, setting aside the remaining stocks on which options would not initially be written. The amount of covered call options written on the stocks held by a client is determined by Shelton Capital, in its sole discretion, based on the written client goals, investment opportunities presented by the overall financial position of each common stock within the stock market, market volatility, implied volatility and any other market factors which may give rise to advantageous conditions for the writing of covered call options.

Shelton Capital may, under certain market conditions, seek to protect or "hedge" a client's portfolio against a decline in the value of its stocks by purchasing put options. The purchase of a put option gives the right to sell or "put" a fixed number of shares of stock at a fixed price within a given time frame in exchange for the payment of a premium. The values of put options generally increase for the purchaser as stock prices decrease. The purchase of puts creates an additional expense, and may adversely affect the client's return.

Shelton Capital actively manages the equity portfolios and may initiate transactions for defensive or other purposes, as deemed necessary.

Shelton Capital may, upon a client's request, sell/write secured put options as a means to acquire underlying stocks at a price at or below the market price at the time the option was written. The put options written for a client's account are considered "secured' because the client's account has sufficient cash or margin designated to cover the obligation to "purchase" the amount of the underlying stock at the put's strike price. If the value of the underlying stock declines below the strike price of the put and the put is assigned, the client would be obligated to purchase the stock at a price in excess of its then current market value.

In a case where the client has not authorized the use of margin, if the client's withdrawals leave less than the amount necessary to cover the purchase of stock subject to the put and the put is assigned, then the account has a debit. If the client's account has a debit, then Shelton Capital is required to liquidate other account assets to cover the assignment. In a case where the client has authorized the use of margin, the client's account is subject to any additional margin requirements and related costs as stated in their margin agreement. Using margin increases risk to the account and requires a margin agreement.

<u>Protective Puts Strategy</u>

A protective put is a risk management strategy where a put or puts are purchased against a long stock or long portfolio position. The objective of the strategy is to reduce the directional risk and exposure of the individual stock or portfolio while allowing for upside gains if the stock or portfolio continues to rally beyond the debit paid.

With a protective put strategy, while the long put provides some temporary protection from a decline in the price of the corresponding stock, it does involve risking the entire cost of the put position. Should the long put position expire worthless, the entire cost of the put position would be lost.

<u>Cash-Secured Puts Strategy</u>

A cash-secured put involves writing an at-the-money or out-of-the-money put option and simultaneously setting aside enough cash to buy the stock. This is an income generating, bullish strategy where the put seller receives cash premium for the obligation to buy 100 shares of stock per each put sold at a set price. The premium income lowers the break-even stock price, if assigned, while cash flow to the seller.

Selling naked or cash-secured puts may not be appropriate for all investors and includes a risk of purchasing the underlying stock at the option strike price regardless of the prevailing market price, which may be significantly lower.

Equity Income Strategies
Seek to deliver capital appreciation and an enhanced level of income through the building of a concentrated portfolio of generally less than 40 U.S. stocks, combined with writing covered calls and/or selling cash secured puts on these portfolio positions. This strategy is used to either reduce overall volatility or add incremental income. The covered calls are strategically sold to generate option premium or cash flow in addition to the portfolio's dividend yield. The cash-secured put involves selling put options and simultaneously setting aside enough cash or margin to buy the stock if an assignment occurs. We may also buy protective puts. A protective put is a risk-management strategy where a put or puts are purchased against a long stock or other long portfolio position. The objective of buying puts is to reduce the directional risk and exposure of the individual portfolio while allowing for upside gains if the stock or portfolio continues to increase in value.

Certain accounts may seek to generate cash flow by writing covered call options on the underlying stock positions in a diversified equity portfolio which may also provide a means for income-oriented clients to diversify their distribution streams while reducing direct exposure to interest rate risk. Selling puts is an income generating, bullish strategy where the put seller receives a cash premium for the obligation to buy 100 shares of stock per each put sold at a set price. The premium income lowers the break-even stock price, if assigned, while providing cash flow to the seller.

<u>Option Overlay Strategies</u>
Seek to enhance cash flow and improve the risk-adjusted total return on one or more positions by employing the use of covered call writing secured put selling, or protective put buying. This involves selling potential upside return on a stock for current income in the form of option premium. We may also sell out of the money (OTM) put options to enhance the income yields in accounts. The strategy may be using leverage to sell the secured puts, so there is risk of increased leverage in the portfolio. For each put option we sell in a client's account, the client is obligated to buy 100 shares at the options strike price. We may also buy a protective put. A protective put is a risk-management strategy where a put or puts are purchased against a long stock or long portfolio position. The objective of the strategy is to reduce the directional risk and exposure of the individual stock or portfolio while allowing for upside gains if the stock or portfolio continues to rally beyond the debit paid.

<u>Diversified ETF Strategies</u>
Provide a fully diversified portfolio of ETFs on which the manager writes (sells) covered calls on some or all of those positions to reduce overall volatility while adding incremental income. Offers the client three portfolios to choose from:

1. Conservative Strategy is to provide stability of capital with moderate growth. With its anticipated low volatility, this approach carries relatively low risk, yet provides a moderate current income.

2. Balanced Strategy is long-term capital growth, with a secondary focus on modest income through a mix of fixed-income and growth-oriented ETF's. Balanced portfolio clients are medium risk clients with a 5 to 10 year investing time horizon.

3. Growth Strategy is long-term capital growth, although seeking lower volatility through diversification and the use of the covered call writing overlay. Clients will have a longer time horizon than the Balance portfolio.

<u>Strategic Income Strategy</u>
Seeks to deliver an enhanced level of cash flow through the selling of a concentrated portfolio of generally less than four blue-chip cash-secured puts to enhance the level of cash flow. The cash- secured put involves selling put options and simultaneously setting aside enough cash or margin to buy the stock if an assignment occurs. We may also buy protective puts. A protective put is a risk- management strategy where puts are purchased against a long stock or long position. The objective of buying protective puts is to reduce the directional risk and exposure of a stock or portfolio while allowing for upside gains if the stock or portfolio increases in value.

<u>Risks Associated with Options Strategies</u>
There is no guarantee against loss or that all account objectives will be met. The downside risk of the potential loss in the value of the underlying equities in a declining market will be mitigated only to the extent of net option premiums received in the account and by any puts purchased for the account.

At times, Shelton Capital may repurchase a written option and sell a replacement option at a higher strike price and/or further out in time. This may be done at times to reduce the risk of loss in an equity position during fluctuating markets and/or to maintain the overall investment style of the portfolio. This strategy may reduce the amount of cash flow available for distribution to the client.

The following factors, among others, can affect account performance with respect to investing and trading in options: market, sector, and stock-specific volatility, length of time invested, diversification, management and other account fees and charges, taxes, liquidity in options and equity markets, inflation and deflation, and various other economic and political factors. Early assignment of option contracts can also occur, and this may detract from dividends paid by the companies whose stocks are held in the account. The more money disbursed from the account over time, the less will be available for possible reinvestment and growth, which may affect performance, especially in a declining market.

Clients with secured puts written in their accounts give up upside potential of the stock above the option price for the option period and bears the risk that the value of the stock declines below the break-even point (strike price minus the premium received), and the loss could be substantial if the decline is significant. Such Clients also bear the risk of a decline in the value of the underlying cash collateral (if the cash is invested in a short-term debt instrument such as a treasury bill or note). For this assumption of risk, Clients holding secured puts earn cash premiums from selling the secured put and potential interest from a treasury bill or money market fund during the option period. Because the Client does not yet own the stock, he/she is not entitled to any dividends paid on the stock during the option period.

There are other risks of covered calls and secured puts that are more fully explained in the OCC Risk Booklet "Characteristics and Risks of Standardized Options" and the newly issued Supplement. Such risks include, but not limited to, tax implications of covered writing, option market liquidity, and market volatility. Clients should be sure to read and ask any questions raised after reading the OCC Risk Booklet, the Supplement and the management agreements they received to understand the possible costs and risks as well as potential opportunities for an investment in one of these styles.

<u>Other risks:</u>

- Covered call strategies limit upside potential for underlying security appreciation and will typically underperform in strong markets.

- Covered call strategies do not protect an underlying security from downside risk. The loss for the client could be the current price of the underlying security less the premium received for the call option.

- Put strategies used for hedging purposes carry the risk of losing the entire premium paid to purchase the option.

- Shares of underlying securities with an option strategy held in a margin account run the risk of being sold if the option(s) is exercised or the need arises to close a losing position.

- Withdrawals, such as systematic withdrawals as part of an income strategy, may result in a declining portfolio value over time.

- The sale of the stock will produce tax consequences for U.S. taxpayers. Each option transaction also produces a tax consequence – when closed.

- An option writer may be assigned an exercise at any time during the period the option is exercisable.

- The writer of a covered call forgoes the opportunity to benefit from an increase in the value of the underlying interest above the option price, but continues to bear the risk of a decline in the value of the underlying interest.

- An option writer may be assigned an exercise that is made based on news that is published after the established exercise cut-off time and that the writer may not have an effective remedy to compensate for the violation of the option market's rules.

- In a strong market advance where the buyback involves an in the money (i.e., an option with a strike price less than the current level of the benchmark index) option, and volatility levels have declined, there may be a "debit" roll, whereby the cash needed to close out the option position exceeds the new sale's proceeds.

International Equity Strategies

Shelton Capital offers three international strategies: the Diversified International Strategy, the Diversified Global Equity Strategy, and the International Select Strategy. These strategies are managed by Shelton's international investment team of global investors which joined Shelton Capital in July 2016. The international investment team have combined global investing experience of 38 years.

Our diversified international and diversified global equity strategies seek to deliver attractive risk-adjusted returns over time while emphasizing enhanced diversification, lower volatility, and capital preservation. Central to the strategies is the concept of corporate life cycles, which captures the relationship between a company's competitive challenges and its economic performance and valuation as it evolves. This concept persists throughout the investment process as the Shelton international investment team believes it provides the most effective framework for evaluating investment opportunities and creating a less volatile portfolio. The select strategy approach is similar to the diversified strategies, but implements the strategy using fewer holdings and has a higher tracking error [versus its benchmark] than the diversified version of the international strategy. The difference between the global and international strategies are that the global strategies have U.S. exposure, whereas the international strategies are almost entirely non-U.S.

Risks Associated with International Equity Strategies

Depositary Receipts Risk: American Depositary Receipts ("ADRs") as well as other "hybrid" forms of ADRs, including European Depositary Receipts ("EDRs") and Global Depositary Receipts ("GDRs"), are certificates evidencing ownership of shares of a foreign issuer. These certificates are issued by depository banks and generally trade on an established market in the United States or elsewhere. The underlying shares are held in trust by a custodian bank or similar financial institution. The depository bank may not have physical custody of the underlying securities at all times and may charge fees for various services, including forwarding dividends interest and shareholder information regarding corporate actions. ADRs may be available through "sponsored" or "unsponsored" facilities. A sponsored facility is established by a depositary without participation by the issuer of the underlying security. Holders of unsponsored depositary receipts generally bear all the costs of the unsponsored facility. The depositary of an unsponsored facility frequently is under no obligation to distribute shareholder communications received from the issuer of the deposited security or to pass through, to the holders of the receipts, voting rights with respect to the deposited securities. ADRs are alternatives to directly purchasing the underlying foreign securities in their national markets and currencies. However, ADRs continue to be subject to many of the risks associated with investing directly in foreign securities. These risks include foreign exchange risk as well as political and economic risks of the underlying issuer's country.

Foreign Over-the Counter Securities Risk: In some cases the best available market for foreign securities will be on over-the-counter ("OTC") markets. In general, there is less governmental regulation and supervision in the OTC markets than of transactions entered into on an organized exchange. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, will not be available in connection with OTC transactions. This directly or indirectly exposes the account to the risks that a counterparty will not settle a transaction because of a credit or liquidity problem or because of disputes over the terms of the contract. Therefore, to the extent that the account engages in trading on OTC markets, it could be exposed to greater risk of loss through default than if the account confined its trading to regulated exchanges. Please refer to foreign securities risk for additional information.

Foreign Securities Risk: Investing in foreign (non-U.S.) securities may result in the account experiencing more rapid and extreme changes in value than an account that invests exclusively in securities of U.S. companies, due to less liquid securities and markets, and adverse economic, political, diplomatic, financial and regulatory factors. For example, recent developments with certain Eurozone countries have caused the prices of securities to decline throughout the region. In addition, there may be fewer investors on foreign exchanges and a smaller number of securities traded each day, making it more difficult for an account to buy or sell securities on those exchanges. Foreign governments also may impose limits on investment and repatriation and impose taxes. Income from foreign issuers may be subject to non-U.S. withholding taxes. In some countries, an account also may be subject to taxes on trading profits and, on certain securities transactions, transfer or stamp duties tax. Settlement and clearance procedures in certain foreign markets differ significantly from those in the U.S. and may involve certain risks (such as delays on payment for or delivery of securities) not typically associated with the settlement of U.S. investments. Foreign companies generally are not subject to uniform accounting, auditing and financial reporting standards or to other regulatory requirements that apply to U.S. companies. As a result, less information may be available concerning non-U.S. issuers. Accounting and financial reporting standards in emerging markets may be especially lacking. Further, it is often more expensive to trade securities in foreign markets as commissions are generally higher than in the U.S., and foreign exchanges and investment professionals are subject to less governmental regulation than in the U.S. Any of these events could cause the value of the account's investments to decline.

Emerging Market Risk: Emerging markets are riskier than more developed markets because they tend to develop unevenly and may never fully develop. Investments in emerging markets may be considered speculative. Emerging markets are more likely to experience hyperinflation and currency devaluations, which adversely affect returns to U.S. investors. In addition, many emerging securities markets have far lower trading volumes and less liquidity than developed markets. Since these markets are often small, they may be more likely to suffer sharp and frequent price changes or long-term price depression because of adverse publicity, investor perceptions or the actions of a few large investors. Also, there may be less publicly available information about issuers in emerging markets than would be available about issuers in more developed capital markets, and these issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those in developed markets.

Many emerging markets have histories of political instability and abrupt changes in policies. As a result, their governments are more likely to take actions that are hostile or detrimental to private enterprise or foreign investment than those of more developed countries, including expropriation of assets, confiscatory taxation, high rates of inflation or unfavorable diplomatic developments. In the past, governments of these nations have expropriated substantial amounts of private property, and most claims of the property owners have never been fully settled. If this occurs, it is possible that the entire investment in the affected market could be lost. Some countries have pervasiveness of corruption and crime that may hinder investments. Certain emerging markets may also face other significant internal or external risks, including the risk of war, and ethnic, religious and racial conflicts.

In addition, governments in many emerging market countries participate to a significant degree in their economies and securities markets, which may impair investment and economic growth. Emerging markets may also have differing legal systems and the existence or possible imposition of exchange controls, custodial restrictions or other foreign or U.S. governmental laws or restrictions applicable to such investments. Sometimes, they may lack or be in the relatively early development of legal structures governing private and foreign investments and private property. In addition to withholding taxes on investment income, some countries with emerging markets may impose differential capital gains taxes on foreign investors.

Currency Risk: Because foreign securities generally trade in currencies other than the U.S. dollar, changes in currency exchange rates will affect an account's value, the value of dividends and interest earned, and gains and losses realized on the sale of securities. Because the value of an account is determined on the basis of U.S. dollars, the account may lose money by investing in a foreign security if the local currency of a foreign market depreciates against the U.S. dollar, even if holdings (based on local currency values) go up. Generally, a strong U.S. dollar relative to these other currencies will adversely affect the value of holdings in foreign securities. Typically, exposures to foreign currencies will not be hedged.

Governmental Supervision and Regulatory and Accounting Standards Risk: Holding assets outside of the U.S. entails additional risks, as there may be limited or no regulatory oversight of the operations of foreign custodians, and there could be limits on the ability to recover assets if a foreign bank, depositary or issuer of a security, or one of their agents, goes bankrupt. Many foreign governments do not supervise and regulate stock exchanges, brokers and the sale of securities to the same extent as such regulations exist in the U.S. They also may not have laws to protect investors that are comparable to U.S. securities laws. For example, some foreign countries may have no laws or rules against insider trading. In addition, some countries may have legal systems that may make it difficult to vote proxies, exercise shareholder rights, and pursue legal remedies with respect to foreign investments. Accounting standards in other countries are not necessarily the same as in the U.S. If the accounting standards in another country do not require as much detail as U.S. accounting standards, it may be harder to completely and accurately determine a company's financial condition.

Political and Economic Risk: Particularly with respect to certain non-U.S. markets, investing in securities is subject to the risk of political, social, or economic instability, variation in international trade patterns, the possibility of the imposition of exchange controls, expropriation, confiscatory taxation, limits on movement of currency or other assets and nationalization of assets. Any of these actions could severely affects securities prices or impair the ability to purchase or sell foreign securities or transfer assets or income back into the U.S. The economies of certain foreign markets may not compare favorably with the economy of the U.S. with respect to such issues as growth of gross national product, reinvestment of capital, resources and balance of payments position. Other potential foreign market risks include difficulties in pricing securities, defaults on foreign government securities and difficulties in enforcing legal judgments in foreign courts. Diplomatic and political developments, including rapid and adverse political changes, social instability, regional conflicts, terrorism and war, could affect the economies, industries and securities and currency markets, and the value of an account's investments, in non-U.S. countries. These factors are extremely difficult, if not impossible, to predict and take into account.

Risks Associated with Multiple Strategies

All investment strategies we offer involve risk and may result in loss of your original investment. There is no guarantee against loss or assurance that investment objectives will be met.

The following risks may apply to some or all of our investment strategies.

Stock Market Risk

Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

Investment Strategy Risk

The investment strategies employed by Shelton Capital may be out of favor or may otherwise fail to achieve a particular investment objective.

Style Risk

Some of our strategies may invest in either "value" investments, "growth" investments, or both. With respect to securities and investments we consider undervalued, market prices may not reflect our view that the security is undervalued, and its price may not increase to what we believe to be its full value. It may even decrease in value. With respect to "growth" investments, the underlying earnings or operational growth we anticipate may not occur, or the market price of the security may not appreciate to reflect such growth even if it does occur.

Additionally, either value or growth investments may fall out of favor with investors and underperform other asset types during given periods.

Defensive Risk

To the extent a strategy attempts to hedge its portfolio of stocks or takes defensive measures such as holding a significant portion of its assets in cash or cash equivalents, the objective may not be achieved.

Legal or Legislative Risk

Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

Inflation Risk

Inflation may erode the buying power of your investment portfolio.

State-Specific Risk

Investing in a specific state introduces exposure to economic and political developments in that state which can have a negative impact on the issuers. A lack of geographic diversification of a multi-state portfolio exposes an investment to regional economic downturns.

Lack of Diversification Risk

Certain client accounts may not be diversified among a wide range of security types, countries or industry sectors. Accordingly, client portfolios are subject to more rapid change in value than would be the case if a wider diversification strategy was maintained among the various types of securities and other instruments.

Liquidity Risk

An inherent risk with any investment is that of liquidity. Liquidity is the risk of not being able to quickly dispose of a security due to its lack of marketability.

Leverage Risk

Performance may be more volatile if a client's account employs leverage.

Hedging Risk

There can be no assurances that a particular hedge strategy is appropriate. A hedge strategy does not guarantee protection against the calling of a stock. While we may enter into hedging transactions to seek to reduce risk, such transactions may result in poor overall performance and increased risk.

MidCap Stock Risk

MidCap stock risk is the risk that stocks of mid-sized companies may be subject to more abrupt or erratic market movements than stocks of larger, more established companies. Mid-sized companies may have limited product lines or financial resources, and may be dependent upon a particular niche of the market.

Sector Risk

The account may focus its investments from time to time in a limited number of economic sectors. To the extent that it does so, developments affecting companies in that sector or sectors will likely have a magnified effect on the account's value and total returns and may subject the account to greater risk of loss. Accordingly, the account could be considerably more volatile than a broad-based market index or benchmark, or mutual fund that is diversified across a greater number of securities and sectors. Moreover, depending upon the sector exposures used, the account may be more volatile than a broad-based index or benchmark.

Portfolio Turnover Risk
The risk that high portfolio turnover is likely to lead to increased expenses that may result in lower investment returns. High portfolio turnover is also likely to result in higher short-term capital gains taxable to shareholders.

Valuation Risk
The securities in the account may be difficult to value, and valuations may change, resulting in the risk that the account has valued certain of its securities at a higher price than it can sell them.

Item 9 Disciplinary Information

Shelton Capital, its management and its investment advisory representatives have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Broker-Dealer Registration Status
RFS Partners is the general partner of Shelton Capital. It is registered with the SEC and is a member of FINRA. RFS Partners serves as the distributor for the Shelton Funds Trust and the SCM Trust. RFS Partners maintains a limited registration and does not have a clearing relationship. So it does not place or clear trades for any advisory clients. Some of Shelton Capital's officers and employees are registered with RFS Partners as registered representatives and serve as officers of RFS Partners.

Investment Companies
Shelton Capital serves as investment advisor to the Shelton Funds Trust and the SCM Trust. Some of our officers also serve as officers to the mutual funds and one of our officers serves as an interested trustee of the mutual funds.

Affiliated Advisor
Shelton Capital is the general partner of ETSpreads, LLC a SEC registered investment advisor. ETSpreads is also registered as a commodity pool operator with the NFA for a series of exchange traded funds registered under the 1940 Act as mutual funds. Some of Shelton Capital's officers are also officers of ETSpreads and registered with the NFA.

Sub-Advisors
Shelton Capital has a sub-advisory arrangement with Green Alpha Advisors to serves as the subadvisor of the Shelton Green Alpha Fund. For additional information on Green Alpha Advisors' practices you may obtain their Form ADV Part 2 at www.greenalphaadvisors.com.

Other Affiliations
Shelton Capital may from time to time enter into arrangements with independent third-party marketing firms to assist in establishing relationships with advisory platforms, disseminate information to licensed financial professionals and institutions, increase Shelton Capital profile, and assist the advisory platforms in understanding the SMA advisory services offered by Shelton Capital. Under such arrangements, the independent third party marketing firms are not employees of Shelton Capital, do not act in the capacity of a solicitor, pay their own expenses, and have no authority to bind Shelton Capital.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics
Shelton Capital is committed to upholding the highest standards of business ethics and conduct. We are proud of this commitment and consider it fundamental to earning and maintaining the trust of our clients and prospective clients.

Shelton Capital operates under a Code of Ethics (the "Code") that complies with Rule 204A-1 of the Investment Advisers Act of 1940, as amended and Section 17(j) of the Investment Company Act of 1940, as amended and Rule 17j-1 thereunder. Our Code obligates Shelton Capital and its related persons to put the interests of our clients before their own interests and to act honestly and fairly in all respects in their dealings with clients. Shelton Capital's personnel are also required to comply with applicable federal securities laws.

The Code also incorporates Shelton Capital's personal trading policy. The personal trading policy is guided by the principle that as a fiduciary entrusted with the management of client assets our foremost concern is and must always be to protect the interests of our clients. The personal trading policy establishes a framework for managing personal trading by officers and employees that protects the interest of our clients, while permitting responsible investing by our officers and employees. The Code includes a standard of business conduct which includes but is not limited to:

1. Requiring acknowledgement and agreement to observe the requirements of the Code;

2. Prohibiting personnel from buying or selling securities for their own individual accounts if such purchase or sale represents $50,000 or 1,000 shares, whichever is greater, and if the securities at the time of such purchase or sale:

i. are being considered for purchase or sale by the mutual funds (except the index funds)

ii. have been purchased or sold by a mutual fund within the most recent seven (7) days if such person participated in the recommendation to, or the decision by, a fund to purchase or sell such security (except the index funds);

3. Requiring personnel, subject to the Code, to report personal holdings to Shelton Capital at time of employment and on both an annual and a quarterly basis;

4. Requiring the reporting of violations of the Code to the Chief Compliance Officer.

Our compliance department monitors and enforces our Code and the gifts and entertainment policy. Clients or prospective clients may obtain a copy of the Code by contacting Shelton Capital by telephone at (800) 955-9988 or by email at info@sheltoncap.com. Please refer to the section entitled “other Financial Industry Activities and Affiliations” for a discussion of Shelton Capital’s affiliations and related persons.

Client Transactions in Securities where Advisor has a Material Financial Interest
Shelton Capital does not engage in Client transactions in which it has a material financial interest.

Item 12 Brokerage Practices

Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions
Shelton Capital generally has discretion over the selection and amount of securities to buy or sell for a client without obtaining specific client consent to a transaction, although this may not be the case for all SMA clients. We also generally have discretion to select the broker, dealer or other counterparty to effect a particular transaction and, where negotiable, the commission rates a client pays with the exception of an equity focused SMA. To help manage the selection of counterparties and individual transactions, we have adopted a Trade Management Policy. This policy governs our trading activities for our clients and helps us address potential conflicts of interest raised by brokerage practices.

We recognize that brokerage commissions are paid with client assets. We manage these assets consistent with applicable law and our duty to seek best execution, and we seek to maximize the value of these assets wherever possible.

Best execution involves both quantitative and qualitative aspects and best execution does not always mean the lowest available commission rates for a transaction. From a quantitative perspective, best execution involves seeking the best available price and lowest transaction costs so that a client’s total cost or proceeds are the most favorable under the circumstances. Cost includes transaction fees and expenses as well as other less quantifiable costs such as market impact, opportunity cost and market effects. These other costs although harder to quantify, can significantly impact the total cost of a transaction.

Best execution involves considering a number of factors, including some or all of the following: actual experience with the counterparty, the reputation of the counterparty, the counterparty’s financial strength and stability, efficiency of execution, promptness of execution, ability and willingness to maintain confidentiality and anonymity, frequency and manner of error resolution, special execution capabilities, block trading and block positioning capabilities, expertise, commission rates and dealer spreads, technological capabilities and infrastructure, including back office processing capabilities, willingness of the counterparty to commit capital, clearance and settlement efficiency, and the ability and willingness to accommodate any special needs (for example, step-outs).

In selecting a counterparty for any transaction or series of transactions, we do not adhere to any rigid formula. Rather, we weight a combination of factors, like those listed above, depending on the circumstances. Relevant factors will vary for each transaction. While we generally seek reasonably competitive commission rates, we do not necessarily pay the lowest spread or commission available. In our experience, potentially receiving the lowest commission rate or the most expeditious execution does not necessarily equate to the best trade for a client taking into account all circumstances of the trade.

In foreign markets, commission and other transaction costs are often higher than those charged in the United States. In addition, we do not have the ability to negotiate commissions in some markets. Please note that services associated with foreign investing, including custody and administration, are also more expensive than analogous services pertaining to investments in U.S. securities markets.

Batching of Orders

Transactions for SMA clients generally will be effected independently from other accounts managed by Shelton Capital, unless we decide to purchase or sell the same securities for several of our SMA clients. Shelton Capital may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among SMA clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently.

Under this procedure, transactions will be averaged as to price and transaction costs and typically will be allocated among SMA clients in proportion to the purchase and sale orders placed for each SMA client account on any given day. If we cannot obtain execution of all the combined orders at prices or for transaction costs that Shelton Capital believes are desirable, we will allocate the securities bought or sold as part of the combined orders by following our Trade Management Policy.

A broker may provide research services to Shelton Capital in exchange for Advisor's use of that broker for client transactions and services. Such research generally will be used to service all of Shelton Capital's SMA clients. Brokerage commissions paid by an individual SMA client may be used to pay for research that is not used in managing that SMA client's account. Shelton Capital may, in its discretion, cause the account to pay the broker a commission greater than another qualified broker might charge to effect the same transaction where Shelton Capital determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. As a result, an SMA client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices , on transactions for the account than would otherwise be the case if Shelton Capital used other or multiple brokers.

Shelton Capital will arrange for the execution of securities transactions through broker-dealers, selected by Shelton Capital, andat such prices and commissions that, in Shelton Capital's good faith judgment, will be in the best interest of the account. If an SMA client designates its own broker, that SMA client may not receive best execution by effecting transactions through the specified broker. Shelton Capital will not negotiate brokerage commissions with client designated brokers, and as a result, the SMA client may pay higher commissions or other transaction costs, greater spreads, or receive less favorable net prices.

Shelton Capital may receive some benefits from broker-dealers selected by clients as custodian. There is no direct link between benefits that may be received from the custodian and the investment advice we give to our clients. However, we may receive economic benefits from such broker-dealers that are typically not available to such broker-dealers' retail investors. These benefits may include the following products and services (provided without cost or at a discount): duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Shelton Capital by third party vendors. Some of the products and services made available by broker-dealers may benefit Shelton Capital but may not benefit our clients. These products or services may assist us in managing and administering client accounts.

Clients should be aware that the receipt of economic benefits by Shelton Capital or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our recommendation of a broker-dealer for custody services which ultimately is selected by the Client.

Directed Brokerage

In some instances, because of a prior relationship between a client and one or more brokers, or for other reasons, a client may instruct Shelton Capital to execute some or all securities transactions for its account with or through one or more brokers designated by the client. When a client directs Shelton Capital to use a specified broker-dealer to execute all or a portion of the client's securities transactions, Shelton Capital treats the client direction as a decision by the client to retain, to the extent of the direction, the discretion Shelton Capital would otherwise have in selecting broker-dealers to effect transactions and in negotiating commissions for the client's account. Although Shelton Capital attempts to effect such transactions in a manner consistent with its policy of seeking best execution, there may be occasions where it is unable to do so, in which case we will continue to comply with the client's instructions.

Transactions in the same security for accounts that have directed the use of the same broker may be aggregated.

When the directed broker-dealer is unable to execute a trade, we will select broker-dealers other than the directed broker-dealer to effect client securities transactions. A client who directs us to use a particular broker-dealer to effect transactions should consider whether such direction may result in certain costs or disadvantages to the client. Such costs may include higher brokerage commissions (because Shelton Capital may not be able to aggregate orders to reduce transaction costs), less favorable execution of transactions, and the potential of exclusion from the client's portfolio of certain foreign ordinary shares and/or small capitalization or illiquid securities due to the inability of the particular broker-dealer in question to provide adequate price and execution of all types of securities transactions.

By permitting a client to direct Shelton Capital to execute the client's trades through a specified broker-dealer, Shelton Capital will make no attempt to negotiate commissions on behalf of the client and, as a result, in some transactions the clients may pay materially disparate commissions depending on their commission arrangement with the specified broker-dealer and upon other factors such as number of shares, round and odd lots and the market for the security. The commissions charged to clients that direct us to execute the client's trades through a specified broker-dealer may in some transactions be materially different that those of clients who do not direct the execution of their trades. Client's that direct us to execute the client's trades through a specified broker-dealer may also lose the ability to negotiate volume commission discounts on batched transactions that may otherwise be available to other clients.

Brokerage for Client Referrals

Each client of Shelton Capital may make cash payments to third-party solicitors for client referrals, provided that, to the extent required, each such solicitor has entered into a written agreement with Shelton Capital pursuant to which the solicitor will provide each prospective client with a copy of Shelton Capital's Form ADV Part 2, and a disclosure document setting forth the terms of the solicitation arrangement, including the nature of the relationship between the solicitor and Advisor and any fees to be paid to the solicitor. Where applicable, cash payments for client solicitations will be structured to comply fully with (i) the requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended, and related SEC staff interpretations or with the laws of the relevant state(s).

Trading for Wrap Clients

Wrap Program accounts are considered a type of directed brokerage account. In evaluating a Wrap program, Wrap Clients should understand that we do not generally select the broker-dealers to execute portfolio transactions or negotiate transaction-related compensation. In some programs, we are prohibited from selecting other broker-dealers to execute transactions. In others, we are given the authority to select other broker-dealers but the client will bear any commissions or other transaction- related expenses outside of the wrap fee.

Therefore, using other broker-dealers will generally only be practical if the quality of the other broker- dealer's execution will clearly outweigh the additional expenses the client will bear. As a result, transactions are generally effected only through the Wrap Sponsor.

Transactions for clients participating in one Wrap Program may be executed at different times and at different prices than transactions in the same security for clients in other Wrap Programs or for other clients.

A Wrap Program client may pay brokerage commissions or fees in addition the Wrap Program fees when trades are "stepped out" to broker-dealers other than the sponsor, including fees and costs associated with the purchase or sale of foreign currency to settle transactions and ADR conversion fees and related costs, which are then reflected in the "net price" the client pays for or receives from the transaction. Even where Shelton is able to trade with the Wrap Program sponsor in the local (foreign) market, ADR conversion fees, local taxes, and related costs may still apply and will be incurred by the purchasing account in addition to the Wrap Program fees.

Despite the advantages that can arise from aggregation of orders, in many cases we are not able to aggregate orders for all clients seeking to buy or sell the same security. This is often due to the fact that orders for Wrap/UMA clients generally must be executed by the applicable Wrap/UMA sponsor. We are unable to aggregate transactions executed through different Wrap Sponsors and/or through other brokerage firms that we select for direct clients on the basis of execution quality. In addition, directed brokerage clients may prevent us from aggregating those clients' transactions with transactions executed for other clients with a broker-dealer that we choose for best execution purposes.

Communication of Transaction Information to UMA Sponsors

UMA sponsors execute client transactions based on our investment recommendations. We inform the UMA sponsor of the transaction to be placed in that UMA sponsor's client accounts when that UMA sponsor's turn is up on the rotation list. We will wait until we are notified by the UMA sponsor that the trade has been completed before notifying the next UMA sponsor or placing the order for the next directed sub-group in the rotation list.

When there is an instruction from a portfolio manager to buy or sell a security in all client accounts in a particular strategy, we will instruct the UMA sponsors to halt all trading activities in that security in the UMA client accounts. This prevents the UMA sponsors from entering into a transaction that is in competition with our trading in that same security on behalf of other clients. The UMA sponsor may still trade in other securities that are in our investment model, but it must wait for our notification before trading in the trade-halted security.

The trading halt instruction does not apply to UMA clients that are liquidating their accounts. UMA sponsors have discretion on when to liquidate accounts upon client instruction. However, if the instruction is for a partial withdrawal from the account, the UMA sponsor should abide by our trading halt instruction for the security. For liquidation and withdrawals in Wrap and direct client accounts, we may stop the rotation during the last ten minutes before the close of the trading day before placing the orders for liquidations or withdrawals for the trade-halted security.

Item 13 Review of Accounts

Each client's account is generally reviewed by a Portfolio Manager or his/her designee at least quarterly to determine whether securities positions should be maintained in view of current market conditions. Account reviews focus on each account's strategy and evaluate all securities using fundamental, technical and quantitative analysis. Significant market events affecting the prices of one or more securities in a client's account, changes in the investment objectives or guidelines of a particular client, or specific arrangements with particular clients may trigger reviews of a client's account on other than a periodic basis. Each client receives a quarterly statement and trade confirmation from the client's custodian.

Item 14 Client Referrals and Other Compensation

Shelton Capital may pay referral fees to independent advisors or advisory firms ("solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the solicitor to provide the prospective client with a copy of Part2 of Shelton Capital's ADV and a separate disclosure statement that includes the solicitor's name and relationship with the firm, the fact that the solicitor is being paid a referral fee and the amount of the fee. Additionally, Shelton Capital may pay a contractually agreed upon fee to third party marketing firms to assist in establishing relationships with advisory platforms and other financial professionals and institutions in an effort to expand Shelton Capital's SMA advisory services profile.

Item 15 Custody

Shelton Capital does not maintain possession or custody of the funds or securities of any client. Clients are required to appoint custodians who are responsible for the safe custody of investments and money, settling transactions and registering investments. With client consent, Shelton Capital may cause fees to be paid out of separately managed accounts by the clients' custodian. To the extent Shelton Capital is deemed to have custody of client assets, we will comply with the relevant requirements imposed on investment advisers that have custody of client assets pursuant to Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended.

As part of Shelton Capital's billing process, the client's custodian is provided an invoice stating the amount of the management fee to be deducted from each client's account, except in cases where the custodian calculates such fees. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

When the custodian does not calculate the amount of the management fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact Shelton Capital directly if they believe that there may be an error in their account statements.

Item 16 Investment Discretion

Shelton Capital receives discretionary authority from a client at the outset of an advisory relationship. In all cases however, such discretion is exercised in a manner consistent with the stated investment guidelines established by the client.

Unless otherwise instructed or directed by a discretionary client, Shelton Capital has the authority to determine--

1. the securities to be purchased and sold for the client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines)

2. the amount of securities to be purchased or sold for the client account

3. Because of the differences in client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among clients in invested positions and securities held. Shelton Capital submits an allocation statement to the trading desk describing the allocation of securities to (or from) client accounts for each trade/order submitted. Shelton Capital may consider the following factors, among others, in allocating securities among clients:

- Client investment objectives and strategies;
- Client risk profiles;
- tax status and restrictions placed on a client's portfolio by the client or by applicable law;
- size of the Client account;
- nature and liquidity of the security to be allocated;
- size of available position;
- current market conditions; and
- account liquidity, account requirements for liquidity and timing of cash flows.

Although it is our policy to allocate securities to eligible client accounts on a pro rata basis (based on the value of the assets of each participating account relative to value of the assets of all participating accounts), these factors may lead us to allocate securities to client accounts in varying amounts. Even client accounts that are typically managed on a pari passu basis may from time to time receive differing allocations of securities based on total assets of each account eligible to invest in the particular investment type (e.g., equities) divided by the total assets of all accounts eligible to invest in the particular investment.

Securities acquired by Shelton Capital for its clients through a limited offering will be allocated pursuant to the procedures set forth in our allocation policy. The policy provides that we will determine the proposed allocation of limited offering securities after considering the factors described above with respect to general allocations of securities and determining those client accounts eligible to hold such securities. Eligibility will be based on the legal status of the clients and the client's investment objectives and strategies.

If it appears that a trade error has occurred, Shelton Capital will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors and breaches of investment guidelines and restrictions occur, our error correction procedure is to ensure that clients are treated fairly and, to the extent there was a loss, following error correction, are in the same position they would have been if the error had not occurred. We maintain discretion to resolve a particular error in any appropriate manner that is consistent with the above stated policy.

Direct clients and, to a lesser extent, Wrap Clients, can place reasonable restrictions on our investment discretion. For example, some clients have asked us not to buy securities issued by companies in certain industries, or not to sell certain securities where the client has a particularly low tax basis. Any guidelines or restrictions applicable to an account are set forth in the client's advisory contract or related investment policy statement. For our proprietary mutual funds, guidelines and restrictions applicable to the Funds are set forth in the Funds' registration statement. As noted above, we do not have discretion to execute trades through certain UMA Programs.

Item 17 Voting Client Securities

With the exception of certain sub-advised accounts, Shelton Capital does not vote proxies on behalf of its SMA clients. Therefore , proxy materials may be sent directly to such clients for their consideration. To the extent we accept proxy voting authority on behalf of our SMA clients, we comply with our proxy voting policies and procedures that are reasonably designed to ensure that in cases where we vote proxies with respect to client securities, such proxies are voted in the best interests of our clients. Clients may obtain a copy of our proxy voting policies and procedures and voting information by contacting Shelton Capital at (800) 955-9988 or by email at info@sheltoncap.com.

Item 18 Financial Information

Shelton Capital has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Privacy Statement

When you become a client of Shelton Capital, you entrust us not only with your hard-earned assets but also with your non- public personal and financial information ("client information"). We consider your client information to be private and confidential, and we hold ourselves to the highest standards of trust and fiduciary duty in their safekeeping and use.

Our Privacy Principles:

- We do not sell client information
- We do not provide client information to persons or organizations outside Shelton Capital who are doing business on our behalf (e.g., non-affiliated third parties) for their own marketing purposes
- We afford prospective and former clients the same protections as existing clients with respect to the use of client information.

Information We May Collect:
We collect and use information we believe is necessary to administer our business, to advise you about our products and services, and to provide you with customer service. We may collect and maintain several types of client information needed for these purposes, such as:

- From you, (application and enrollment forms, transfer forms, distribution forms, checks, correspondence, or conversation), such as your address, telephone number and social security number
- From your transactions with your custodian, such as your transaction history and account balance
- From electronic sources, such as our website or e-mails

How We Use Information About You:
Shelton Capital will only use information about you and your accounts to help us better serve your investment needs or to suggest Shelton Capital services or educational materials that may be of interest to you.

Use of E-Mail Address:
If you have requested information regarding Shelton Capital products and services and supplied your e-mail address to us, we may occasionally send you follow-up communications or information on additional products or services.

We also include instructions and links for unsubscribing from Shelton Capital e-mails. We do not sell e-mail addresses to anyone, although we may disclose e-mail addresses to third parties that perform administrative or marketing services for us. We may track receipt of e-mails to gauge the effectiveness of our communications.

Information Disclosure:
We do not disclose any nonpublic personal information about our clients or former clients to non-affiliated third parties without the client's authorization. However, we may disclose client information to persons or organizations inside or outside our firm to process your requests or authorized transactions. We may provide client account information to governmental agencies or other entities as required by court order or law.

How We Protect Your Information:
We restrict access to your client information to authorized persons who have a need for these records in order to provide products or services to you. We also maintain physical, electronic, and procedural safeguards to guard client information.

For clients with internet access, Shelton Capital recommends that you do not provide your user name or password to any one for any reason.

If you hold your account through a financial intermediary, the privacy policy of that financial intermediary will govern how your private information will be shared with non-affiliated third parties.

Form ADV Part 2: Supplement

Barringer H. Martin, CFA[1], Portfolio Manager

455 Market Street, #1600
San Francisco, CA 94105
415-398-2727

March 30, 2017

Introduction and Overview (Item 1)
This Brochure Supplement provides information about Barringer H. Martin that supplements Shelton Capital Management's ADV Brochure. You should have received a copy of that Brochure.

Please contact Gregory Pusch, gpusch@sheltoncap.com, if you did not receive a copy of Shelton Capital Management's ADV Brochure or if you have any questions about the contents of this supplement.

Education, Background and Business Experience (Item 2)
Mr. Martin is the lead Portfolio Manager for Separately Managed Accounts utilizing covered call writing strategies. He joined the firm in March of 2008 after serving as Vice President, Senior Portfolio Manager, for Kelmoore Investment Company where he developed the investment management program utilizing covered call writing strategies utilized today by Shelton Capital Management.

Mr. Martin earned his Bachelor's degree in Finance at the University of Arizona in 1998. Mr. Martin earned the right to use the Chartered Financial Analyst (CFA) designation in September 2009 and is a member of the San Francisco Society of Financial Analysts.

Mr. Martin holds the Series 4 (Registered Options Principal) Series 66 (Uniform Combined State Law) and the Series 63 (Uniform Securities Agent) licenses.

Disciplinary Information (Item 3)
Mr. Martin has no disciplinary history.

Other Business Activity (Item 4)
Investment-Related Activities
1. Mr. Martin is a registered representative with RFS Partners, LP, a broker-dealer affiliate of Shelton Capital Management.

Non-Investment-Related Activities
Mr. Martin is not engaged in any other business or occupation.

Additional Compensation (Item 5)
Mr. Martin receives no economic benefit from a non-advisory client for the provision of advisory services.

Supervision (Item 6)
Mr. Martin's investment recommendations are subject to the provisions of Shelton Capital Management's Compliance Manual, Code of Ethics, and the investment restrictions applicable to the accounts managed. Mr. Martin is supervised by Stephen C. Rogers, Chief Executive Officer and he can be reached by calling the telephone number on the cover of Form ADV.

[1] To earn a CFA charter, you must have four years of qualified investment work experience, become a member of CFA Institute, pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct on an annual basis, apply for membership to a local CFA member society, and complete the CFA Program, which is organized into three levels, each culminating in a six-hour exam. To learn more about the program, please visit www.cfainstitute.org.

Form ADV Part 2: Supplement

William P. Mock, Portfolio Manager

455 Market Street, #1600
San Francisco, CA 94105
415-398-2727

March 30, 2017

Introduction and Overview (Item 1)
This Brochure Supplement provides information about William P. Mock that supplements Shelton Capital Management's ADV Brochure. You should have received a copy of that Brochure.

Please contact Gregory Pusch, gpusch@sheltoncap.com, if you did not receive a copy of Shelton Capital Management's ADV Brochure or if you have any questions about the contents of this supplement.

Education, Background and Business Experience (Item 2)
Mr. Mock is the lead member of the portfolio management team for Shelton's US Government and municipal fixed income and money market funds. He rejoined the firm in February 2010 after serving as a portfolio manager for Shelton Capital Management from 2001 to 2003. Mr. Mock left the firm to join TKI Capital Management, a convertible arbitrage hedge fund, where he served as head trader through 2006.

Mr. Mock holds a B.S. degree in Electrical Engineering from Kansas State University and an MBA with Honors from the University Of Chicago Graduate School Of Business.

Mr. Mock holds the Series 3 (National Commodities Futures Exam) and the Series 65 (Uniform Investment Advisor) licenses.

Disciplinary Information (Item 3)
Mr. Mock has no disciplinary history.

Other Business Activity (Item 4)
Investment-Related Activities
1. Mr. Mock is a principal for ETSpreads, LLC a registered investment advisor for an exchange traded fund and affiliate of Shelton Capital Management.

Non-Investment-Related Activities
Mr. Mock is not engaged in any other business or occupation.

Additional Compensation (Item 5)
Mr. Mock receives no economic benefit from a non-advisory client for the provision of advisory services.

Supervision (Item 6)
Mr. Mock's investment recommendations are subject to the provisions of Shelton Capital Management's Compliance Manual, Code of Ethics, and the investment restrictions applicable to the accounts managed. Mr. Mock is supervised by Stephen C. Rogers, Chief Executive Officer and he can be reached by calling the telephone number on the cover of Form ADV.

Form ADV Part 2: Supplement

Joseph Mazzola, Portfolio Manager

455 Market Street, #1600
San Francisco, CA 94105
415-398-2727

March 30, 2017

Introduction and Overview (Item 1)
This Brochure Supplement provides information about Joseph Mazzola that supplements Shelton Capital Management's ADV Brochure. You should have received a copy of that Brochure.

Please contact Gregory Pusch, gpusch@sheltoncap.com, if you did not receive a copy of Shelton Capital Management's ADV Brochure or if you have any questions about the contents of this supplement.

Education, Background and Business Experience (Item 2)
Mr. Mazzola is a Portfolio Manager and a member of the portfolio management team for Shelton's Separately Managed Accounts. He joined the firm in January 2015 after serving as a Senior Strategist for TD Ameritrade Institutional where he worked with advisors exploring ways to potentially enhance portfolios based on price, volatility and probability strategies ranging from basic hedging to complex options spreads from January 2008 to December 2014. Prior to his affiliation with TD Ameritrade Institutional Mr. Mazzola worked for several investment firms as a market maker and options risk manager during which time he gained investment management experience in portfolio management, risk analysis and dynamic hedging techniques.

Mr. Mazzola earned his Bachelor's degree in Economics at Kalamazoo College in Kalamazoo, Michigan and his MBA, Finance and Financial Management Services from DePaul University – Charles H. Kellstadt Graduate School of Business in Chicago, Illinois. Mr. Mazzola holds the Series 7 (General Securities Representative), Series 4 (Registered Options Principal) Series 65 (Uniform Investment Advisor) and the Series 63 (Uniform Securities Agent) licenses.

Disciplinary Information (Item 3)
Mr. Mazzola has no disciplinary history.

Other Business Activity (Item 4)
Investment-Related Activities
Mr. Mazzola is not engaged in any other business or occupation.

Non-Investment-Related Activities
Mr. Mazzola is not engaged in any other business or occupation.

Additional Compensation (Item 5)
Mr. Mazzola does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Supervision (Item 6)
Mr. Mazzola's investment recommendations are subject to the provisions of Shelton Capital Management's Compliance Manual, Code of Ethics, and the investment restrictions applicable to the accounts managed. Mr. Mazzola is supervised by Barringer Martin and he can be reached by calling the telephone number on the cover of Form ADV.

SHELTON CAPITAL MANAGEMENT

Form ADV Part 2: Supplement

Matthias Knerr, CFA[2], Portfolio Manager

777 West Putnam Avenue
Greenwich, Connecticut 06830
203-769-5960 | Facsimile: 203-769-5998

March 30, 2017

Introduction and Overview (Item 1)
This Brochure Supplement provides information about Matthias Knerr that supplements Shelton Capital Management's ADV Brochure. You should have received a copy of that Brochure.

Please contact Gregory Pusch, gpusch@sheltoncap.com, if you did not receive a copy of Shelton Capital Management's ADV Brochure or if you have any questions about the contents of this supplement.

Education, Background and Business Experience (Item 2)
Mr. Knerr is a Portfolio Manager and a member of the international portfolio management team. He joined the firm in July 2016 after serving as a Senior Portfolio Manager for the Rivington Strategies by WHV focusing on the innovation and expansion stages of Rivington's proprietary life cycle investment process and holding final decision-making authority on all investment decisions. He brings 20 years of investing experience to the team. Prior to his affiliation with WHV Mr. Knerr served as the CIO of International Large Cap and Global Equities at Victory Capital where he was also the lead manager on five investment strategies: Victory International Fund, Victory International Select, Global Equity, Global Select, and Global Select Long/Short. Additionally, Mr. Knerr served in various capacities at Deutsche Asset Management including lead manager of the DWS International and DWS International Select Equity strategies, co-manager of the Deutsche Global Select Equity portfolio and the Bankers Trust European Equity Fund, and as global head of industrials research.

He has a BS in Finance and International Business from Penn State University and holds the Chartered Financial Analyst designation.

Disciplinary Information (Item 3)
Mr. Knerr has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Knerr or Shelton Capital.

Other Business Activity (Item 4)
Mr. Knerr is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of Shelton.

Additional Compensation (Item 5)
Mr. Knerr does not receive economic benefits from any person or entity other than Shelton Capital in connection with the provision of investment advice to clients.

Supervision (Item 6)
Mr. Knerr's investment recommendations are subject to the provisions of Shelton Capital Management's Compliance Manual, Code of Ethics, and the investment restrictions applicable to the accounts managed. Mr. Knerr is supervised by Stephen C. Rogers, Chief Executive Officer and he can be reached by calling the telephone number on the cover of Form ADV.

[2] To earn a CFA charter, you must have four years of qualified investment work experience, become a member of CFA Institute, pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct on an annual basis, apply for membership to a local CFA member society, and complete the CFA Program, which is organized into three levels, each culminating in a six-hour exam. To learn more about the program, please visit www.cfainstitute.org.

Form ADV Part 2: Supplement

Andrew Manton, Portfolio Manager

777 West Putnam Avenue
Greenwich, Connecticut 06830
203-769-5960 | Facsimile: 203-769-5998

March 30, 2017

Introduction and Overview (Item 1)
This Brochure Supplement provides information about Andrew Manton that supplements Shelton Capital Management's ADV Brochure. You should have received a copy of that Brochure.

Please contact Gregory Pusch, gpusch@sheltoncap.com, if you did not receive a copy of Shelton Capital Management's ADV Brochure or if you have any questions about the contents of this supplement.

Education, Background and Business Experience (Item 2)
Mr. Manton is a Portfolio Manager and a member of the international portfolio management team. He joined the firm in July 2016 after serving as a Senior Portfolio Manager at WHV. He brings 10 years of investing experience to the team. Prior to his affiliation with WHV, Mr. Manton was a Senior Research Analyst and a member of the Large Cap Global Equities team at Victory Capital Management, and an analyst in both the fundamental Active Equities and Quantitative Strategies groups at Deutsche Asset Management.

He has a BS in Finance from the University of Illinois at Chicago and an MBA with a concentration in Quantitative Finance and Accounting from the Tepper School of Business at Carnegie Mellon University.

Disciplinary Information (Item 3)
Mr. Manton has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Manton or Shelton Capital.

Other Business Activity (Item 4)
Mr. Manton is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of Shelton.

Additional Compensation (Item 5)
Mr. Manton does not receive economic benefits from any person or entity other than Shelton Capital in connection with the provision of investment advice to clients.

Supervision (Item 6)
Mr. Manton's investment recommendations are subject to the provisions of Shelton Capital Management's Compliance Manual, Code of Ethics, and the investment restrictions applicable to the accounts managed. Mr. Manton is supervised by Stephen C. Rogers, Chief Executive Officer and he can be reached by calling the telephone number on the cover of Form ADV.

Form ADV Part 2: Supplement

John Harnisch, Portfolio Manager

777 West Putnam Avenue
Greenwich, Connecticut 06830
203-769-5960 | Facsimile: 203-769-5998

March 30, 2017

Introduction and Overview (Item 1)

This Brochure Supplement provides information about John Harnisch that supplements Shelton Capital Management's ADV Brochure. You should have received a copy of that Brochure.

Please contact Gregory Pusch, gpusch@sheltoncap.com, if you did not receive a copy of Shelton Capital Management's ADV Brochure or if you have any questions about the contents of this supplement.

Education, Background and Business Experience (Item 2)

John Harnisch, CFA, joined Shelton Capital Management in 2016 and is a Portfolio Manager on the Shelton Tactical Credit Fund. Prior to joining the firm, John was a portfolio manager at Acuity Capital Management, and he worked previously for Babson Capital Management.

John earned a BA in Economics from Trinity College in 2002 and earned the CFA charter in 2006. He is currently a member of the Hartford CFA Society and the CFA Institute.

Disciplinary Information (Item 3)

Mr. Harnisch has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Harnisch or Shelton Capital.

Other Business Activity (Item 4)

Mr. Harnisch is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of Shelton.

Additional Compensation (Item 5)

Mr. Harnisch does not receive economic benefits from any person or entity other than Shelton Capital in connection with the provision of investment advice to clients.

Supervision (Item 6)

Mr. Harnisch's investment recommendations are subject to the provisions of Shelton Capital Management's Compliance Manual, Code of Ethics, and the investment restrictions applicable to the accounts managed. Mr. Harnisch is supervised by Stephen C. Rogers, Chief Executive Officer and he can be reached by calling the telephone number on the cover of Form ADV.

Form ADV Part 2: Supplement

Chris Pike, Portfolio Manager

777 West Putnam Avenue
Greenwich, Connecticut 06830
203-769-5960 | Facsimile: 203-769-5998

March 30, 2017

Introduction and Overview (Item 1)
This Brochure Supplement provides information about Chris Pike that supplements Shelton Capital Management's ADV Brochure. You should have received a copy of that Brochure.

Please contact Gregory Pusch, gpusch@sheltoncap.com, if you did not receive a copy of Shelton Capital Management's ADV Brochure or if you have any questions about the contents of this supplement.

Education, Background and Business Experience (Item 2)
Chris Pike is a Portfolio Manager and lead manager for the Shelton Real Estate Income Fund, which he has managed since its inception in 2013. Chris joined Shelton Capital Management in 2016, after 20 years at various asset management, equity research and investment banking firms such as Merrill Lynch, UBS Securities, AR Global, Wachovia Securities and Goldman Sachs.

Chris holds a BA from Rutgers College, and has earned the right to use the Chartered Financial Analyst (CFA) designation.

Disciplinary Information (Item 3)
Mr. Pike has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Pike or Shelton Capital.

Other Business Activity (Item 4)
Mr. Pike is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of Shelton.

Additional Compensation (Item 5)
Mr. Pike does not receive economic benefits from any person or entity other than Shelton Capital in connection with the provision of investment advice to clients.

Supervision (Item 6)
Mr. Pike's investment recommendations are subject to the provisions of Shelton Capital Management's Compliance Manual, Code of Ethics, and the investment restrictions applicable to the accounts managed. Mr. Pike is supervised by Stephen C. Rogers, Chief Executive Officer and he can be reached by calling the telephone number on the cover of Form ADV.

Form ADV Part 2: Supplement

Steve Rogers, CEO

1050 17th Street
Denver, Colorado 80265
415-625-4900 | Facsimile: 303-534-5627

March 30, 2017

Introduction and Overview (Item 1)
This Brochure Supplement provides information about Steve Rogers that supplements Shelton Capital Management's ADV Brochure. You should have received a copy of that Brochure.

Please contact Gregory Pusch, gpusch@sheltoncap.com, if you did not receive a copy of Shelton Capital Management's ADV Brochure or if you have any questions about the contents of this supplement.

Education, Background and Business Experience (Item 2)
Steve Rogers, who joined the firm in 1993, serves as the chief executive officer for the company. Steve is also the portfolio manager of the Shelton Core Value Fund, a mutual fund that has received recognition from various national publications.

Steve earned a B.A. from the University of Iowa in 1988 and earned his MBA from the University of California, Berkeley in 2000.

Disciplinary Information (Item 3)
Mr. Rogers has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Rogers or Shelton Capital.

Other Business Activity (Item 4)
Investment Related Activities
1. Mr. Rogers is a principal for ETSpreads, LLC a registered investment advisor for an exchange traded fund and affiliate of Shelton Capital Management.

Non-Investment-Related Activities:
Mr. Rogers is not engaged in any other business or occupation.

Mr. Rogers is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of Shelton.

Additional Compensation (Item 5)
Mr. Rogers does not receive economic benefits from any person or entity other than Shelton Capital in connection with the provision of investment advice to clients.

Supervision (Item 6)
Mr. Rogers's investment recommendations are subject to the provisions of Shelton Capital Management's Compliance Manual, Code of Ethics, and the investment restrictions applicable to the accounts managed.