

SCM Trust  
Form N-CSRS  
September 07, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM N-CSRS

CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: **811-05617**

SCM Trust

(Exact name of registrant as specified in charter)

1050 17th Street, Suite 1710

Denver, CO 80265

(Address of principal executive offices) (Zip code)

Steve Rogers

1050 17th Street, Suite 1710

Denver, CO 80265

(Name and address of agent for service)

Registrant's telephone number, including area code: **(800) 955-9988.**

Date of fiscal year end: **December 31**

Date of reporting period: **June 30, 2018**

**SEMI-ANNUAL REPORT**

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June 30, 2018

Shelton Greater China Fund

Shelton BDC Income Fund

Shelton Real Estate Income Fund

Shelton Tactical Credit Fund

Shelton International Select Equity Fund

This report is intended only for the information of shareholders or those who have received the offering prospectus covering shares of beneficial interest of The SCM Trust which contains information about the management fee and other costs. Investments in shares of The SCM Trust are neither insured nor guaranteed by the U.S. Government.

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## **About Your Fund's Expenses (Unaudited) June 30, 2018**

The Funds' advisor, Shelton Capital Management ("Shelton Capital"), believes it is important for you to understand the impact of costs on your investment. All mutual funds have operating expenses. As a shareholder of the Funds, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments, reinvested dividends, or other distributions, redemption fees, and exchange fees; and (2) ongoing costs, including management fees, distribution fees and other Fund expenses. Operating expenses, which are deducted from the Funds' gross income, directly reduce the investment return of the Funds. The Funds' expenses are expressed as a percentage of its average net assets. This figure is known as the expense ratio. This example is intended to help you understand your ongoing cost (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds.

The examples are based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from January 1, 2018 to June 30, 2018.

### **Actual Expenses**

The first line of the tables below provide information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses you have paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

### **Hypothetical Example for Comparison Purposes**

The second line of the table provides information about hypothetical account values and hypothetical expenses based on the Funds' actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Funds' actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Funds and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. The Funds do not charge any sales charges. There is a redemption fee of 2% for shares of the Greater China Fund purchased that are held for 90 days or less from the date of purchase.

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Please note that the expenses shown in the tables are meant to highlight your ongoing costs only and do not reflect any transactional cost, such as sales charges (loads), redemption fees, or exchange fees. Therefore, the second line of the tables are useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher. The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

More information about the Funds' expenses can be found in this report. For additional information on operating expenses and other shareholder costs, please refer to the Funds' prospectus.

**About Your Fund's Expenses (Unaudited) (Continued) June 30, 2018**

|   | <b>Beginning<br/>Account Value<br/>January 1, 2018<br/>(in U.S. Dollars)</b> | <b>Ending<br/>Account Value<br/>June 30, 2018<br/>(in U.S.<br/>Dollars)</b> | <b>Expenses Paid<br/>During Period*<br/>(in U.S.<br/>Dollars)</b> | <b>Net Annual<br/>Expense Ratio</b> |
|---|--|---|---|-------------------------------------|
| <b>Greater China Fund</b>                       |  |   |   |                                     |
| Direct Shares                                   |  |   |   |                                     |
| Based on Actual Fund Return                     | \$ 1,000   | \$ 956  | \$ 9.60   | 1.98%                               |
| Based on Hypothetical 5% Return before expenses | \$ 1,000   | \$ 1,015  | \$ 9.89   | 1.98%                               |
| <b>BDC Income Fund</b>                          |  |   |   |                                     |
| Institutional Shares                            |  |   |   |                                     |
| Based on Actual Fund Return                     | \$ 1,000   | \$ 1,019  | \$ 52.01  | 10.39%                              |
| Based on Hypothetical 5% Return before expenses | \$ 1,000   | \$ 973  | \$ 50.83  | 10.39%                              |
| Investor Shares                                 |  |   |   |                                     |
| Based on Actual Fund Return                     | \$ 1,000   | \$ 1,017  | \$ 53.21  | 10.64%                              |
| Based on Hypothetical 5% Return before expenses | \$ 1,000   | \$ 972  | \$ 52.02  | 10.64%                              |
| <b>Real Estate Income Fund</b>                  |  |   |   |                                     |
| Institutional Shares                            |  |   |   |                                     |
| Based on Actual Fund Return                     | \$ 1,000   | \$ 985  | \$ 5.76   | 1.17%                               |
| Based on Hypothetical 5% Return before expenses | \$ 1,000   | \$ 1,019  | \$ 5.86   | 1.17%                               |
| Investor Shares                                 |  |   |   |                                     |
| Based on Actual Fund Return                     | \$ 1,000   | \$ 984  | \$ 6.99   | 1.42%                               |
| Based on Hypothetical 5% Return before expenses | \$ 1,000   | \$ 1,018  | \$ 7.11   | 1.42%                               |
| <b>Tactical Credit Fund</b>                     |  |   |   |                                     |
| Institutional Shares                            |  |   |   |                                     |
| Based on Actual Fund Return                     | \$ 1,000   | \$ 1,029  | \$ 7.24   | 1.44%                               |
| Based on Hypothetical 5% Return before expenses | \$ 1,000   | \$ 1,018  | \$ 7.21   | 1.44%                               |
| Investor Shares                                 |  |   |   |                                     |
| Based on Actual Fund Return                     | \$ 1,000   | \$ 1,028  | \$ 8.50   | 1.69%                               |
| Based on Hypothetical 5% Return before expenses | \$ 1,000   | \$ 1,017  | \$ 8.45   | 1.69%                               |
| <b>International Select Equity Fund</b>         |  |   |   |                                     |
| Institutional Shares                            |  |   |   |                                     |
| Based on Actual Fund Return                     | \$ 1,000   | \$ 1,006  | \$ 4.92   | 0.99%                               |
|   | \$ 1,000   | \$ 1,020  | \$ 4.96   | 0.99%                               |

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Based on Hypothetical 5% Return before expenses

Investor Shares

|                             |          |          |         |       |
|-----------------------------|----------|----------|---------|-------|
| Based on Actual Fund Return | \$ 1,000 | \$ 1,005 | \$ 6.16 | 1.24% |
|-----------------------------|----------|----------|---------|-------|

|   |          |          |         |       |
|---|----------|----------|---------|-------|
| Based on Hypothetical 5% Return before expenses | \$ 1,000 | \$ 1,019 | \$ 6.21 | 1.24% |
|---|----------|----------|---------|-------|

\* Expenses are equal to the Fund's expense ratio annualized.

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**Top Holdings and Sector Breakdowns (Unaudited) June 30, 2018****Shelton Greater China**

| Security |   | Market Value<br>(in U.S. Dollars) | Percentage of Total Investment |   |
|----------|---|-----------------------------------|--------------------------------|---|
| 1        | Tencent Holdings Ltd                                | \$1,089,225                       | 13.48                          | % |
| 2        | Taiwan Semiconductor Manufacturing Co Ltd           | 484,887                           | 6.00                           | % |
| 3        | AIA Group Ltd                                       | 398,723                           | 4.94                           | % |
| 4        | Alibaba Group Holding Ltd                           | 381,264                           | 4.72                           | % |
| 5        | China Construction Bank Corp                        | 346,538                           | 4.29                           | % |
| 6        | Ping An Insurance Group Co of China Ltd             | 276,084                           | 3.42                           | % |
| 7        | Haier Electronics Group Co Ltd                      | 256,677                           | 3.18                           | % |
| 8        | Sun Hung Kai Properties Ltd                         | 228,878                           | 2.83                           | % |
| 9        | Daikin Industries Ltd                               | 215,646                           | 2.67                           | % |
| 10       | China State Construction International Holdings Ltd | 207,780                           | 2.57                           | % |

**Shelton BDC Income Fund**

| Security |                                       | Market Value<br>(in U.S. Dollars) | Percentage of Total Investment |   |
|----------|---------------------------------------|-----------------------------------|--------------------------------|---|
| 1        | Ares Capital Corp                     | \$2,313,215                       | 19.77                          | % |
| 2        | Solar Capital Ltd                     | 1,883,934                         | 16.11                          | % |
| 3        | Hercules Capital Inc                  | 1,101,183                         | 9.41                           | % |
| 4        | PennantPark Floating Rate Capital Ltd | 942,540                           | 8.06                           | % |
| 5        | TCP Capital Corp                      | 903,125                           | 7.72                           | % |
| 6        | TriplePoint Venture Growth BDC Corp   | 858,640                           | 7.34                           | % |
| 7        | TPG Specialty Lending Inc             | 611,754                           | 5.23                           | % |
| 8        | Saratoga Investment Corp              | 570,305                           | 4.88                           | % |
| 9        | Oaktree Strategic Income Corp         | 563,236                           | 4.81                           | % |
| 10       | Apollo Investment Corp                | 509,822                           | 4.36                           | % |

**Shelton Real Estate Income Fund**

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| Security                                    | Market Value (in U.S. Dollars) | Percentage of Total Investment |
|---|--------------------------------|--------------------------------|
| 1 DDR Corp                                  | \$508,635                      | 7.29 %                         |
| 2 Blackstone Mortgage Trust Inc             | 433,388                        | 6.21 %                         |
| 3 Starwood Property Trust Inc               | 423,475                        | 6.07 %                         |
| 4 Apollo Commercial Real Estate Finance Inc | 410,605                        | 5.88 %                         |
| 5 GGP Inc                                   | 408,000                        | 5.85 %                         |
| 6 AvalonBay Communities Inc                 | 340,858                        | 4.88 %                         |
| 7 Duke Realty Corp                          | 317,879                        | 4.55 %                         |
| 8 QTS Realty Trust Inc                      | 225,150                        | 3.23 %                         |
| 9 CBL & Associates Properties Inc           | 214,065                        | 3.07 %                         |
| 10 Brixmor Property Group Inc               | 206,546                        | 2.96 %                         |

**Top Holdings and Sector Breakdowns (Unaudited) (Continued) June 30, 2018****Shelton Tactical Credit Fund**

| Security  | Market Value<br>(in U.S. Dollars) | Percentage of Total Investment |
|---|-----------------------------------|--------------------------------|
| 1 Golden Nugget Inc   | \$2,054,420                       | 7.09 %                         |
| 2 BlueLine Rental Finance Corp / BlueLine Rental LLC              | 1,595,850                         | 5.51 %                         |
| 3 McDermott Technology Americas Inc / McDermott Technology US Inc | 1,563,750                         | 5.40 %                         |
| 4 DJO Finance LLC / DJO Finance Corp                              | 1,518,300                         | 5.24 %                         |
| 5 Avantor Inc   | 1,511,550                         | 5.22 %                         |
| 6 Rackspace Hosting Inc   | 1,507,500                         | 5.20 %                         |
| 7 Hertz Corp/The  | 1,440,000                         | 4.97 %                         |
| 8 West Corp   | 1,368,750                         | 4.72 %                         |
| 9 First Data Corp   | 1,301,975                         | 4.49 %                         |
| 10 Icahn Enterprises LP / Icahn Enterprises Finance Corp          | 1,259,375                         | 4.35 %                         |

**Shelton International Select Equity Fund**

| Security                    | Market Value<br>(in U.S. Dollars) | Percentage of Total Investment |
|-----------------------------|-----------------------------------|--------------------------------|
| 1 Ambu A/S                  | \$2,043,582                       | 4.64 %                         |
| 2 Wirecard AG               | 1,691,168                         | 3.84 %                         |
| 3 AIA Group Ltd             | 1,617,626                         | 3.67 %                         |
| 4 L'Oreal SA                | 1,481,622                         | 3.36 %                         |
| 5 Alibaba Group Holding Ltd | 1,429,509                         | 3.25 %                         |
| 6 Tencent Holdings Ltd      | 1,415,491                         | 3.21 %                         |
| 7 CRH PLC                   | 1,358,088                         | 3.08 %                         |
| 8 KBC Group NV              | 1,326,655                         | 3.01 %                         |
| 9 Unilever NV               | 1,326,136                         | 3.01 %                         |
| 10 Beiersdorf AG            | 1,322,655                         | 3.00 %                         |

**Shelton Greater China Fund****Portfolio of Investments (Expressed in U.S. Dollars) (Unaudited)****June 30, 2018**

| <b>Security Description</b>           | <b>Shares</b> | <b>Value</b> |
|---------------------------------------|---------------|--------------|
| <b>Common Stock (98.28%)</b>          |               |              |
| <b>Basic Materials (1.38%)</b>        |               |              |
| Sinopec Shanghai Petrochemical        | 186,000       | \$ 113,324   |
| <b>Total Basic Materials</b>          |               | 113,324      |
| <b>Communications (26.84%)</b>        |               |              |
| <i>Internet (23.00%)</i>              |               |              |
| Alibaba Group Holding Ltd             | 2,055         | 381,264      |
| CyberAgent Inc                        | 3,000         | 180,382      |
| YY Inc                                | 800           | 80,376       |
| Start Today Co Ltd                    | 4,400         | 159,491      |
| Tencent Holdings Ltd                  | 21,700        | 1,089,225    |
|                                       |               | 1,890,738    |
| <i>Telecommunications (3.84%)</i>     |               |              |
| China Mobile Ltd                      | 20,900        | 185,678      |
| Chunghwa Telecom Co Ltd               | 36,000        | 129,885      |
|                                       |               | 315,563      |
| <b>Total Communications</b>           |               | 2,206,301    |
| <b>Consumer, Cyclical (9.07%)</b>     |               |              |
| Galaxy Entertainment Group Ltd        | 18,000        | 139,380      |
| ITOCHU Corp                           | 6,700         | 121,431      |
| Great Wall Motor Co Ltd               | 111,000       | 84,890       |
| Haier Electronics Group Co Ltd        | 75,000        | 256,677      |
| ANTA Sports Products Ltd              | 27,000        | 142,994      |
| <b>Total Consumer, Cyclical</b>       |               | 745,372      |
| <b>Consumer, Non-Cyclical (5.89%)</b> |               |              |
| New Oriental Education & Techn        | 1,000         | 94,660       |
| Uni-President Enterprises Corp        | 57,374        | 145,653      |
| Sino Biopharmaceutical Ltd            | 88,050        | 135,126      |
| China Mengniu Dairy Co Ltd            | 32,000        | 108,496      |
| <b>Total Consumer, Non-Cyclical</b>   |               | 483,935      |

|   |         |           |
|---|---------|-----------|
| <b>Diversified (1.68%)</b>                    |         |           |
| CK Hutchison Holdings Ltd                     | 13,000  | 137,863   |
| <b>Total Diversified</b>                      |         | 137,863   |
| <b>Energy (3.03%)</b>                         |         |           |
| CNOOC Ltd                                     | 56,000  | 96,647    |
| PetroChina Co Ltd                             | 200,000 | 152,190   |
| <b>Total Energy</b>                           |         | 248,837   |
| <b>Financial (28.19%)</b>                     |         |           |
| <i>Banks (8.73%)</i>                          |         |           |
| DBS Group Holdings Ltd                        | 10,300  | 201,014   |
| China Construction Bank Corp                  | 375,000 | 346,538   |
| Bank of China Ltd                             | 343,000 | 170,069   |
|   |         | 717,621   |
| <i>Diversified Financial Services (2.98%)</i> |         |           |
| Fubon Financial Holding Co Ltd                | 54,713  | 91,701    |
| Hong Kong Exchanges & Clearing                | 5,100   | 153,414   |
|   |         | 245,115   |
| <i>Insurance (10.33%)</i>                     |         |           |
| AIA Group Ltd                                 | 45,600  | 398,723   |
| China Taiping Insurance Holdings              | 55,764  | 174,497   |
| Ping An Insurance Group Co of                 | 30,000  | 276,084   |
|   |         | 849,304   |
| <i>Real Estate (6.15%)</i>                    |         |           |
| CK Asset Holdings Ltd                         | 13,000  | 103,232   |
| Hysan Development Co Ltd                      | 31,000  | 173,068   |
| Sun Hung Kai Properties Ltd                   | 15,166  | 228,878   |
|   |         | 505,178   |
| <b>Total Financial</b>                        |         | 2,317,218 |
| <b>Industrial (13.27%)</b>                    |         |           |
| Daikin Industries Ltd                         | 1,800   | 215,646   |
| Largan Precision Co Ltd                       | 1,000   | 147,269   |
| Komatsu Ltd                                   | 6,900   | 197,348   |
| Yaskawa Electric Corp                         | 5,500   | 194,398   |
| China State Construction Inter                | 202,500 | 207,780   |
| China Communications Services                 | 202,000 | 127,965   |
| <b>Total Industrial</b>                       |         | 1,090,406 |
| <b>Technology (5.90%)</b>                     |         |           |
| Taiwan Semiconductor Manufacturing            | 68,284  | 484,887   |
| <b>Total Technology</b>                       |         | 484,887   |

|   |         |             |
|---|---------|-------------|
| <b>Utilities (3.03%)</b>  |         |             |
| China Longyuan Power Group Corp                                     | 152,000 | 122,446     |
| China Resources Power Holdings                                      | 72,000  | 126,830     |
| <b>Total Utilities</b>  |         | 249,276     |
| <b>Total Common Stock (Cost \$6,195,319)</b>                        |         | 8,077,419   |
| <b>Total Investments (Cost \$6,195,319) <sup>(a)</sup> (98.28%)</b> |         | \$8,077,419 |
| <b>Other Net Assets (1.72%)</b>                                     |         | 141,742     |
| <b>Net Assets (100.00%)</b>   |         | \$8,219,161 |

\*Non-income producing security.

(a) Aggregate cost for federal income tax purpose is \$6,548,496

At June 30, 2018, unrealized appreciation (depreciation) of securities for federal income tax purposes is as follows:

|                             |              |
|-----------------------------|--------------|
| Unrealized appreciation     | \$ 1,768,373 |
| Unrealized depreciation     | (239,450 )   |
| Net unrealized appreciation | \$ 1,528,923 |

See accompanying notes to financial statements.

**Shelton BDC Income Fund****Portfolio of Investments (Expressed in U.S. Dollars) (Unaudited)****June 30, 2018**

| <b>Security Description</b>                   | <b>Shares</b> | <b>Value</b>           |
|---|---------------|------------------------|
| <b>Common Stock (94.60%)</b>                  |               |                        |
| <b>Financial (94.60%)</b>                     |               |                        |
| <i>Diversified Financial Services (0.42%)</i> |               |                        |
| NewStar Financial Inc                         | 100,410       | \$49,402<br>49,402     |
| <i>Investment Company (84.82%)</i>            |               |                        |
| Apollo Investment Corp                        | 91,530        | 509,822                |
| Ares Capital Corp                             | 140,621       | 2,313,215              |
| BlackRock Capital Investment C                | 36,000        | 209,880                |
| Goldman Sachs BDC Inc                         | 23,680        | 484,966                |
| Main Street Capital Corp                      | 3,000         | 114,180                |
| New Mountain Finance Corp                     | 26,800        | 364,480                |
| Oaktree Strategic Income Corp                 | 66,263        | 563,236                |
| PennantPark Floating Rate Capital             | 69,000        | 942,540                |
| PennantPark Investment Corp                   | 31,000        | 217,155                |
| Solar Capital Ltd                             | 92,169        | 1,883,934              |
| TCP Capital Corp                              | 62,500        | 903,125                |
| TPG Specialty Lending Inc                     | 34,100        | 611,754                |
| TriplePoint Venture Growth BDC                | 69,078        | 858,640<br>9,976,927   |
| <i>Private Equity (9.36%)</i>                 |               |                        |
| Hercules Capital Inc                          | 87,050        | 1,101,183<br>1,101,183 |
| <b>Total Financial</b>                        |               | 11,127,512             |
| <b>Total Common Stock (Cost \$11,533,355)</b> |               | 11,127,512             |
| <b>Preferred Stock (4.85%)</b>                |               |                        |
| <b>Financial (4.85%)</b>                      |               |                        |
| SARATOGA INVESTMENT CORP*                     | 22,011        | 570,305                |
| <b>Total Financial</b>                        |               | 570,305                |
| <b>Total Preferred Stock (Cost \$550,275)</b> |               | 570,305                |

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|--|--------------|
| <b>Total Investments (Cost \$12,083,630) <sup>(a)</sup> (99.45%)</b> | \$11,697,817 |
| <b>Other Net Assets (0.55%)</b>                                      | 64,206       |
| <b>Net Assets (100.00%)</b>  | \$11,762,023 |

\*Non-income producing security.

(a) Aggregate cost for federal income tax purpose is \$12,127,407

At June 30, 2018, unrealized appreciation (depreciation) of securities for federal income tax purposes is as follows:

|                             |             |
|-----------------------------|-------------|
| Unrealized appreciation     | \$73,134    |
| Unrealized depreciation     | (502,724)   |
| Net unrealized depreciation | \$(429,590) |

See accompanying notes to financial statements.



**Shelton Real Estate Income Fund****Portfolio of Investments (Expressed in U.S. Dollars) (Unaudited)****June 30, 2018**

| <b>Security Description</b>       | <b>Shares</b> | <b>Value</b>          |
|-----------------------------------|---------------|-----------------------|
| <b>Common Stock (75.18%)</b>      |               |                       |
| <b>Financial (75.18%)</b>         |               |                       |
| <i>REITS-Diversified (1.94%)</i>  |               |                       |
| Liberty Property Trust            | 3,080         | \$ 136,536<br>136,536 |
| <i>REITS-Health Care (3.33%)</i>  |               |                       |
| Healthcare Trust of America Inc   | 6,056         | 163,270               |
| Physicians Realty Trust           | 4,500         | 71,730<br>235,000     |
| <i>REIT-Industrial (9.02%)</i>    |               |                       |
| DCT Industrial Trust Inc          | 840           | 56,053                |
| Duke Realty Corp                  | 10,950        | 317,879               |
| Prologis Inc                      | 2,650         | 174,079               |
| Rexford Industrial Realty Inc     | 2,820         | 88,520<br>636,531     |
| <i>REIT-Mortgage (17.96%)</i>     |               |                       |
| Apollo Commercial Real Estate     | 22,462        | 410,605               |
| Blackstone Mortgage Trust Inc     | 13,789        | 433,388               |
| Starwood Property Trust Inc       | 19,506        | 423,475<br>1,267,468  |
| <i>REIT-Office (7.64%)</i>        |               |                       |
| Boston Properties Inc             | 643           | 80,645                |
| Douglas Emmett Inc                | 2,180         | 87,592                |
| Hudson Pacific Properties Inc     | 2,750         | 97,433                |
| Kilroy Realty Corp                | 1,770         | 133,883               |
| Mack-Cali Realty Corp             | 3,220         | 65,302                |
| SL Green Realty Corp              | 740           | 74,392<br>539,247     |
| <i>REIT-Residential (12.15%)</i>  |               |                       |
| American Homes 4 Rent             | 2,178         | 48,308                |
| Apartment Investment & Management | 2,155         | 91,157                |
| AvalonBay Communities Inc         | 1,983         | 340,858               |
| Equity Residential                | 1,340         | 85,345                |
| Essex Property Trust Inc          | 360           | 86,065                |

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|  |        |                      |
|--|--------|----------------------|
| Sun Communities Inc                          | 2,100  | 205,548<br>857,281   |
| <i>REIT-Retail (8.30%)</i>                   |        |                      |
| Brixmor Property Group Inc                   | 11,850 | 206,546              |
| DDR Corp                                     | 2,904  | 51,982               |
| GGP Inc                                      | 7,140  | 145,870              |
| Simon Property Group Inc                     | 1,065  | 181,252<br>585,650   |
| <i>REIT-Specialized (14.84%)</i>             |        |                      |
| American Tower Corp                          | 1,330  | 191,746              |
| Crown Castle International Corp              | 1,710  | 184,372              |
| CubeSmart                                    | 3,250  | 104,715              |
| CyrusOne Inc                                 | 2,185  | 127,517              |
| EPR Properties                               | 1,996  | 129,321              |
| Equinix Inc                                  | 140    | 60,185               |
| QTS Realty Trust Inc                         | 5,700  | 225,150              |
| Weyerhaeuser Co                              | 645    | 23,517<br>1,046,523  |
| <b>Total Financial</b>                       |        | 5,304,236            |
| <b>Total Common Stock (Cost \$5,078,881)</b> |        | 5,304,236            |
| <b>Preferred Stock (23.75%)</b>              |        |                      |
| <b>Financial (23.75%)</b>                    |        |                      |
| <i>REITS-Diversified (0.20%)</i>             |        |                      |
| PS Business Parks Inc 5.75%                  | 567    | 14,305<br>14,305     |
| <i>REIT-Industrial (1.52%)</i>               |        |                      |
| STAG Industrial Inc 6.625%                   | 4,280  | 107,171<br>107,171   |
| <i>REIT-Mortgage (2.78%)</i>                 |        |                      |
| ARMOUR Residential REIT Inc 7.875%           | 7,900  | 196,473<br>196,473   |
| <i>REIT-Retail (18.96%)</i>                  |        |                      |
| CBL & Associates Properties Inc 6.625%       | 12,388 | 214,065              |
| Cedar Realty Trust Inc 7.25%                 | 3,171  | 73,948               |
| DDR Corp 6.25%                               | 22,250 | 508,634              |
| GGP Inc 6.375%                               | 17,000 | 408,000              |
| Kimco Realty Corp 6%                         | 5,306  | 132,755<br>1,337,402 |
| <i>REIT-Specialized (0.29%)</i>              |        |                      |
| Digital Realty Trust Inc 5.875%              | 800    | 20,328<br>20,328     |

|   |             |
|---|-------------|
| <b>Total Financial</b>  | 1,675,679   |
| <b>Total Preferred Stock (Cost \$1,631,138)</b>                     | 1,675,679   |
| <b>Total Investments (Cost \$6,710,019) <sup>(a)</sup> (98.93%)</b> | \$6,979,915 |
| <b>Other Net Assets (1.07%)</b>                                     | 75,565      |
| <b>Net Assets (100.00%)</b>   | \$7,055,480 |

\*Non-income producing security.

(a) Aggregate cost for federal income tax purpose is \$6,715,522

At June 30, 2018, unrealized appreciation (depreciation) of securities for federal income tax purposes is as follows:

|                             |            |
|-----------------------------|------------|
| Unrealized appreciation     | \$605,134  |
| Unrealized depreciation     | (340,741 ) |
| Net unrealized appreciation | \$264,393  |

See accompanying notes to financial statements.

**Shelton Tactical Credit Fund****Portfolio of Investments (Expressed in U.S. Dollars) (Unaudited)****June 30, 2018**

| <b>Security Description</b>                                     | <b>Par Value</b> | <b>Rate</b> | <b>Maturity</b> | <b>Value</b>     |
|---|------------------|-------------|-----------------|------------------|
| <b>Corporate Debt (84.87%)</b>                                  |                  |             |                 |                  |
| <b>Communications (12.89%)</b>                                  |                  |             |                 |                  |
| Altice Luxembourg SA  | \$ 1,000,000     | 7.750 %     | 05/15/2022      | \$967,500        |
| Frontier Communications Corp                                    | 1,500,000        | 11.000%     | 09/15/2025      | 1,199,550        |
| Intelsat Luxembourg SA  | 1,500,000        | 8.125 %     | 06/01/2023      | 1,215,000        |
| Sprint Corp   | 1,000,000        | 7.625 %     | 02/15/2025      | 1,020,010        |
| <b>Total Communications</b>                                     |                  |             |                 | <b>4,402,060</b> |
| <b>Consumer, Cyclical (12.26%)</b>                              |                  |             |                 |                  |
| BCD Acquisition Inc   | 1,000,000        | 9.625 %     | 09/15/2023      | 1,065,000        |
| Golden Nugget Inc   | 2,000,000        | 8.750 %     | 10/01/2025      | 2,054,420        |
| Scientific Games International Inc                              | 1,000,000        | 10.000%     | 12/01/2022      | 1,066,970        |
| <b>Total Consumer, Cyclical</b>                                 |                  |             |                 | <b>4,186,390</b> |
| <b>Consumer, Non-Cyclical (25.45%)</b>                          |                  |             |                 |                  |
| <i>Healthcare-Products (15.17%)</i>                             |                  |             |                 |                  |
| DJO Finance LLC / DJO Finance Corp                              | 1,500,000        | 8.125 %     | 06/15/2021      | 1,518,300        |
| Kinetic Concepts Inc / KCI USA Inc                              | 1,000,000        | 12.500%     | 11/01/2021      | 1,105,000        |
| Tenet Healthcare Corp   | 1,000,000        | 8.125 %     | 04/01/2022      | 1,045,520        |
| Avantor Inc   | 1,500,000        | 9.000 %     | 10/01/2025      | 1,511,550        |
|   |                  |             |                 | <b>5,180,370</b> |
| <i>Commercial Services (10.28%)</i>                             |                  |             |                 |                  |
| Herc Rentals Inc  | 919,000          | 7.500 %     | 06/01/2022      | 971,843          |
| Hertz Corp/The  | 1,500,000        | 7.625 %     | 06/01/2022      | 1,440,000        |
| Weight Watchers International Inc                               | 1,000,000        | 8.625 %     | 12/01/2025      | 1,097,450        |
|   |                  |             |                 | <b>3,509,293</b> |
| <b>Total Consumer, Non-Cyclical</b>                             |                  |             |                 | <b>8,689,663</b> |
| <b>Energy (7.60%)</b>   |                  |             |                 |                  |
| McDermott Technology Americas Inc / McDermott Technology US Inc | 1,500,000        | 10.625 %    | 05/01/2024      | 1,563,750        |
| Noble Holding International Ltd                                 | 1,000,000        | 7.875 %     | 02/01/2026      | 1,030,000        |
| <b>Total Energy</b>   |                  |             |                 | <b>2,593,750</b> |

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**Financial (6.66%)**

|   |           |       |   |            |           |
|---|-----------|-------|---|------------|-----------|
| Icahn Enterprises LP / Icahn Enterprises Finance Corp | 1,250,000 | 6.750 | % | 02/01/2024 | 1,259,375 |
| Jefferies Finance LLC / JFIN Co-Issuer Corp           | 1,000,000 | 7.500 | % | 04/15/2021 | 1,015,000 |

**Total Financial** 2,274,375

**Industrial (4.67%)**

|  |           |       |   |            |           |
|--|-----------|-------|---|------------|-----------|
| BlueLine Rental Finance Corp / BlueLine Rental LLC | 1,500,000 | 9.250 | % | 03/15/2024 | 1,595,850 |
|--|-----------|-------|---|------------|-----------|

**Total Industrial** 1,595,850

See accompanying notes to financial statements.

**Shelton Tactical Credit Fund****Portfolio of Investments (Expressed in U.S. Dollars) (Unaudited)****June 30, 2018 (Continued)**

| <b>Security Description</b>  | <b>Par Value</b> | <b>Rate</b> | <b>Maturity</b> | <b>Value</b>        |
|--|------------------|-------------|-----------------|---------------------|
| <b>Technology (15.34%)</b>   |                  |             |                 |                     |
| Dell International LLC / EMC Corp                                    | \$1,000,000      | 7.125%      | 06/15/2024      | \$1,059,429         |
| First Data Corp  | 1,250,000        | 7.000%      | 12/01/2023      | 1,301,975           |
| Rackspace Hosting Inc  | 1,500,000        | 8.625%      | 11/15/2024      | 1,507,500           |
| West Corp  | 1,500,000        | 8.500%      | 10/15/2025      | 1,368,750           |
| <b>Total Technology</b>  |                  |             |                 | <b>5,237,654</b>    |
| <b>Total Corporate Debt (Cost \$28,496,901)</b>                      |                  |             |                 | <b>28,979,742</b>   |
| <b>Total Investments (Cost \$28,496,901) <sup>(a)</sup> (84.87%)</b> |                  |             |                 | <b>\$28,979,742</b> |
| <b>Other Net Assets (15.13%)</b>                                     |                  |             |                 | <b>5,165,842</b>    |
| <b>Net Assets (100.00%)</b>  |                  |             |                 | <b>\$34,145,584</b> |

\*Non-income producing security.

(a) Aggregate cost for federal income tax purpose is \$28,958,973

At June 30, 2018, unrealized appreciation (depreciation) of securities for federal income tax purposes is as follows:

|                             |            |
|-----------------------------|------------|
| Unrealized appreciation     | \$ 133,547 |
| Unrealized depreciation     | (112,778)  |
| Net unrealized appreciation | \$ 20,769  |

**Shelton International Select Equity Fund****Portfolio of Investments (Expressed in U.S. Dollars) (Unaudited)****June 30, 2018**

| <b>Security Description</b>  | <b>Shares</b> | <b>Value</b> |
|------------------------------|---------------|--------------|
| <b>Common Stock (96.61%)</b> |               |              |

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|                            |         |             |
|----------------------------|---------|-------------|
| <b>Belgium (2.91%)</b>     |         |             |
| KBC Group NV               | 17,185  | \$1,326,655 |
| <b>Total Belgium</b>       |         | 1,326,655   |
| <b>Britain (9.58%)</b>     |         |             |
| ASOS PLC                   | 8,760   | 705,721     |
| Intertek Group PLC         | 17,500  | 1,320,647   |
| Rio Tinto PLC              | 18,280  | 1,014,174   |
| Unilever NV                | 23,800  | 1,326,136   |
| <b>Total Britain</b>       |         | 4,366,678   |
| <b>China (8.15%)</b>       |         |             |
| Alibaba Group Holding Ltd  | 7,705   | 1,429,509   |
| Ping An Insurance Group Co | 94,300  | 867,823     |
| Tencent Holdings Ltd       | 28,200  | 1,415,491   |
| <b>Total China</b>         |         | 3,712,823   |
| <b>Colombia (2.21%)</b>    |         |             |
| Bancolombia SA             | 21,100  | 1,008,158   |
| <b>Total Colombia</b>      |         | 1,008,158   |
| <b>Denmark (4.48%)</b>     |         |             |
| Ambu A/S                   | 60,600  | 2,043,582   |
| <b>Total Denmark</b>       |         | 2,043,582   |
| <b>France (12.83%)</b>     |         |             |
| BNP Paribas SA             | 17,930  | 1,113,489   |
| L'Oreal SA                 | 6,000   | 1,481,622   |
| Thales SA                  | 8,700   | 1,120,901   |
| TOTAL SA                   | 21,432  | 1,306,448   |
| Valeo SA                   | 15,100  | 825,437     |
| <b>Total France</b>        |         | 5,847,897   |
| <b>Germany (9.01%)</b>     |         |             |
| adidas AG                  | 5,000   | 1,091,368   |
| Beiersdorf AG              | 11,650  | 1,322,655   |
| Wirecard AG                | 10,500  | 1,691,168   |
| <b>Total Germany</b>       |         | 4,105,191   |
| <b>Hong Kong (5.94%)</b>   |         |             |
| Sino Biopharmaceutical Ltd | 710,700 | 1,090,674   |
| AIA Group Ltd              | 185,000 | 1,617,626   |
| <b>Total Hong Kong</b>     |         | 2,708,300   |

**Indonesia (1.80%)**

|                               |           |         |
|-------------------------------|-----------|---------|
| Bank Rakyat Indonesia Persero | 4,141,150 | 820,716 |
|-------------------------------|-----------|---------|

|                        |  |         |
|------------------------|--|---------|
| <b>Total Indonesia</b> |  | 820,716 |
|------------------------|--|---------|

**Ireland (2.98%)**

|         |        |           |
|---------|--------|-----------|
| CRH PLC | 38,326 | 1,358,088 |
|---------|--------|-----------|

|                      |  |           |
|----------------------|--|-----------|
| <b>Total Ireland</b> |  | 1,358,088 |
|----------------------|--|-----------|

See accompanying notes to financial statements.



**Shelton International Select Equity Fund****Portfolio of Investments (Expressed in U.S. Dollars) (Unaudited)****June 30, 2018 (Continued)**

| <b>Security Description</b>        | <b>Shares</b> | <b>Value</b>     |
|------------------------------------|---------------|------------------|
| <b>Japan (12.91%)</b>              |               |                  |
| CyberAgent Inc                     | 19,500        | \$1,172,482      |
| Daikin Industries Ltd              | 7,700         | 922,485          |
| ITOCHU Corp                        | 53,200        | 964,194          |
| Komatsu Ltd                        | 31,000        | 886,634          |
| Start Today Co Ltd                 | 30,850        | 1,118,248        |
| Yaskawa Electric Corp              | 23,200        | 820,006          |
| <b>Total Japan</b>                 |               | <b>5,884,049</b> |
| <b>Luxembourg (1.92%)</b>          |               |                  |
| ArcelorMittal                      | 29,828        | 874,473          |
| <b>Total Luxembourg</b>            |               | <b>874,473</b>   |
| <b>Netherlands (4.84%)</b>         |               |                  |
| ING Groep NV                       | 76,700        | 1,103,986        |
| Royal Dutch Shell PLC              | 31,800        | 1,103,759        |
| <b>Total Netherlands</b>           |               | <b>2,207,745</b> |
| <b>Norway (1.93%)</b>              |               |                  |
| Norsk Hydro ASA                    | 146,600       | 877,578          |
| <b>Total Norway</b>                |               | <b>877,578</b>   |
| <b>Singapore (2.53%)</b>           |               |                  |
| DBS Group Holdings Ltd             | 59,050        | 1,152,417        |
| <b>Total Singapore</b>             |               | <b>1,152,417</b> |
| <b>Switzerland (6.89%)</b>         |               |                  |
| dormakaba Holding AG               | 1,151         | 805,045          |
| Givaudan SA                        | 517           | 1,172,550        |
| Nestle SA                          | 15,000        | 1,161,450        |
| <b>Total Switzerland</b>           |               | <b>3,139,045</b> |
| <b>Taiwan (2.84%)</b>              |               |                  |
| Taiwan Semiconductor Manufacturing | 35,400        | 1,294,224        |

|  |         |              |
|--|---------|--------------|
| <b>Total Taiwan</b>  |         | 1,294,224    |
| <b>Thailand (2.86%)</b>  |         |              |
| Bangkok Bank PCL   | 218,200 | 1,307,357    |
| <b>Total Thailand</b>  |         | 1,307,357    |
| <b>Total Common Stock (Cost \$33,106,330)</b>                        |         | 44,034,976   |
| <b>Total Investments (Cost \$33,106,330) <sup>(a)</sup> (96.61%)</b> |         | \$44,034,976 |
| <b>Other Net Assets (3.39%)</b>                                      |         | 1,546,328    |
| <b>Net Assets (100.00%)</b>  |         | \$45,581,304 |

\*Non-income producing security.

(a) Aggregate cost for federal income tax purpose is \$33,116,336

At June 30, 2018, unrealized appreciation (depreciation) of securities for federal income tax purposes is as follows:

|                             |               |
|-----------------------------|---------------|
| Unrealized appreciation     | \$ 11,643,987 |
| Unrealized depreciation     | (725,347 )    |
| Net unrealized appreciation | \$ 10,918,640 |

See accompanying notes to financial statements.

**Statements of Assets and Liabilities (Unaudited)****June 30, 2018**

|   | <b>Shelton<br/>Greater<br/>China<br/>Fund</b> | <b>Shelton<br/>BDC<br/>Income<br/>Fund</b> | <b>Shelton<br/>Real Estate<br/>Income<br/>Fund</b> | <b>Shelton<br/>Tactical<br/>Credit<br/>Fund</b> | <b>Shelton<br/>International<br/>Select<br/>Equity Fund</b> |
|---|---|--|--|---|---|
| <b>Assets</b>   |   |  |  |   |   |
| Investments in securities   |   |  |  |   |   |
| Cost of investments   | \$6,195,319                                   | \$12,083,630                               | \$6,710,019  | \$28,496,901                                    | \$33,106,330  |
| Market value of investments (Note 1)                                | 8,077,419                                     | 11,697,817                                 | 6,979,915  | 28,979,742                                      | 44,034,976  |
| Cash  | 148,286                                       | 206,127                                    | 75,518   | 5,042,383                                       | 1,344,649   |
| Foreign Cash (Cost \$5,465, \$0, \$0, \$0 and \$4,415 respectively) | 5,413   | —  | —  | —   | 4,415   |
| Dividend and interest receivable                                    | 60,371  | 94,659                                     | 70,123   | 539,526   | 54,687  |
| Receivable from investment advisor                                  | 1,649   | 5,023                                      | 2,869  | 6,335   | 7,664   |
| Receivable for securities sold                                      | —   | —  | —  | 1,522,500                                       | 312,749   |
| Reclaim Receivable  | —   | —  | 2,944  | —   | 270,118   |
| Prepaid expenses  | 1,942   | 15,480                                     | 17,794   | 26,871  | 30,343  |
| Total assets  | \$8,295,080                                   | \$12,019,106                               | \$7,149,163  | \$36,117,357                                    | \$46,059,601  |
| <b>Liabilities</b>  |   |  |  |   |   |
| Payables and other liabilities                                      |   |  |  |   |   |
| Securities Purchased  | —   | —  | —  | 1,438,125                                       | —   |
| Investment advisor  | 8,938   | 9,227                                      | 6,467  | 32,770  | 58,179  |
| Distributions payable   | 47,802  | 235,931                                    | 76,673   | 468,761   | 372,875   |
| 12b-1 fees  | —   | 1,499                                      | 710  | 6,683   | 2,423   |
| Administration fees   | 623   | 896  | 522  | 2,801   | 3,899   |
| Printing fees   | 3,291   | —  | —  | —   | —   |
| Audit fees  | —   | —  | —  | 11,206  | 23,700  |
| Custody fees  | 6,857   | 1,337                                      | 2,714  | 1,138   | 9,504   |
| Fund accounting fees  | 2,700   | 2,103                                      | 2,576  | 2,261   | —   |
| Legal fees  | 637   | 268  | 125  | 895   | —   |
| Transfer agent fees   | 3,218   | 4,188                                      | 2,370  | 2,398   | 4,890   |
| CCO fees  | 113   | 620  | 141  | 693   | 727   |
| Trustee Fees  | 1,452   | 302  | 845  | 427   | 543   |
| Expenses  | 288   | 712  | 540  | 3,615   | 1,557   |
| Total liabilities   | 75,919  | 257,083                                    | 93,683   | 1,971,773                                       | 478,297   |
| <b>Net assets</b>   | <b>\$8,219,161</b>                            | <b>\$11,762,023</b>                        | <b>\$7,055,480</b>                                 | <b>\$34,145,584</b>                             | <b>\$45,581,304</b>   |
| <b>Net assets at June 30, 2018 consist of</b>                       |   |  |  |   |   |
| Paid-in capital   | 6,764,645                                     | 15,637,512                                 | 8,402,322  | 35,299,888                                      | 92,125,880  |
| Undistributed net investment income                                 | (149,262 )                                    | (1,601 )                                   | (1,270 )   | 10,719  | 223   |
| Accumulated net realized gain (loss)                                | (277,598 )                                    | (3,488,075 )                               | (1,615,618 )                                       | (1,647,864 )                                    | (57,477,504 )   |
|   | 1,881,376                                     | (385,813 )                                 | 270,046  | 482,841   | 10,932,705  |

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|  |             |              |             |              |              |
|--|-------------|--------------|-------------|--------------|--------------|
| Unrealized appreciation (depreciation)<br>of investments               |             |              |             |              |              |
| Total net assets   | \$8,219,161 | \$11,762,023 | \$7,055,480 | \$34,145,584 | \$45,581,304 |
| <b>Net assets</b>  |             |              |             |              |              |
| Direct Shares  | \$8,219,161 |              |             |              |              |
| Institutional Shares   |             | \$1,500,378  | \$121,989   | \$19,049,967 | \$42,306,958 |
| Investor Shares  |             | \$10,261,645 | \$6,933,491 | \$15,095,617 | \$3,274,346  |
| <b>Shares outstanding</b>  |             |              |             |              |              |
| Direct Shares (no par value, unlimited<br>shares authorized)           | 946,567     |              |             |              |              |
| Institutional Shares (no par value,<br>unlimited<br>shares authorized) | —           | 172,863      | 14,627      | 1,837,552    | 1,989,458    |
| Investor Shares (no par value, unlimited<br>shares authorized)         | —           | 1,171,066    | 809,119     | 1,458,894    | 154,288      |
| <b>Net asset value per share</b>                                       |             |              |             |              |              |
| Direct or Institutional Shares   | \$8.68      | \$8.68       | \$8.34      | \$10.37      | \$21.27      |
| Investor Shares  | \$—         | \$8.76       | \$8.57      | \$10.35      | \$21.22      |

See accompanying notes to financial statements.

**Statements of Operations (Unaudited)  
For the Six Months Ended June 30, 2018**

|   | <b>Shelton<br/>Greater<br/>China<br/>Fund</b> | <b>Shelton<br/>BDC<br/>Income<br/>Fund</b> | <b>Shelton<br/>Real<br/>Estate<br/>Income<br/>Fund</b> | <b>Shelton<br/>Tactical<br/>Credit<br/>Fund</b> | <b>Shelton<br/>International<br/>Select Equity<br/>Fund</b> |
|---|---|--|--|---|---|
| <b>Investment income</b>  |   |  |  |   |   |
| Interest income   | \$—   | \$2,563                                    | \$6,757  | \$1,072,894                                     | \$ 101  |
| Dividend income (net of foreign tax withheld:<br>\$8,407, \$—, \$—, \$—, and \$94,261 respectively) | 110,386                                       | 615,977                                    | 205,205  | 20,610  | 685,089   |
| Total   | 110,386                                       | 618,540                                    | 211,962  | 1,093,504                                       | 685,190   |
| <b>Expenses</b>   |   |  |  |   |   |
| Management fees (Note 2)  | 55,786  | 61,756                                     | 31,824   | 178,595   | 175,629   |
| Administration fees (Note 2)  | 3,873   | 5,992                                      | 3,471  | 15,265  | 23,734  |
| Transfer agent fees   | 3,374   | 8,455                                      | 5,340  | 2,653   | 5,535   |
| Accounting services   | 13,515  | 11,731                                     | 9,527  | 14,674  | 18,111  |
| Custodian fees  | 11,766  | 1,350                                      | 1,535  | 2,874   | 18,774  |
| Legal and audit fees  | 5,733   | 6,963                                      | 4,137  | 14,043  | 21,363  |
| CCO fees (Note 2)   | 632   | 962  | 557  | 2,191   | 3,316   |
| Trustees fees   | 2,297   | 2,442                                      | 2,320  | 2,348   | 2,347   |
| Insurance   | 281   | 621  | 433  | 755   | 1,471   |
| Printing  | 1,339   | 2,483                                      | 1,460  | 3,942   | 6,924   |
| Registration and dues   | 913   | 9,620                                      | 5,698  | 16,073  | 7,967   |
| 12b-1 fees Investor Shares (Note 2)   | —   | 15,285                                     | 9,798  | 15,784  | 4,425   |
| Other expenses  | 2,064   | 730  | —  | —   | 1,137   |
| Total expenses  | 101,573                                       | 128,390                                    | 76,100   | 269,197   | 290,733   |
| Less reimbursement from manager (Note 2)  | (10,547 )                                     | (26,494 )                                  | (20,111 )  | (34,092 )                                       | (46,923 )   |
| Net expenses  | 91,026  | 101,896                                    | 55,989   | 235,105   | 243,810   |
| Net investment income   | 19,360  | 516,644                                    | 155,973  | 858,399   | 441,380   |
| <b>Realized and unrealized gain (loss) on investments</b>   |   |  |  |   |   |
| Net realized gain (loss) from security transactions   | 547,556                                       | (369,820)                                  | (200,734)  | 229,417   | 2,220,577   |
| Change in unrealized appreciation<br>(depreciation) of investments                                  | (844,588)                                     | 34,504                                     | (229,488)  | (285,784 )                                      | (2,279,329 )  |
| Net realized and unrealized gain (loss)<br>on investments   | (297,032)                                     | (335,316)                                  | (430,222)  | (56,367 )                                       | (58,752 )   |
| Net increase (decrease) in net assets resulting<br>from operations                                  | \$(277,672)                                   | \$181,328                                  | \$(274,249)  | \$802,032                                       | \$ 382,628  |

See accompanying notes to financial statements.



**Statements of Changes in Net Assets**

|   | <b>Shelton Greater<br/>China Fund</b>                                 |   | <b>Shelton BDC<br/>Income Fund</b>                                |   |
|---|---|---|---|---|
|   | <b>Six<br/>Months<br/>Ended<br/>June 30,<br/>2018<br/>(Unaudited)</b> | <b>Year<br/>Ended<br/>December<br/>31,<br/>2017</b> | <b>Six Months<br/>Ended<br/>June 30,<br/>2018<br/>(Unaudited)</b> | <b>Year Ended<br/>December<br/>31,<br/>2017</b> |
| <b>Operations</b>   |   |   |   |   |
| Net investment income (loss)  | \$19,360  | \$108,839   | \$516,644   | \$901,875                                       |
| Net realized gain (loss) on investments and foreign currency transactions   | 547,556   | 811,633   | (369,820 )  | 1,082,001                                       |
| Change in unrealized appreciation (depreciation) of investments             | (844,588 )  | 1,507,773   | 34,504  | (1,501,151 )                                    |
| Net increase (decrease) in net assets resulting from operations             | (277,672 )  | 2,428,245   | 181,328   | 482,725   |
| <b>Distributions to shareholders</b>  |   |   |   |   |
| Distributions from net investment income                                    |   |   |   |   |
| Direct shares   | (58,846 )   | (187,315 )  | —   | —   |
| Institutional Shares (Advisor Class I Shares)                               | —   | —   | (67,806 )   | (81,809 )                                       |
| Investor Shares (Class A Shares)  | —   | —   | (511,692 )  | (823,864 )                                      |
| Class C Shares  | —   | —   | —   | —   |
| Distributions from return of capital  |   |   |   |   |
| Institutional shares  | —   | —   | —   | —   |
| Investor shares (Class A)   | —   | —   | —   | —   |
| Class C   | —   | —   | —   | —   |
| Distributions from realized capital gains on investments                    |   |   |   |   |
| Institutional shares  | —   | —   | —   | —   |
| Investor shares (Class A)   | —   | —   | —   | —   |
| Class C   | —   | —   | —   | —   |
| Total Distributions   | (58,846 )   | (187,315 )  | (579,498 )  | (905,673 )                                      |
| <b>Capital share transactions</b>   |   |   |   |   |
| Increase (decrease) in net assets resulting from capital share transactions | (329,657 )  | (555,928 )  | (2,935,467 )  | 1,484,333                                       |
| Total increase (decrease)   | (666,175 )  | 1,685,002   | (3,333,637 )  | 1,061,385                                       |
| <b>Net assets</b>   |   |   |   |   |
| Beginning of year   | 8,885,336   | 7,200,334   | 15,095,660  | 14,034,275                                      |
| End of year   | 8,219,161   | 8,885,336   | 11,762,023  | 15,095,660                                      |
| Including undistributed net investment income (loss) of:                    | \$ (149,262 )   | \$ (109,776 )                                       | \$ (1,601 )   | \$ 61,253                                       |

See accompanying notes to financial statements.





**Statements of Changes in Net Assets****(Continued)**

|   | <b>Shelton Real Estate<br/>Income Fund</b>                        |   | <b>Shelton International<br/>Select Equity Fund</b>               |   |
|---|---|---|---|---|
|   | <b>Six Months<br/>Ended<br/>June 30,<br/>2018<br/>(Unaudited)</b> | <b>Year Ended<br/>December<br/>31,<br/>2017</b> | <b>Six Months<br/>Ended<br/>June 30,<br/>2018<br/>(Unaudited)</b> | <b>Year Ended<br/>(a)<br/>December<br/>31,<br/>2017</b> |
| <b>Operations</b>   |   |   |   |   |
| Net investment income (loss)  | \$ 155,973  | \$ 421,013                                      | \$ 441,380  | \$ 220,091  |
| Net realized gain (loss) on investments and foreign currency transactions   | (200,734 )  | 86,842  | 2,220,577   | 3,419,712   |
| Change in unrealized appreciation (depreciation) of investments             | (229,488 )  | (44,486 )                                       | (2,279,329 )  | 4,873,836   |
| Net increase (decrease) in net assets resulting from operations             | (274,249 )  | 463,369   | 382,628   | 8,513,639   |
| <b>Distributions to shareholders</b>  |   |   |   |   |
| Distributions from net investment income                                    |   |   |   |   |
| Direct shares   |   |   |   |   |
| Institutional Shares (Advisor Class I Shares)                               | (2,388 )  | (12,436 )                                       | (412,083 )  | (808,165 )  |
| Investor Shares (Class A Shares)  | (141,819 )  | (378,226 )                                      | (27,801 )   | (72,892 )   |
| Class C Shares  |   | —   |   | —   |
| Distributions from return of capital  |   |   |   |   |
| Institutional shares  |   | —   |   | (23,185 )   |
| Investor shares (Class A)   |   | —   |   | (2,091 )  |
| Class C   |   | —   |   | —   |
| Distributions from realized capital gains on investments                    |   |   |   |   |
| Institutional shares  |   | —   | —   | —   |
| Investor shares (Class A)   |   | —   | —   | —   |
| Class C   |   | —   | —   | —   |
| Total Distributions   | (144,207 )  | (390,662 )                                      | (439,884 )  | (906,333 )  |
| <b>Capital share transactions</b>   |   |   |   |   |
| Increase (decrease) in net assets resulting from capital share transactions | (2,573,191 )  | (5,831,563 )                                    | (969,959 )  | (4,223,528 )  |
| Total increase (decrease)   | (2,991,647 )  | (5,758,856 )                                    | (1,027,215 )  | 3,383,778   |
| <b>Net assets</b>   |   |   |   |   |
| Beginning of year   | 10,047,127  | 15,805,983                                      | 46,608,519  | 43,224,741  |
| End of year   | 7,055,480   | 10,047,127                                      | 45,581,304  | 46,608,519  |
| Including undistributed net investment income (loss) of:                    | \$ (1,270 )   | \$ (13,036 )                                    | \$ 223  | \$ (1,273 )   |

(a) For the eight month period ending December 31, 2017.

See accompanying notes to financial statements.

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**Statements of Changes in Net Assets****(Continued)**

|   | <b>Shelton Tactical<br/>Credit Fund</b>                           |   |
|---|---|---|
|   | <b>Six Months<br/>Ended<br/>June 30,<br/>2018<br/>(Unaudited)</b> | <b>Year Ended<br/>(a)<br/>December<br/>31,<br/>2017</b> |
| <b>Operations</b>   |   |   |
| Net investment income (loss)  | \$858,399   | \$1,067,722   |
| Net realized gain (loss) on investments and foreign currency transactions   | 229,417   | 37,752  |
| Total net realized gain (loss)  | 229,417   | 37,752  |
| Change in unrealized appreciation (depreciation) of investments             | (285,784 )  | (637,943 )  |
| Total net change in unrealized appreciation (depreciation) of investments   | (285,784 )  | (637,943 )  |
| Net increase (decrease) in net assets resulting from operations             | 802,032   | 467,531   |
| <b>Distributions to shareholders</b>  |   |   |
| Distributions from net investment income                                    |   |   |
| Institutional Shares (Advisor Class I Shares)                               | (513,272 )  | (748,463 )  |
| Investor Shares (Class A Shares)  | (346,980 )  | (475,435 )  |
| Class C Shares  |   | —   |
| Distributions from realized capital gains on investments                    |   |   |
| Institutional shares  |   | —   |
| Investor shares (Class A)   |   | —   |
| Class C   |   | —   |
| Total Distributions   | (860,252 )  | (1,223,898 )  |
| <b>Capital share transactions</b>   |   |   |
| Increase (decrease) in net assets resulting from capital share transactions | 8,501,085   | (9,262,057 )  |
| Total increase (decrease)   | 8,442,865   | (10,018,424)  |
| <b>Net assets</b>   |   |   |
| Beginning of year   | 25,702,719  | 35,721,143  |
| End of year   | 34,145,584  | 25,702,719  |
| Including undistributed net investment income (loss) of:                    | \$10,719  | \$12,572  |

(a) For the eight month period ending December 31, 2017.

See accompanying notes to financial statements.



**Statements of Changes in Net Assets****(Continued)**

|   |                             |               |                          |              |
|---|-----------------------------|---------------|--------------------------|--------------|
| <b>Shelton Greater China Fund</b>                   | <b>Direct Shares</b>        |               |                          |              |
|   | <b>Six Months Ended</b>     |               | <b>Year Ended</b>        |              |
|   | <b>June 30, 2018</b>        |               | <b>December 31, 2017</b> |              |
|   | <b>(Unaudited)</b>          |               |                          |              |
|   | <b>Shares</b>               | <b>Value</b>  | <b>Shares</b>            | <b>Value</b> |
| Shares sold   | 9,075                       | \$84,761      | 8,082                    | \$64,143     |
| Shares issued in reinvestment of distributions      | 986                         | 8,950         | 17,789                   | 152,102      |
| Shares repurchased                                  | (45,321)                    | (423,368)     | (93,080)                 | (772,173)    |
| Net increase (decrease)                             | (35,260)                    | \$(329,657)   | (67,209)                 | \$(555,928)  |
| <br>  |                             |               |                          |              |
| <b>Shelton BDC Income Fund (See Note 5)</b>         | <b>Institutional Shares</b> |               |                          |              |
|   | <b>Six Months Ended</b>     |               | <b>Year Ended</b>        |              |
|   | <b>June 30, 2018</b>        |               | <b>December 31, 2017</b> |              |
|   | <b>(Unaudited)</b>          |               |                          |              |
|   | <b>Shares</b>               | <b>Value</b>  | <b>Shares</b>            | <b>Value</b> |
| Shares sold   | 27,965                      | \$242,672     | 163,416                  | \$1,540,708  |
| Shares issued in reinvestment of distributions      | 475                         | 4,001         | 1,926                    | 17,810       |
| Shares repurchased                                  | (36,008)                    | (311,611)     | (31,072)                 | (289,683)    |
| Net increase (decrease)                             | (7,568)                     | \$(64,938)    | 134,270                  | \$1,268,835  |
| <br>  |                             |               |                          |              |
|   | <b>Investor Shares</b>      |               |                          |              |
|   | <b>Six Months Ended</b>     |               | <b>Year Ended</b>        |              |
|   | <b>June 30, 2018</b>        |               | <b>December 31, 2017</b> |              |
|   | <b>(Unaudited)</b>          |               |                          |              |
|   | <b>Shares</b>               | <b>Value</b>  | <b>Shares</b>            | <b>Value</b> |
| Shares sold   | 135,592                     | \$1,218,666   | 518,679                  | \$4,933,025  |
| Shares issued in reinvestment of distributions      | 18,241                      | 155,234       | 46,680                   | 437,007      |
| Shares repurchased                                  | (479,381)                   | (4,244,429)   | (546,388)                | (5,154,534)  |
| Net increase (decrease)                             | (325,548)                   | \$(2,870,529) | 18,971                   | \$215,498    |
| <br>  |                             |               |                          |              |
| <b>Shelton Real Estate Income Fund (See Note 5)</b> | <b>Institutional Shares</b> |               |                          |              |
|   | <b>Six Months</b>           |               | <b>Year Ended</b>        |              |
|   | <b>Ended</b>                |               | <b>December 31, 2017</b> |              |
|   | <b>June 30, 2018</b>        |               | <b>December 31, 2017</b> |              |
|   | <b>(Unaudited)</b>          |               |                          |              |
|   | <b>Shares</b>               | <b>Value</b>  | <b>Shares</b>            | <b>Value</b> |
| Shares sold   | 755                         | \$6,186       | 14,323                   | \$126,012    |
| Shares issued in reinvestment of distributions      | 131                         | 1,044         | 1,420                    | 12,436       |
| Shares repurchased                                  | (1,457)                     | (12,010)      | (103,476)                | (927,519)    |
| Net increase (decrease)                             | (571)                       | \$(4,780)     | (87,733)                 | \$(789,071)  |

|  | <b>Investor Shares</b>  |               | <b>Year Ended</b>        |               |
|--|-------------------------|---------------|--------------------------|---------------|
|  | <b>Six Months Ended</b> |               | <b>December 31, 2017</b> |               |
|  | <b>June 30, 2018</b>    |               |                          |               |
|  | <b>(Unaudited)</b>      |               |                          |               |
|  | <b>Shares</b>           | <b>Value</b>  | <b>Shares</b>            | <b>Value</b>  |
| Shares sold                                    | 6,041                   | \$50,200      | 122,004                  | \$1,084,989   |
| Shares issued in reinvestment of distributions | 6,648                   | 54,577        | 36,235                   | 320,416       |
| Shares repurchased                             | (320,207)               | (2,673,188)   | (724,943)                | (6,447,897)   |
| Net increase (decrease)                        | (307,518)               | \$(2,568,411) | (566,704)                | \$(5,042,492) |

See accompanying notes to financial statements.

**Statements of Changes in Net Assets****(Continued)****Shelton Tactical Credit Fund****Institutional Shares****Six Months Ended****June 30, 2018****(Unaudited)****Shares Value**

|  |           |             |           |               |
|--|-----------|-------------|-----------|---------------|
| Shares sold                                    | 472,618   | \$4,958,195 | 422,690   | \$4,457,159   |
| Shares issued in reinvestment of distributions | 23,513    | 241,008     | 69,814    | 727,118       |
| Shares repurchased                             | (324,383) | (3,382,069) | (673,568) | (7,116,851)   |
| Net increase (decrease)                        | 171,748   | \$1,817,134 | (181,064) | \$(1,932,574) |

**Year Ended****December 31, 2017****Shares Value****Investor Shares****Six Months Ended****June 30, 2018****(Unaudited)****Shares Value**

|  |           |             |           |               |
|--|-----------|-------------|-----------|---------------|
| Shares sold                                    | 824,948   | \$8,607,772 | 237,943   | \$2,492,290   |
| Shares issued in reinvestment of distributions | 14,195    | 145,215     | 45,543    | 473,115       |
| Shares repurchased                             | (199,263) | (2,069,036) | (985,625) | (10,294,888)  |
| Net increase (decrease)                        | 639,880   | \$6,683,951 | (702,139) | \$(7,329,483) |

**Year Ended****December 31, 2017****Shares Value****Shelton International Select Equity Fund****Institutional Shares****Six Months Ended****June 30, 2018****(Unaudited)****Shares Value**

|  |           |             |           |               |
|--|-----------|-------------|-----------|---------------|
| Shares sold                                    | 177,971   | \$3,797,833 | 131,505   | \$2,520,264   |
| Shares issued in reinvestment of distributions | 2,923     | 62,347      | 40,564    | 807,223       |
| Shares repurchased                             | (198,258) | (4,320,143) | (313,889) | (6,169,368)   |
| Net increase (decrease)                        | (17,364)  | \$(459,963) | (141,820) | \$(2,841,881) |

**Year Ended****December 31, 2017****Shares Value****Investor Shares****Six Months Ended****June 30, 2018****(Unaudited)****Shares Value**

|  |          |             |          |               |
|--|----------|-------------|----------|---------------|
| Shares sold                                    | 7,546    | \$166,585   | 2,971    | \$60,349      |
| Shares issued in reinvestment of distributions | 98       | 2,084       | 3,118    | 61,964        |
| Shares repurchased                             | (31,078) | (678,665)   | (77,447) | (1,503,960)   |
| Net increase (decrease)                        | (23,434) | \$(509,996) | (71,358) | \$(1,381,647) |

**Year Ended****December 31, 2017****Shares Value**

See accompanying notes to financial statements.



**Financial Highlights****For a Share Outstanding Throughout Each Year or Period**

| <b>Shelton Greater China Fund</b>                            | <b>Six<br/>Months<br/>Ended<br/>June 30,<br/>2018<br/>(Unaudited)</b> | <b>Year<br/>Ended<br/>December<br/>31,<br/>2017</b> | <b>Year<br/>Ended<br/>December<br/>31,<br/>2016</b> | <b>Year<br/>Ended<br/>December<br/>31,<br/>2015</b> | <b>Year<br/>Ended<br/>December<br/>31,<br/>2014</b> | <b>Year<br/>Ended<br/>December<br/>31,<br/>2013</b> |
|--|---|---|---|---|---|---|
| <b>Direct Shares</b>   |   |   |   |   |   |   |
| Net asset value, beginning of year                           | \$ 9.05   | \$ 6.86   | \$ 6.89   | \$ 7.55   | \$ 7.21   | \$ 7.12   |
| <b>INCOME FROM INVESTMENT OPERATIONS</b>                     |   |   |   |   |   |   |
| Net investment income (loss) <sup>(a)</sup>                  | 0.02  | 0.11  | 0.10  | 0.05  | 0.08  | 0.03  |
| Net gain (loss) on securities (both realized and unrealized) | (0.33 )   | 2.27  | 0.03  | (0.58 )   | 0.36  | 0.28  |
| Total from investment operations                             | (0.31 )   | 2.38  | 0.13  | (0.53 )   | 0.44  | 0.31  |
| <b>LESS DISTRIBUTIONS</b>                                    |   |   |   |   |   |   |
| Dividends from net investment income                         | (0.06 )   | (0.19 )   | (0.16 )   | (0.13 )   | (0.10 )   | (0.22 )   |
| Distributions from capital gains                             | —   | —   | —   | —   | —   | —   |
| Total distributions  | (0.06 )   | (0.19 )   | (0.16 )   | (0.13 )   | (0.10 )   | (0.22 )   |
| Net asset value, end of year                                 | \$ 8.68   | \$ 9.05   | \$ 6.86   | \$ 6.89   | \$ 7.55   | \$ 7.21   |
| Total return   | (3.41 )%  | 34.85 %   | 1.95 %  | (7.05 )%  | 6.19 %  | 4.34 %  |
| <b>RATIOS / SUPPLEMENTAL DATA</b>                            |   |   |   |   |   |   |
| Net assets, end of year (000s)                               | \$ 8,219  | \$ 8,885  | \$ 7,200  | \$ 7,726  | \$ 10,332   | \$ 11,415   |
| Ratio of expenses to average net assets:                     |   |   |   |   |   |   |
| Before expense reimbursements                                | 1.13 %  | 2.62 %  | 3.13 %  | 2.60 %  | 2.69 %  | 3.00 %  |
| After expense reimbursements                                 | 1.01 %  | 1.98 %  | 1.97 %  | 1.98 %  | 1.98 %  | 2.36 %  |
| Ratio of net investment income (loss) to average net assets  |   |   |   |   |   |   |
| Before expense reimbursements                                | 0.07 %  | 0.67 %  | 0.43 %  | 0.01 %  | 0.33 %  | (0.22 )%  |
| After expense reimbursements                                 | 0.19 %  | 1.31 %  | 1.47 %  | 0.63 %  | 1.04 %  | 0.42 %  |
| Portfolio turnover   | 17 %  | 25 %  | 11 %  | 0 %   | 5 %   | 10 %  |

**Shelton BDC Income Fund <sup>(c)</sup>****Institutional Shares**
**Formerly  
AR Capital  
BDC Income Fund**

| <b>Six<br/>Months<br/>Ended<br/>June</b> | <b>Year<br/>Ended<br/>December<br/>31,</b> | <b>Year<br/>Ended<br/>December<br/>31,</b> | <b>Year<br/>Ended<br/>March<br/>31,</b> | <b>Year<br/>Ended<br/>March<br/>31,</b> |
|--|--|--|---|---|
|--|--|--|---|---|

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|  | <b>30,<br/>2018<br/>(Unaudited)</b> | <b>2017</b> | <b>2016 <sup>(b)(c)</sup></b> | <b>2016<br/>(i)</b>    | <b>2015<br/>(d)(i)</b> |
|--|-------------------------------------|-------------|-------------------------------|------------------------|------------------------|
| Net asset value, beginning of year   | \$8.92                              | \$ 9.11     | \$ 8.40                       | \$9.65                 | \$ 10.00               |
| <b>INCOME FROM INVESTMENT OPERATIONS</b>                                   |                                     |             |                               |                        |                        |
| Net investment income (loss) <sup>(a)</sup>                                | 0.35                                | 0.59        | 0.44                          | 0.80                   | 1.55                   |
| Net gain (loss) on securities (both realized and unrealized)               | (0.19 )                             | (0.22 )     | 0.72                          | (1.36)                 | (1.40 )                |
| Total from investment operations   | 0.16                                | 0.37        | 1.16                          | (0.56)                 | 0.15                   |
| <b>LESS DISTRIBUTIONS</b>  |                                     |             |                               |                        |                        |
| Dividends from net investment income                                       | (0.40 )                             | (0.56 )     | (0.45 )                       | (0.69)                 | (0.50 )                |
| Distributions from capital gains   | —                                   | —           | —                             |                        |                        |
| Total distributions  | (0.40 )                             | (0.56 )     | (0.45 )                       | (0.69)                 | (0.50 )                |
| Net asset value, end of year   | \$8.68                              | \$ 8.92     | \$ 9.11                       | \$8.40                 | \$9.65                 |
| <br>   |                                     |             |                               |                        |                        |
| Total return   | 1.87 %                              | 3.94 %      | 14.07 %                       | (5.76)% <sup>(e)</sup> | 1.59 % <sup>(e)</sup>  |
| <br><b>RATIOS / SUPPLEMENTAL DATA</b>                                      |                                     |             |                               |                        |                        |
| Net assets, end of year (000s)   | \$1,500                             | \$ 1,610    | \$ 420                        | \$443                  | \$ 106                 |
| Ratio of expenses to average net assets:                                   |                                     |             |                               |                        |                        |
| Before expense reimbursements  | 0.82 %                              | 1.78 %      | 2.53 %                        | 2.47 %                 | 10.23 % <sup>(f)</sup> |
| After expense reimbursements   | 0.62 %                              | 1.25 %      | 1.24 %                        | 1.25 %                 | 1.25 % <sup>(f)</sup>  |
| Ratio of net investment income (loss) to average net assets <sup>(h)</sup> |                                     |             |                               |                        |                        |
| Before expense reimbursements  | 3.77 %                              | 5.82 %      | 5.26 %                        |                        |                        |
| After expense reimbursements   | 3.96 %                              | 6.34 %      | 6.55 %                        |                        |                        |
| Portfolio turnover   | 18 %                                | 118 %       | 38 %                          | 166 %                  | 33 % <sup>(g)</sup>    |

(a) Calculated based upon average shares outstanding.

(b) For the nine months ended December 31, 2016. See Note 5.

(c) Following the acquisition on November 4, 2016, advisor class and class A were renamed Institutional and Investor Class.

(d) The inception date of Shelton BDC Income Fund is April 22, 2014; the commencement of operations and start of performance for Institutional Class and Investor Class is May 2, 2014. The inception date of Shelton Real Estate Income Fund is August 7, 2014; the commencement of operations and start of performance is August 11, 2014.

(e) Total returns shown exclude the effect of applicable sales loads/redemption fees. If the Adviser did not reimburse/waive a portion of the Fund's expenses, total return would have been lower. Returns are not annualized

(f) Annualized

(g) Not annualized

(h) Net realized and unrealized gain on investments per share does not correlate within the financial highlights for the periods ended March 31, 2016 and March 31, 2014, due to the timing of shareholder subscriptions and redemptions.

(i) Audited by other independent registered public accounting firm.

See accompanying notes to financial statements.



**Financial Highlights****For a Share Outstanding Throughout Each Year or Period  
(Continued)**

| Shelton BDC Income Fund   | Investor Shares  |  |  | Formerly<br>AR Capital<br>BDC Income Fund            |  |
|---|--|--|--|--|--|
|   | Six<br>Months<br>Ended<br>June<br>30,<br>2018<br>(Unaudited) | Year<br>Ended<br>December<br>31,<br>2017 | Year<br>Ended<br>December<br>31,<br>2016 <sup>(b)(c)</sup> | Year<br>Ended<br>March<br>31,<br>2016 <sup>(i)</sup> | Year<br>Ended<br>March<br>31,<br>2015<br><sup>(d)(i)</sup> |
| Net asset value, beginning of year  | \$9.01   | \$ 9.21                                  | \$ 8.51  | \$9.66   | \$10.00  |
| <b>INCOME FROM INVESTMENT<br/>OPERATIONS</b>                                  |  |  |  |  |  |
| Net investment income (loss) <sup>(a)</sup>                                   | 0.33   | 0.54                                     | 0.55   | 0.70   | 0.77   |
| Net gain (loss) on securities (both realized and<br>unrealized)               | (0.19 )  | (0.19 )                                  | 0.60   | (1.17 )  | (0.62 )  |
| Total from investment operations  | 0.14   | 0.35                                     | 1.15   | (0.47 )  | 0.15   |
| <b>LESS DISTRIBUTIONS</b>   |  |  |  |  |  |
| Dividends from net investment income  | (0.39 )  | (0.55 )                                  | (0.45 )  | (0.68 )  | (0.49 )  |
| Distributions from capital gains  | —  | —  | —  |  |  |
| Total distributions   | (0.39 )  | (0.55 )                                  | (0.45 )  | (0.68 )  | (0.49 )  |
| Net asset value, end of year  | \$8.76   | \$ 9.01                                  | \$ 9.21  | \$8.51   | \$9.66   |
| Total return  | 1.69 %   | 3.73 %                                   | 16.98 %  | (4.83 )% <sup>(e)</sup>                              | 1.56 % <sup>(e)</sup>                                      |
| <b>RATIOS / SUPPLEMENTAL DATA</b>   |  |  |  |  |  |
| Net assets, end of year (000s)  | \$10,262   | \$ 13,486                                | \$ 13,614  | \$12,853   | \$11,658   |
| Ratio of expenses to average net assets:                                      |  |  |  |  |  |
| Before expense reimbursements   | 0.94 %   | 2.04 %                                   | 2.82 %   | 2.66 %   | 7.61 % <sup>(f)</sup>                                      |
| After expense reimbursements  | 0.74 %   | 1.50 %                                   | 1.50 %   | 1.45 %   | 1.50 % <sup>(f)</sup>                                      |
| Ratio of net investment income (loss) to average<br>net assets <sup>(h)</sup> |  |  |  | 7.89 %   | 8.94 % <sup>(f)</sup>                                      |
| Before expense reimbursements   | 3.52 %   | 5.21 %                                   | 5.16 %   |  |  |
| After expense reimbursements  | 3.71 %   | 5.73 %                                   | 6.48 %   |  |  |
| Portfolio turnover  | 18 %   | 118 %                                    | 38 %   | 166 %  | 33 % <sup>(g)</sup>  |

(a) Calculated based upon average shares outstanding.

(b) For the nine months ended December 31, 2016. See Note 5.

(c) Following the acquisition on November 4, 2016, advisor class and class A were renamed Institutional and Investor Class.

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The inception date of Shelton BDC Income Fund is April 22, 2014; the commencement of operations and start of performance for Institutional Class and Investor Class is May 2, 2014. The inception date of Shelton Real Estate Income Fund is August 7, 2014; the commencement of operations and start of performance is August 11, 2014.

(e) Total returns shown exclude the effect of applicable sales loads/redemption fees. If the Adviser did not reimburse/waive a portion of the Fund's expenses, total return would have been lower. Returns are not annualized

(f) Annualized

(g) Not annualized

Net realized and unrealized gain on investments per share does not correlate within the financial highlights for the periods ended March 31, 2016 and March 31, 2014, due to the timing of shareholder subscriptions and redemptions.

(i) Audited by other independent registered public accounting firm.

See accompanying notes to financial statements.

**Financial Highlights****For a Share Outstanding Throughout Each Year or Period  
(Continued)**

| <b>Shelton Real Estate Income Fund</b>                       | <b>Institutional Shares (c)</b>   |   |   | <b>Formerly<br/>AR Capital Real<br/>Estate Income Fund</b> |  |   |
|--|---|---|---|--|--|---|
|  | <b>Six<br/>Months<br/>Ended<br/>June<br/>30,<br/>2018<br/>(Unaudited)</b> | <b>Year<br/>Ended<br/>December<br/>31,<br/>2017</b> | <b>Year<br/>Ended<br/>December<br/>31,<br/>2016 (b)</b> | <b>Year<br/>Ended<br/>March<br/>31,<br/>2016<br/>(i)</b>   | <b>Year<br/>Ended<br/>March<br/>31,<br/>2015 (i)</b> | <b>Year<br/>Ended<br/>March<br/>31,<br/>2014<br/>(d)(i)</b> |
| Net asset value, beginning of year                           | \$8.64  | \$ 8.82   | \$ 10.65  | \$11.40  | \$10.22  | \$10.00   |
| <b>INCOME FROM INVESTMENT OPERATIONS</b>                     |   |   |   |  |  |   |
| Net investment income (loss) (a)                             | 0.11  | 0.28  | 0.23  | 0.26   | 0.27   | 0.25  |
| Net gain (loss) on securities (both realized and unrealized) | (0.25)  | 0.07  | 0.07  | 0.02 (h)   | 1.58   | 0.23 (h)  |
| Total from investment operations                             | (0.14)  | 0.35  | 0.30  | 0.28   | 1.85   | 0.48  |
| <b>LESS DISTRIBUTIONS</b>                                    |   |   |   |  |  |   |
| Dividends from net investment income                         | (0.16)  | (0.53 )   | (0.38 )   | (0.48 )  | (0.60 )  | (0.18 )   |
| Distributions from return of capital                         |   | —   | (0.18 )   | —  | —  | —   |
| Distributions from capital gains                             |   | —   | (1.57 )   | (0.55 )  | (0.07 )  | (0.08 )   |
| Total distributions  | (0.16)  | (0.53 )   | (2.13 )   | (1.03 )  | (0.67 )  | (0.26 )   |
| Net asset value, end of year                                 | \$8.34  | \$ 8.64   | \$ 8.82   | \$10.65  | \$11.40  | \$10.22   |
| Total return   | (1.52)%   | 3.98 %  | 3.15 %  | 2.90 %(e)  | 18.71 %(e)   | 5.01 %(e)   |
| <b>RATIOS / SUPPLEMENTAL DATA</b>                            |   |   |   |  |  |   |
| Net assets, end of year (000s)                               | \$122   | \$ 131  | \$ 908  | \$703  | \$15,295   | \$17,533  |
| Ratio of expenses to average net assets:                     |   |   |   |  |  |   |
| Before expense reimbursements                                | 0.82 %  | 2.10 %  | 2.49 % <sup>(f)</sup>                                   | 2.01 %   | 2.21 %   | 3.97 % <sup>(f)</sup>                                       |
| After expense reimbursements                                 | 0.57 %  | 1.17 %  | 1.14 % <sup>(f)</sup>                                   | 1.15 %   | 1.15 %   | 1.15 % <sup>(f)</sup>                                       |
| Ratio of net investment income (loss) to average net assets  |   |   |   |  |  |   |
| Before expense reimbursements                                | 1.93 %  | 2.20 %  | 1.61 % <sup>(f)</sup>                                   |  |  |   |
| After expense reimbursements                                 | 1.30 %  | 3.13 %  | 2.96 % <sup>(f)</sup>                                   |  |  |   |
| Portfolio turnover   | 1 %   | 41 %  | 137 % <sup>(g)</sup>                                    | 99 %   | 104 %  | 86 % <sup>(g)</sup>   |

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- (a) Calculated based upon average shares outstanding.
- (b) For the nine months ended December 31, 2016. See Note 5.
- (c) Following the acquisition on November 4, 2016, advisor class and class A were renamed Institutional and Investor Class.  
The inception date of Shelton BDC Income Fund is April 22, 2014; the commencement of operations and start of performance for Institutional Class and Investor Class is May 2, 2014. The inception date of Shelton Real Estate Income Fund is August 7, 2014; the commencement of operations and start of performance is August 11, 2014.
- (d) Total returns shown exclude the effect of applicable sales loads/redemption fees. If the Adviser did not reimburse/waive a portion of the Fund's expenses, total return would have been lower. Returns are not annualized
- (e) Annualized
- (f) Not annualized
- (g) Net realized and unrealized gain on investments per share does not correlate within the financial highlights for the periods ended March 31, 2016 and March 31, 2014, due to the timing of shareholder subscriptions and redemptions.
- (h)
- (i) Audited by other independent registered public accounting firm.

See accompanying notes to financial statements.

**Financial Highlights****For a Share Outstanding Throughout Each Year or Period  
(Continued)**

| <b>Shelton Real Estate Income Fund</b>                       | <b>Investor Shares <sup>(c)</sup></b>             |                                     |  | <b>Formerly AR Capital Real Estate Income Fund</b> |   |  |
|--|---|-------------------------------------|--|--|---|--|
|  | <b>Six Months Ended June 30, 2018 (Unaudited)</b> | <b>Year Ended December 31, 2017</b> | <b>Year Ended December 31, 2016 <sup>(b)</sup></b> | <b>Year Ended March 31, 2016 <sup>(i)</sup></b>    | <b>Year Ended March 31, 2015 <sup>(i)</sup></b> | <b>Year Ended March 31, 2014 <sup>(d)(i)</sup></b> |
| Net asset value, beginning of year                           | \$ 8.88   | \$ 8.85                             | \$ 10.66   | \$ 11.40   | \$ 10.21  | \$ 10.00   |
| <b>INCOME FROM INVESTMENT OPERATIONS</b>                     |   |                                     |  |  |   |  |
| Net investment income (loss) <sup>(a)</sup>                  | 0.16  | 0.36                                | 0.21   | 0.30   | 0.26  | 0.28   |
| Net gain (loss) on securities (both realized and unrealized) | (0.31 )   | (0.04 )                             | 0.07   | (0.03 )  | 1.57  | 0.18 <sup>(h)</sup>                                |
| Total from investment operations                             | (0.15 )   | 0.32                                | 0.28   | 0.27   | 1.83  | 0.46   |
| <b>LESS DISTRIBUTIONS</b>                                    |   |                                     |  |  |   |  |
| Dividends from net investment income                         | 0.84  | (0.29 )                             | (0.35 )  | (0.46 )  | (0.57 )   | (0.17 )  |
| Distributions from return of capital                         | (1.00 )   | —                                   | (0.17 )  | —  | —   | —  |
| Distributions from capital gains                             | —   | —                                   | (1.57 )  | (0.55 )  | (0.07 )   | (0.08 )  |
| Total distributions  | (0.16 )   | (0.29 )                             | (2.09 )  | (1.01 )  | (0.64 )   | (0.25 )  |
| Net asset value, end of year                                 | \$ 8.57   | \$ 8.88                             | \$ 8.85  | \$ 10.66   | \$ 11.40  | \$ 10.21   |
| Total return   | (1.59 )%  | 3.72 %                              | 3.02 %   | 2.79 % <sup>(e)</sup>                              | 18.47 % <sup>(e)</sup>                          | 4.83 % <sup>(e)</sup>                              |
| <b>RATIOS / SUPPLEMENTAL DATA</b>                            |   |                                     |  |  |   |  |
| Net assets, end of year (000s)                               | \$ 6,933  | \$ 9,916                            | \$ 14,898  | \$ 11,396  | \$ 20,677                                       | \$ 14,362  |
| Ratio of expenses to average net assets:                     |   |                                     |  |  |   |  |
| Before expense reimbursements                                | 0.95 %  | 2.35 %                              | 2.72 % <sup>(f)</sup>                              | 2.22 %   | 2.46 %  | 4.22 % <sup>(f)</sup>                              |
| After expense reimbursements                                 | 0.69 %  | 1.42 %                              | 1.39 % <sup>(f)</sup>                              | 1.36 %   | 1.40 %  | 1.40 % <sup>(f)</sup>                              |
| Ratio of net investment income (loss) to average net assets  |   |                                     |  |  |   |  |
| Before expense reimbursements                                | 1.69 %  | 2.53 %                              | 1.41 % <sup>(f)</sup>                              |  |   |  |
| After expense reimbursements                                 | 1.93 %  | 3.46 %                              | 2.74 % <sup>(f)</sup>                              |  |   |  |
| Portfolio turnover   | 1 %   | 41 %                                | 137 % <sup>(g)</sup>                               | 99 %   | 104 %   | 86 % <sup>(g)</sup>                                |



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- (a) Calculated based upon average shares outstanding.
- (b) For the nine months ended December 31, 2016. See Note 5.
- (c) Following the acquisition on November 4, 2016, advisor class and class A were renamed Institutional and Investor Class.
- (d) The inception date of Shelton BDC Income Fund is April 22, 2014; the commencement of operations and start of performance for Institutional Class and Investor Class is May 2, 2014. The inception date of Shelton Real Estate Income Fund is August 7, 2014; the commencement of operations and start of performance is August 11, 2014.
- (e) Total returns shown exclude the effect of applicable sales loads/redemption fees. If the Adviser did not reimburse/waive a portion of the Fund's expenses, total return would have been lower. Returns are not annualized
- (f) Annualized
- (g) Not annualized
- (h) Net realized and unrealized gain on investments per share does not correlate within the financial highlights for the periods ended March 31, 2016 and March 31, 2014, due to the timing of shareholder subscriptions and redemptions.
- (i) Audited by other independent registered public accounting firm.

See accompanying notes to financial statements.

**Financial Highlights****For a Share Outstanding Throughout Each Year or Period  
(Continued)**

| <b>Shelton Tactical Credit Fund</b>                          | <b>Six Months<br/>Ended<br/>June 30,<br/>2018<br/>(Unaudited)</b> | <b>For the<br/>Period<br/>Ended<br/>December<br/>31,<br/>2017</b> | <b>Year<br/>Ended<br/>April<br/>30,<br/>2017</b> | <b>Year<br/>Ended<br/>April<br/>30,<br/>2016 <sup>(b)</sup></b> | <b>For the<br/>Period<br/>December<br/>16,<br/>2014*<br/>to April<br/>30,<br/>2015 <sup>(b)</sup></b> |
|--|---|---|--|---|---|
| <b>Investor Shares <sup>(c)</sup></b>                        |   |   |  |   |   |
| Net asset value, beginning of year                           | \$ 10.31  | \$ 10.59  | \$10.47  | \$10.38   | \$ 10.00  |
| <b>INCOME FROM INVESTMENT OPERATIONS</b>                     |   |   |  |   |   |
| Net investment income (loss) <sup>(a)</sup>                  | 0.28  | 0.38  | 0.63   | 0.55  | 0.11  |
| Net gain (loss) on securities (both realized and unrealized) | 0.01  | (0.22 )   | 0.26   | (0.08 )   | 0.35  |
| Total from investment operations                             | 0.29  | 0.16  | 0.89   | 0.47  | 0.46  |
| <b>LESS DISTRIBUTIONS</b>                                    |   |   |  |   |   |
| Dividends from net investment income                         | (0.25 )   | (0.44 )   | (0.77 )  | (0.35 )   | (0.08 )   |
| Distributions from capital gains                             | —   | —   | —  | (0.03 )   |   |
| Total distributions  | (0.25 )   | (0.44 )   | (0.77 )  | (0.38 )   | (0.08 )   |
| Net asset value, end of year                                 | \$ 10.35  | \$ 10.31  | \$10.59  | \$10.47   | \$ 10.38  |
| Total return   | 2.81 %  | 1.58 %  | 8.84 %   | 4.66 %  | 4.57 %  |
| <b>RATIOS / SUPPLEMENTAL DATA</b>                            |   |   |  |   |   |
| Net assets, end of year (000s)                               | \$ 15,096   | \$ 8,447  | \$16,112   | \$11,392  | \$ 126  |
| Ratio of expenses to average net assets:                     |   |   |  |   |   |
| Before expense reimbursements                                | 0.94 %  | 1.91 %  | 2.61 %   | 2.91 %  | 6.60 %  |
| After expense reimbursements                                 | 0.84 %  | 1.67 %  | 1.65 %   | 1.86 %  | 1.68 %  |
| Ratio of net investment income (loss) to average net assets  |   |   |  |   |   |
| Before expense reimbursements                                | 2.60 %  | 5.10 %  | 4.99 %   |   |   |
| After expense reimbursements                                 | 2.71 %  | 5.34 %  | 5.96 %   | 5.29 %  | 2.97 %  |
| Portfolio turnover   | 183 %   | 239 %   | 246 %  | 695 %   | 532 %   |

| <b>Shelton Tactical Credit Fund</b>        | <b>Six Months<br/>Ended<br/>June 30,<br/>2018<br/>(Unaudited)</b> | <b>For the<br/>Period<br/>Ended<br/>December<br/>31,<br/>2017</b> | <b>Year<br/>Ended<br/>April<br/>30,<br/>2017</b> | <b>Year<br/>Ended<br/>April<br/>30,<br/>2016 <sup>(b)</sup></b> | <b>For the<br/>Period<br/>December<br/>16,<br/>2014*<br/>to April<br/>30,<br/>2015 <sup>(b)</sup></b> |
|--|---|---|--|---|---|
| <b>Institutional Shares <sup>(c)</sup></b> |   |   |  |   |   |

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|  |           |   |           |   |           |   |           |   |          |
|--|-----------|---|-----------|---|-----------|---|-----------|---|----------|
| Net asset value, beginning of year                           | \$ 10.36  |   | \$ 10.62  |   | \$ 10.46  |   | \$ 10.38  |   | \$ 10.00 |
| <b>INCOME FROM INVESTMENT OPERATIONS</b>                     |           |   |           |   |           |   |           |   |          |
| Net investment income (loss) <sup>(a)</sup>                  | 0.30      |   | 0.39      |   | 0.67      |   | 0.56      |   | 0.12     |
| Net gain (loss) on securities (both realized and unrealized) | (0.01 )   |   | (0.20 )   |   | 0.27      |   | (0.08 )   |   | 0.34     |
| Total from investment operations                             | 0.29      |   | 0.19      |   | 0.94      |   | 0.48      |   | 0.46     |
| <b>LESS DISTRIBUTIONS</b>                                    |           |   |           |   |           |   |           |   |          |
| Dividends from net investment income                         | (0.28 )   |   | (0.45 )   |   | (0.78 )   |   | (0.37 )   |   | (0.08 )  |
| Distributions from capital gains                             | —         |   | —         |   | —         |   | (0.03 )   |   |          |
| Total distributions  | (0.28 )   |   | (0.45 )   |   | (0.78 )   |   | (0.40 )   |   | (0.08 )  |
| Net asset value, end of year                                 | \$ 10.37  |   | \$ 10.36  |   | \$ 10.62  |   | \$ 10.46  |   | \$ 10.38 |
| <br>   |           |   |           |   |           |   |           |   |          |
| Total return   | 2.89      | % | 1.79      | % | 9.35      | % | 4.78      | % | 4.60     |
| <br>   |           |   |           |   |           |   |           |   |          |
| <b>RATIOS / SUPPLEMENTAL DATA</b>                            |           |   |           |   |           |   |           |   |          |
| Net assets, end of year (000s)                               | \$ 19,050 |   | \$ 17,256 |   | \$ 19,609 |   | \$ 16,139 |   | \$ 4,448 |
| Ratio of expenses to average net assets:                     |           |   |           |   |           |   |           |   |          |
| Before expense reimbursements                                | 0.82      | % | 1.67      | % | 2.34      | % | 2.66      | % | 6.35     |
| After expense reimbursements                                 | 0.71      | % | 1.42      | % | 1.39      | % | 1.61      | % | 1.42     |
| Ratio of net investment income (loss) to average net assets  |           |   |           |   |           |   |           |   |          |
| Before expense reimbursements                                | 2.72      | % | 5.27      | % | 5.42      | % |           |   |          |
| After expense reimbursements                                 | 2.84      | % | 5.51      | % | 6.37      | % | 5.54      | % | 3.22     |
| Portfolio turnover   | 183       | % | 239       | % | 246       | % | 695       | % | 532      |

\* Commencement of operations.

(a) Calculated based upon average shares outstanding.

(b) Audited by other independent registered public accounting firm.

(c) As of March 17, 2017 Class A shares and I shares were renamed to Investor shares and Institutional shares, respectively.

See accompanying notes to financial statements.

**Financial Highlights****For a Share Outstanding Throughout Each Year or Period  
(Continued)**

| <b>Shelton International Select Equity Fund</b>              | <b>Six Months Ended June 30, 2018 (Unaudited)</b> | <b>For the Period Ended December 31, 2017</b> | <b>Year Ended April 30, 2017</b> | <b>Year Ended April 30, 2016 (c)</b> | <b>Year Ended April 30, 2015 (c)</b> | <b>Year Ended April 30, 2014 (c)</b> |
|--|---|---|----------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <b>Investor Shares (d)</b>                                   |   |   |                                  |                                      |                                      |                                      |
| Net asset value, beginning of year                           | \$ 21.30  | \$ 18.02                                      | \$ 15.88                         | \$ 21.16                             | \$ 23.48                             | \$ 20.54                             |
| <b>INCOME FROM INVESTMENT OPERATIONS</b>                     |   |   |                                  |                                      |                                      |                                      |
| Net investment income (loss) (a)                             | 0.17  | 0.08  | 0.17                             | 0.19                                 | 0.17                                 | 0.14                                 |
| Net gain (loss) on securities (both realized and unrealized) | (0.07 )   | 3.60  | 2.13                             | (4.97 )                              | (2.34 )                              | 2.92                                 |
| Total from investment operations                             | 0.10  | 3.68  | 2.30                             | (4.78 )                              | (2.17 )                              | 3.06                                 |
| <b>LESS DISTRIBUTIONS</b>                                    |   |   |                                  |                                      |                                      |                                      |
| Dividends from net investment income                         | (0.18 )   | (0.39 )                                       | (0.16 )                          | (0.50 )                              | (0.15 )                              | (0.09 )                              |
| Distributions from return of capital                         |   | (0.01 )                                       | —                                | —                                    | —                                    | —                                    |
| Distributions from capital gains                             | —   | —   | —                                | —                                    | —                                    | (0.03 )                              |
| Total distributions  | (0.18 )   | (0.40 )                                       | (0.16 )                          | (0.50 )                              | (0.15 )                              | (0.12 )                              |
| Redemption Fees  |   | —   | —                                | —                                    | — (b)                                | — (b)                                |
| Net asset value, end of year                                 | \$ 21.22  | \$ 21.30                                      | \$ 18.02                         | \$ 15.88                             | \$ 21.16                             | \$ 23.48                             |
| <b>Total return</b>  | 0.47 %  | 20.53 %                                       | 14.55 %                          | (22.51)%                             | (9.18 )%                             | 14.90 %                              |
| <b>RATIOS / SUPPLEMENTAL DATA</b>                            |   |   |                                  |                                      |                                      |                                      |
| Net assets, end of year (000s)                               | \$ 3,274  | \$ 3,785                                      | \$ 4,488                         | \$ 8,488                             | \$ 31,583                            | \$ 46,435                            |
| Ratio of expenses to average net assets:                     |   |   |                                  |                                      |                                      |                                      |
| Before expense reimbursements                                | 0.72 %  | 1.59 %  | 2.02 %                           | 1.53 %                               | 1.45 %                               | 1.45 %                               |
| After expense reimbursements                                 | 0.62 %  | 1.24 %  | 1.24 %                           | 1.48 %                               | 1.45 %                               | 1.49 %                               |
| Ratio of net investment income (loss) to average net assets  |   |   |                                  |                                      |                                      |                                      |
| Before expense reimbursements                                | 0.68 %  | 0.23 %  |                                  |                                      |                                      |                                      |
| After expense reimbursements                                 | 0.78 %  | 0.58 %  | 1.06 %                           | 1.11 %                               | 0.75 %                               | 0.67 %                               |
| Portfolio turnover   | 16 %  | 24 %  | 41 %                             | 40 %                                 | 8 %                                  | 6 %                                  |

(a) Calculated based upon average shares outstanding.

(b) Amount is less than \$0.005 per share.

(c) Audited by other independent registered public accounting firm.

(d) As of July 28, 2017 Class A shares and I shares were renamed to Investor shares and Institutional shares, respectively.

See accompanying notes to financial statements.

**Financial Highlights****For a Share Outstanding Throughout Each Year or Period  
(Continued)**

| <b>Shelton International Select<br/>Equity Fund</b>             | <b>Six Months<br/>Ended<br/>June 30,<br/>2018<br/>(Unaudited)</b> | <b>For the<br/>Period<br/>Ended<br/>December<br/>31,<br/>2017</b> | <b>Year<br/>Ended<br/>April<br/>30,<br/>2017</b> | <b>Year<br/>Ended<br/>April<br/>30,<br/>2016 <sup>(c)</sup></b> | <b>Year<br/>Ended<br/>April 30,<br/>2015 <sup>(c)</sup></b> | <b>Year<br/>Ended<br/>April 30,<br/>2014 <sup>(c)</sup></b> |
|---|---|---|--|---|---|---|
| <b>Institutional Shares <sup>(d)</sup></b>                      |   |   |  |   |   |   |
| Net asset value, beginning of year                              | \$ 21.34  | \$ 18.03  | \$ 15.90   | \$ 21.20  | \$ 23.53  | \$ 20.59  |
| <b>INCOME FROM INVESTMENT<br/>OPERATIONS</b>                    |   |   |  |   |   |   |
| Net investment income (loss) <sup>(a)</sup>                     | 0.20  | 0.10  | 0.22   | 0.25  | 0.24  | 0.20  |
| Net gain (loss) on securities<br>(both realized and unrealized) | (0.05 )   | 3.61  | 2.13   | (5.01 )   | (2.36 )   | 2.92  |
| Total from investment operations                                | 0.15  | 3.71  | 2.35   | (4.76 )   | (2.12 )   | 3.12  |
| <b>LESS DISTRIBUTIONS</b>                                       |   |   |  |   |   |   |
| Dividends from net investment<br>income                         | (0.21 )   | 0.39  | (0.22 )  | (0.54 )   | (0.21 )   | (0.15 )   |
| Distributions from return of capital                            | (0.01 )   | (0.01 )   | —  | —   | —   | —   |
| Distributions from capital gains                                | —   | —   | —  | —   | —   | (0.03 )   |
| Total distributions   | (0.22 )   | 0.40  | (0.22 )  | (0.54 )   | (0.21 )   | (0.18 )   |
| Redemption Fees   | —   | —   | —  | —   | — <sup>(b)</sup>  | — <sup>(b)</sup>  |
| Net asset value, end of year                                    | \$ 21.27  | \$ 21.34  | \$ 18.03   | \$ 15.90  | \$ 21.20  | \$ 23.53  |
| <br>Total return  | <br>0.64  | <br>% 20.74   | <br>% 14.89                                      | <br>% (22.36 )  | <br>% (8.94 )   | <br>% 15.18   |
| <br><b>RATIOS / SUPPLEMENTAL<br/>DATA</b>                       |   |   |  |   |   |   |
| Net assets, end of year (000s)                                  | \$ 42,307   | \$ 42,824   | \$ 38,737  | \$ 44,133   | \$ 369,610  | \$ 347,791  |
| Ratio of expenses to average net<br>assets:                     |   |   |  |   |   |   |
| Before expense reimbursements                                   | 0.60  | % 1.32  | % 1.76   | % 1.28  | % 1.20  | % 1.20  |
| After expense reimbursements                                    | 0.50  | % 0.99  | % 0.99   | % 1.23  | % 1.20  | % 1.24  |
| Ratio of net investment income<br>(loss) to average net assets  |   |   |  |   |   |   |
| Before expense reimbursements                                   | 0.84  | % 0.41  | %  |   |   |   |
| After expense reimbursements                                    | 0.93  | % 0.74  | % 1.32   | % 1.36  | % 1.11  | % 0.92  |
| Portfolio turnover  | 16  | % 24  | % 41   | % 40  | % 8   | % 6   |

(a) Calculated based upon average shares outstanding.

(b) Amount is less than \$0.005 per share.

(c) Audited by other independent registered public accounting firm.

(d) As of July 28, 2017 Class A shares and I shares were renamed to Investor shares and Institutional shares, respectively.

See accompanying notes to financial statements.

**SCM Trust Notes to Financial Statements (Unaudited) June 30, 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

SCM Trust (the “Trust”), is registered under the Investment Company Act of 1940, as amended, as a diversified open-end management investment company. The Trust currently consists of five separate series included in these financial statements. The SCM Trust is a Massachusetts business trust formed in July 1988.

Shelton Greater China Fund (“Greater China Fund”) is an open-end, diversified series of the Trust. The Fund commenced operations in May 1989 as the R.O.C. Taiwan Fund, a diversified, closed-end investment company. The R.O.C Taiwan Fund changed its name to the Taiwan Greater China Fund on December 29, 2003 and the change became effective on the New York Stock Exchange on January 2, 2004. On October 10, 2011, the Fund registered with the SEC as a diversified, open-end management investment company and began operations as The Shelton Greater China Fund.

Shelton BDC Income Fund (“BDC Income Fund”) is an open-end, non-diversified series of the Trust. The inception date is April 22, 2014, and the commencement date of operations is May 2, 2014. The investment objective is to provide a high level of income with the potential for capital appreciation. Effective July 1, 2016, Shelton became the advisor to the Fund.

Shelton Real Estate Income Fund (“Real Estate Income Fund”) is an open-end, non-diversified series of the Trust. The inception date is June 4, 2013, and the commencement date of operations is June 7, 2013. The investment objective is to provide current income with the potential for capital appreciation. Effective July 1, 2016 Shelton became the advisor to the Fund.

Shelton Tactical Credit Fund (“Tactical Credit Fund”) is an open-end, non-diversified series of the Trust. The inception date is December 16, 2014. The Fund’s investment objective is to seek current income and capital appreciation. Effective July 1, 2016, Shelton became the advisor to the Fund. The Tactical Credit Fund is a successor to a series of the FundVantage Trust, a Delaware statutory trust, pursuant to a reorganization that took place after the close of business on March 17, 2017. Prior to March 17, 2017, the Successor Fund had no investment operations. As a result of the reorganization, holders of Class A Shares and Class C Shares of the Tactical Credit Fund received Investor Shares of the Tactical Credit Fund and holders of Advisor Class Shares received Institutional Shares of the Tactical Credit Fund.



Shelton International Select Equity Fund (“International Select Fund”) is an open-end, diversified series of the Trust. The inception date is July 31, 2009. The Fund’s investment objective is to achieve long-term capital appreciation by creating a portfolio composed of primarily large capitalization international equity growth stocks. Effective July 18, 2016, Shelton became the advisor to the Fund. The International Select Fund is a successor to a series of the FundVantage Trust, a Delaware statutory trust, pursuant to a reorganization that took place after the close of business on July 28, 2017. Prior to July 28, 2017, the Successor Fund had no investment operations. As a result of the reorganization, holders of Class A Shares of the International Select Fund received Investor Shares of the International Select Equity Fund and holders of Class I Shares received Institutional Shares of the International Select Equity Fund.

The Trust follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 946, “Financial Services – Investment Companies”.

*(a) Security Valuation* — Equity securities listed on a national or international exchange are valued at the last reported sales price. Futures contracts are valued at the settle price, depending on the exchange the contract trades on, typically as of 4:15 p.m., Eastern Time. Municipal securities are valued by an independent pricing service at a price determined by a matrix pricing method. This technique generally considers such factors as yields or prices of bonds of comparable quality, type of issue, coupon, maturity, ratings and general market conditions. U.S. government securities for which market quotations are readily available are valued at the mean between the closing bid and asked prices provided by an independent pricing service. U.S. agency securities consisting of mortgage pass-through certificates are valued using dealer quotations provided by an independent pricing service. U.S. Treasury Bills are valued at amortized cost which approximates market value. Securities with remaining maturities of 60 days or less are valued on the amortized cost basis as reflecting fair value.

Securities for which market quotes are not readily available from the Trust’s third-party pricing service are valued at fair value, determined in good faith and in accordance with procedures adopted by the Board of Trustees. The Board has delegated to the Advisor’s Pricing Committee the responsibility for determining the fair value, subject to the Board oversight and the review of the pricing decisions at its quarterly meetings. For a description of the Advisor, see Note 2.

*(b) Federal Income Taxes* — *No provision is considered necessary for federal income taxes. The Funds intend to qualify for and elect the tax treatment applicable to regulated investment companies under the Internal Revenue Code and to distribute all of their taxable income to shareholders.*

*(c) Security Transactions, Investment Income and Distributions to Shareholders* — Security transactions are recorded on the trade date. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date. Withholding taxes on foreign dividends have been provided for, in accordance with the Trust’s understanding of the applicable country’s tax rules and rates. Distributions to shareholders are recorded on the ex-dividend Income distributions and capital gain distributions are determined in accordance with income tax regulations which may differ from accounting principles generally accepted in the United States of America. These differences are primarily due to differing treatments for PFICs, wash sales, REIT adjustments and post-October capital losses.

Distributions received from investments in securities that represent a return of capital or capital gains are recorded as a reduction of cost of investment or as a realized gain, respectively. The calendar year-end amounts of ordinary income, capital gains, and return of capital included in distributions received from a Fund's investments in real estate investment trusts ("REITs") are reported to the Fund after the end of the calendar year; accordingly, a Fund estimates these amounts for accounting purposes until the characterization of REIT distributions is reported to the Fund after the end of the calendar year. Estimates are based on the most recent REIT distribution information available.

These "Book/tax" differences are considered either temporary (i.e., deferred losses, capital loss carry forwards) or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the composition of net assets based on their federal tax basis treatment; temporary differences do not require reclassification.

*(d) Foreign Currency Translation* — Investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The Trust does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments.

**SCM Trust Notes to Financial Statements (Unaudited) (Continued) June 30, 2018**

Reported net realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the company's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the fair values of assets and liabilities, other than investments in securities at fiscal period end, resulting from changes in exchange rates.

*(e) Concentration* — The Greater China Fund concentrates its investments in publicly traded equities issued by corporations located in People's Republic of China, Hong Kong, Taiwan, or Singapore. The portfolio involves considerations not typically associated with investing in U.S. securities. In addition, the Trust is more susceptible to factors adversely affecting the economies of those countries than a fund not concentrated in these issuers to the same extent. Since the Trust's investment securities are primarily denominated in New Taiwan Dollars ("NT\$") and Hong Kong Dollars ("HKD"), changes in the relationships of the NT\$ and the HKD to the USD may also significantly affect the value of the investments and the earnings of the Trust.

The Real Estate Income Fund concentrates its investments in real estate securities (i.e., securities of issuers in the real estate industry), including securities issued by REITs. The Fund invests substantially all (and under normal market conditions, at least 80%) of its net assets (plus any borrowings for investment purposes) in income producing real estate securities. The Advisor evaluates securities based primarily on the relative attractiveness of income and secondarily considers their potential for capital appreciation. The Advisor considers real estate securities to be securities issued by a company that (a) derives at least 50% of its revenues from the ownership, construction, financing, management or sale of commercial, industrial or residential real estate, or (b) has at least 50% of its assets invested in such real estate. The Advisor plans to sell a security if, in the judgment of the portfolio managers, the security's income potential has been compromised, an issuer's fundamentals have deteriorated or may deteriorate or a more attractive investment opportunity is identified. The Fund invests in both equity and debt securities, and invests to a substantial degree in securities issued by REITs. REITs are pooled investment vehicles that own interests in real estate, real-estate related loans or similar interests, and their revenue primarily consists of rent derived from owned, income producing real estate properties and capital gains from the sale of such properties. A majority of the REITs in which the Fund invests are generally considered by the Advisor to be medium- or small-capitalization companies. The Fund will not invest in non-traded REITs that are sponsored, managed or distributed by affiliates of the Advisor. Equity securities in which the Fund may invest include common and preferred stocks, convertible securities, rights and warrants to purchase common stock and depositary receipts. Although the Advisor anticipates that the Fund will invest a substantial portion of its assets in equity securities, the Fund may invest up to 100% of its net assets in debt securities of any maturity, duration or credit rating. Debt securities in which the Fund may invest include corporate debt obligations and CMBS. Debt securities acquired by the Fund may also include high-yield debt securities (commonly referred to as "junk" bonds) issued or guaranteed by real estate companies or other companies. The Fund invests in securities across all market capitalization ranges. The Fund may invest up to 15% of its net assets in illiquid securities

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The BDC Income Fund invests substantially all (and under normal market conditions, at least 80%) of its net assets (plus any borrowings for investment purposes) in common stocks and other equity securities of business development companies (“BDCs”) that are traded on one or more nationally recognized securities exchanges. The equity securities in which the Fund may invest consist of common stocks, securities convertible into common stocks; and preferred stocks. In addition, although the Fund typically invests in equity securities, the Fund may invest up to 20% of its net assets in debt securities of BDCs and other issuers of any maturity, duration or credit rating.

The Tactical Credit Fund aims to use related credit asset classes on both the long and short side to generate an attractive rate of return with low volatility. Portfolio construction is implemented with a relative value framework and looks across the entire balance sheet of a corporation from senior secured down through subordinated, equity-linked bonds. This hedged approach is designed to generate performance that is less reliant on the direction of the overall market than a typical credit-based fund.

*(f) Use of Estimates in Financial Statements* — In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of income and expense during the year. Actual results may differ from these estimates.

*(g) Share Valuations* — The net asset value (“NAV”) per share of each Fund is calculated by dividing the sum of the value of the securities held by the Fund, plus cash or other assets, minus all liabilities (including estimated accrued expenses) by the total number of shares outstanding of the Fund, rounded to the nearest cent. A Fund’s shares will not be priced on the days on which the NYSE is closed for trading. The offering and redemption price per share of each Fund is equal to a Fund’s NAV per share.

*(h) Accounting for Uncertainty in Income Taxes* — The Funds recognize the tax benefits of uncertain tax positions only where the position is “more likely than not” to be sustained assuming examination by tax authorities. Management has analyzed the Fund’s tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years (2013-2015), or expected to be taken in the Fund’s 2016 tax returns. The Funds identify its major tax jurisdictions as U.S. Federal, however the Funds are not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months.

*(i) Fair Value Measurements* — The Funds utilize various methods to measure the fair value of most of its investments on a recurring basis. U.S. GAAP establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

**Level 1** – Unadjusted quoted prices in active markets for identical assets or liabilities that the company has the ability to access.

**Level 2** – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

**Level 3** – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund’s own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

**SCM Trust Notes to Financial Statements (Unaudited) (Continued) June 30, 2018**

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table summarizes the valuation of the Trust's securities at June 30, 2018 using fair value hierarchy:

| <b>Fund</b>                     | <b>Level 1<sup>(a)</sup><br/>Investments<br/>in<br/>Securities<sup>(b)</sup></b> | <b>Level 2<sup>(a)</sup><br/>Investments<br/>in<br/>Securities<sup>(c)</sup></b> | <b>Level 3<sup>(a)</sup><br/>Investments<br/>in Securities</b> | <b>Total<br/>Assets</b> |
|---------------------------------|--|--|--|-------------------------|
| Greater China Fund              | \$8,077,419  | \$—  | \$ —   | \$8,077,419             |
| BDC Income Fund                 | 11,648,415   | —  | 49,402   | 11,697,817              |
| Real Estate Income Fund         | 6,979,915  | —  | —  | 6,979,915               |
| Tactical Credit Fund            | —  | 28,979,742   | —  | 28,979,742              |
| International Select Fund       | 44,034,976   | —  | —  | 44,034,976              |
| Total investments in securities | \$70,740,725   | \$28,979,742   | \$ 49,402  | \$99,769,869            |

(a) It is the Fund's policy to recognize transfers between levels on the last day of the fiscal reporting period.

(b) For a detailed break-out of Corporate Debt by major industry classification, please refer to the Portfolio of Investments.

(c) All fixed income securities held in the Funds are Level 2 securities. For a detailed break-out of fixed income securities by type, please refer to the Portfolio of Investments.

| <b>Level 3 Securities</b>                        | <b>BDC<br/>Income<br/>Fund</b> |
|--|--------------------------------|
| Beginning Balance                                | \$54,221                       |
| Net Purchases                                    | —                              |
| Net Sales  | —                              |
| Total Realized Gain (Loss)                       | (4,819 )                       |
| Change in Unrealized Appreciation (Depreciation) | —                              |
| Accrued Interest                                 | —                              |
| Transfers into Level 3                           | —                              |
| Transfers out of Level 3                         | —                              |
| Ending Balance                                   | \$49,402                       |

**NOTE 2 - INVESTMENT MANAGEMENT FEE AND OTHER RELATED PARTY TRANSACTIONS**

Shelton Capital Management (“Shelton Capital” or the “Advisor”), a California limited partnership, provides each Fund with management and administrative services pursuant to investment management and administration servicing agreements.

In accordance with the terms of the management agreement, the Advisor receives compensation at the following annual rates:

| <b>Fund</b>               | <b>All<br/>Net<br/>Assets</b> |
|---------------------------|-------------------------------|
| Greater China Fund        | 1.25 %                        |
| BDC Income Fund           | 0.90 %                        |
| Real Estate Income Fund   | 0.80 %                        |
| Tactical Credit Fund      | 1.17 %                        |
| International Select Fund | 0.74 %                        |

The Advisor contractually agreed to reduce total operating expense to certain Funds of the Trust. This additional contractual reimbursement is effective until the dates listed below, unless renewed, and is subject to recoupment within three fiscal years following reimbursement. Recoupment is limited to the extent the reimbursement does not exceed any applicable expense limit and the effect of the reimbursement is measured after all ordinary operating expenses are calculated; any such reimbursement is subject to the Board of Trustees’ review and approval. Reimbursements from the Advisor to affected Funds, and the voluntary expense limits, for the period ended June 30, 2018 are as follows:

| <b>Fund</b>               | <b>Voluntary Expense Limitation</b> |                                 |                            | <b>Expiration</b> |
|---------------------------|-------------------------------------|---------------------------------|----------------------------|-------------------|
|                           | <b>Direct<br/>Shares</b>            | <b>Institutional<br/>Shares</b> | <b>Investor<br/>Shares</b> |                   |
| Greater China Fund        | 1.98%                               | N/A                             | N/A                        | 5/1/19            |
| BDC Income Fund           | N/A                                 | 1.25%                           | 1.50%                      | 5/1/19            |
| Real Estate Income Fund   | N/A                                 | 1.17%                           | 1.42%                      | 5/1/19            |
| Tactical Credit Fund      | N/A                                 | 1.42%                           | 1.67%                      | 5/1/19            |
| International Select Fund | N/A                                 | 0.99                            | 1.24%                      | 5/1/19            |

**SCM Trust Notes to Financial Statements (Unaudited) (Continued) June 30, 2018**

At December 31, 2017, the remaining cumulative unreimbursed amount paid and/or waived by the Advisor on behalf of the Funds that may be reimbursed was \$2,392,120. The Advisor may recapture a portion of the above amount no later than the dates as stated below.

| <b>Fund</b>               | <b>Expires<br/>12/31/18</b> | <b>Expires<br/>3/31/19</b> | <b>Expires<br/>4/30/19</b> | <b>Expires<br/>12/31/19</b> | <b>Expires<br/>4/30/20</b> |
|---------------------------|-----------------------------|----------------------------|----------------------------|-----------------------------|----------------------------|
| Greater China Fund        | \$ 58,370                   | \$—                        | \$—                        | \$84,130                    | \$—                        |
| BDC Income Fund           | —                           | 281,806                    | —                          | 160,178                     | —                          |
| Real Estate Income Fund   | —                           | 305,545                    | —                          | 154,139                     | —                          |
| Tactical Credit Fund      | —                           | —                          | 359,405                    | —                           | 315,415                    |
| International Select Fund | —                           | —                          | —                          | —                           | 272,685                    |
| <b>Total</b>              | <b>\$ 58,370</b>            | <b>\$587,351</b>           | <b>\$359,405</b>           | <b>\$398,447</b>            | <b>\$588,100</b>           |

| <b>Fund (Continued)</b>   | <b>Expires<br/>12/31/20</b> | <b>Total</b>       |
|---------------------------|-----------------------------|--------------------|
| Greater China Fund        | \$53,237                    | \$195,737          |
| BDC Income Fund           | 81,015                      | 651,501            |
| Real Estate Income Fund   | 113,675                     | 672,183            |
| Tactical Credit Fund      | 46,709                      | 721,529            |
| International Select Fund | 105,811                     | 372,997            |
| <b>Total</b>              | <b>\$400,447</b>            | <b>\$2,392,120</b> |

A Fund must pay its current ordinary operating expenses before the Advisor is entitled to any reimbursement of fees and/or expenses. Any such reimbursement is contingent upon Board of trustee review and approval prior to the time the reimbursement is initiated.

As compensation for administrative duties not covered by the management agreement, Shelton Capital receives an administration fee, which was revised on January 1, 2011. The administration fee is based on assets held, in aggregate, by the SCM Trust and other funds within the same “family” of investment companies managed and administered by Shelton Capital. The fee rates are 0.10% on the first \$500 million, 0.08% on the next \$500 million, and 0.06% on combined assets over \$1 billion.

Certain officers and trustees of the Trust are also partners of Shelton Capital. Gregory T. Pusch has served as the Chief Compliance Officer (“CCO”) of the Trust since March 2017. Mr. Pusch is also employed by Shelton Capital, the Advisor and Administrator to the Trust. The Trust is responsible for the portion of his salary allocated to his duties as the CCO of the Trust during his employment, and Shelton Capital is reimbursed by the Trust for this portion of his salary. The level of reimbursement is reviewed and determined by the Board of Trustees at least annually.



The SCM Trust adopted a Distribution Plan (the “Plan”), as amended (date), pursuant to Rule 12b-1 under the Investment Company Act of 1940, whereby the Investor Shares of each Fund pays the Distributor, an affiliate of Shelton Capital, for expenses that relate to the promotion and distribution of shares. Under the Plan, the Investor Shares of the Funds will pay the Distributor a fee at an annual rate of 0.25%, payable monthly, of the daily net assets attributable to such Fund’s Investor Shares.

For the year ended June 30, 2018 the following were paid:

| <b>Fund</b>   | <b>Class<br/>Investor<br/>12b-1<br/>Fees</b> |
|---|--|
| BDC Income Fund                                     | \$ 15,285                                    |
| Real Estate Income Fund                             | 9,798  |
| Tactical Credit Fund (Formerly Class A Shares)      | 15,784                                       |
| International Select Fund (Formerly Class A Shares) | 4,425  |

### **NOTE 3 - PURCHASES AND SALES OF SECURITIES**

Purchases and sales of securities other than short-term instruments for the period ended June 30, 2018 were as follows:

| <b>Fund</b>               | <b>Purchases</b> | <b>Sales</b> |
|---------------------------|------------------|--------------|
| Greater China Fund        | \$ 1,482,269     | \$ 1,870,441 |
| BDC Income Fund           | 2,480,544        | 4,098,433    |
| Real Estate Income Fund   | 104,048          | 2,399,713    |
| Tactical Credit Fund      | 46,795,083       | 45,949,596   |
| International Select Fund | 7,197,929        | 8,783,308    |

## SCM Trust Notes to Financial Statements (Unaudited) (Continued) June 30, 2018

## NOTE 4 - TAX CHARACTER

**Reclassifications:** Accounting principles generally accepted in the United States of America require certain components of net assets be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share. For the six months ended June 30, 2018, permanent differences resulting from different book and tax accounting for expiration of capital loss carryforwards, PFIC Reclases and treatment of foreign currency gains have been reclassified. The reclassifications were as follows:

|                           | <b>Increase<br/>(Decrease)<br/>Paid-In<br/>Capital</b> | <b>Increase<br/>(Decrease)<br/>Undistributed<br/>Net<br/>Investment<br/>Income (Loss)</b> | <b>Increase<br/>(Decrease)<br/>Accumulated<br/>Gain (Loss)</b> |
|---------------------------|--|---|--|
| Greater China Fund        | \$(10,930,578)   | \$ (5,262 )   | \$ 10,935,840  |
| BDC Income Fund           | (64,188 )  | 64,188  | —  |
| Real Estate Income Fund   | (38,866 )  | (26,615 )   | 65,481   |
| Tactical Credit Fund      | —  | —   | —  |
| International Select Fund | —  | (12,396 )   | 12,396   |

**Tax Basis of Distributable Earnings:** The tax character of distributable earnings at December 31, 2017 was as follows:

|                           | <b>Undistributed<br/>Ordinary<br/>Income</b> | <b>Undistributed<br/>Long-Term<br/>Capital Gain</b> | <b>Capital<br/>Loss Carry<br/>Forwards</b> | <b>Unrealized<br/>Appreciation<br/>(Depreciation)</b> | <b>Post<br/>October<br/>and<br/>Other<br/>Losses</b> | <b>Total<br/>Distributable<br/>Earnings</b> |
|---------------------------|--|---|--|---|--|---|
| Greater China Fund        | \$ 41,700                                    | \$ —  | \$(623,452 )                               | \$ 2,372,786  | \$—  | \$1,791,034                                 |
| BDC Income Fund           | 61,253                                       | —   | (3,074,479 )                               | (464,093 )  | —  | (3,477,319 )                                |
| Real Estate Income Fund   | 8,877  | 16,859  | (1,426,240 )                               | 494,031   | (21,913 )  | (928,386 )                                  |
| Tactical Credit Fund      | 12,572                                       | —   | (1,415,209 )                               | 306,553   | —  | (1,096,084 )                                |
| International Select Fund | —  | —   | (59,688,076)                               | 13,202,029  | (1,273 )   | (46,487,320 )                               |

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The difference between book basis and tax basis unrealized appreciation/(depreciation) is attributable primarily to wash sales and PFICs.

**Elective Deferrals:**

The Real Estate Income Fund and International Select Fund has elected to defer \$21,913 and \$1,273 respectively of ordinary income losses to the period ended December 31, 2018.

**Capital Losses:** Capital loss carry forwards, as of December 31, 2017, available to offset future capital gains, if any, are as follows:

| <b>Expiring</b>               | <b>Greater China Fund</b> | <b>BDC Income Fund</b> | <b>Real Estate Income Fund*</b> | <b>Tactical Credit Fund</b> | <b>International Select Fund</b> |
|-------------------------------|---------------------------|------------------------|---------------------------------|-----------------------------|----------------------------------|
| Long Term with No Expiration  | \$—                       | \$726,516              | \$122,324                       | \$—                         | \$55,970,420                     |
| Short Term with No Expiration | 623,452                   | 2,347,963              | 1,303,916                       | 1,415,209                   | 3,717,656                        |
| Total                         | \$623,452                 | \$3,074,479            | \$1,426,240                     | \$1,415,209                 | \$59,688,076                     |

\* Subject to limitations under §382 of the Code

**Distributions to Shareholders:** Income distributions and capital gain distributions are determined in accordance with income tax regulations, which may differ from U.S. generally accepted accounting principles. These differences are primarily due to differing treatments of income and gains on various investment securities held by each Fund, timing differences and differing characterization of distributions made by each Fund.

The tax character of distributions paid during are as follows:

| <b>Fund</b>             | <b>Year</b>                      | <b>Return of Capital</b> | <b>Ordinary Income</b> | <b>Long-Term Capital Gains <sup>(a)</sup></b> | <b>Total Distributions</b> |
|-------------------------|----------------------------------|--------------------------|------------------------|---|----------------------------|
| Greater China Fund      | December 31, 2016                | \$—                      | \$169,576              | \$—   | \$169,576                  |
|                         | December 31, 2017                | —                        | 187,315                | —   | 187,315                    |
| BDC Income Fund         | March 31, 2016                   | —                        | 1,895,840              | —   | 1,895,840                  |
|                         | December 31, 2016 <sup>(b)</sup> | —                        | 766,967                | —   | 766,967                    |
|                         | December 31, 2017                | —                        | 905,673                | —   | 905,673                    |
| Real Estate Income Fund | March 31, 2016                   | —                        | 1,312,311              | 1,310,714                                     | 2,623,025                  |

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|                           |                                  |         |             |           |           |
|---------------------------|----------------------------------|---------|-------------|-----------|-----------|
|                           | December 31, 2016 <sup>(b)</sup> | 262,427 | 1,141,052   | 1,533,581 | 2,937,060 |
|                           | December 31, 2017                | —       | 390,622     | —         | 390,622   |
| Tactical Credit Fund      | April 30, 2017                   | —       | \$2,263,666 | —         | 2,263,666 |
|                           | December 31, 2017 <sup>(c)</sup> | —       | 1,223,898   | —         | 1,223,898 |
| International Select Fund | April 30, 2017                   | —       | \$557,960   | —         | 557,960   |
|                           | December 31, 2017 <sup>(c)</sup> | 25,276  | 881,057     | —         | 906,333   |

(a) The Funds designate Long-Term Capital Gain dividends pursuant to Section 852(b)(3) of the Internal Revenue Code for the year ended December 31, 2017.

(b) For the period April 1, 2016 to December 31, 2016.

(c) For the period May 1, 2017 to December 31, 2017.

**SCM Trust Notes to Financial Statements (Unaudited) (Continued) June 30, 2018**

**Note 5 – SUBSEQUENT EVENTS**

In preparing the financial statements as of June 30, 2018, management considered the impact of subsequent events for potential recognition or disclosure in these financial statements through the date of issuance of the financial statements, and has determined that there were no subsequent events requiring recognition or disclosure.

**SCM Trust Additional Information (Unaudited) June 30, 2018**

**Funds Holdings (Unaudited)**

The Fund holdings shown in this report are as of June 30, 2018. Holdings are subject to change at any time, so holdings shown in this report may not reflect current Fund holdings. The Funds file complete schedules of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds' Form N-Q is available on the SEC's website at [www.sec.gov](http://www.sec.gov) and may be reviewed and copied at the Commission's Public Reference Room, 100 F. Street N.E., Room 1580, Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (800) SEC- 0330. The information filed in the Form N-Q also may be obtained by calling (800) 955-9988.

**Proxy Voting Policies, Procedures and Voting Records (Unaudited)**

The Funds' Statement of Additional Information ("SAI") containing a description of the policies and procedures that the Shelton Funds use to determine how to vote proxies relating to portfolio securities, along with each Fund's proxy voting record relating to portfolio securities held during the 12-month period ended June 30, is available upon request, at no charge, at the phone number below, or on the SEC's website at [www.sec.gov](http://www.sec.gov).

This report is submitted for the general information of the shareholders of the SCM Trust. It is authorized for distribution only if preceded or accompanied by a current SCM Trust prospectus. Additional copies of the prospectus may be obtained by calling (800) 955-9988 or can be downloaded from the Funds' website at [www.sheltoncap.com](http://www.sheltoncap.com). Please read the prospectus carefully before you invest or send money, as it explains the risks, fees and expenses of investing in the Funds.



**Board of Trustees and Executive Officers (Unaudited)**

Overall responsibility for management of the Fund rests with the Board of Trustees. The Trustees serve during the lifetime of the Trust and until its termination, or until death, resignation, retirement or removal. The Trustees, in turn, elect the officers of the Fund to actively supervise its day-to-day operations. The officers have been elected for an annual term. The following are the Trustees and Executive Officers of the Fund:

| <b>Name</b>       | <b>Address</b>                                      | <b>Year of Birth</b> | <b>Position Held with the Trust</b>    | <b>Length of Time Served</b> |
|-------------------|---|----------------------|--|------------------------------|
| Stephen C. Rogers | 1050 17th Street,<br>Suite 1710<br>Denver, CO 80265 | 1966                 | Chairman, Trustee, and President       | Since June, 2011             |
| Kevin T. Kogler   | 1050 17th Street,<br>Suite 1710 Denver,<br>CO 80265 | 1966                 | Trustee                                | Since June, 2011             |
| Marco L. Quazzo   | 1050 17th Street,<br>Suite 1710<br>Denver, CO 80265 | 1962                 | Trustee                                | Since August, 2014           |
| Stephen H. Sutro  | 1050 17th Street,<br>Suite 1710<br>Denver, CO 80265 | 1969                 | Trustee                                | Since June, 2011             |
| William P. Mock   | 1050 17th Street,<br>Suite 1710<br>Denver, CO 80265 | 1966                 | Treasurer                              | Since June, 2011             |
| Gregory T. Pusch  | 1050 17th Street,<br>Suite 1710<br>Denver, CO 80265 | 1966                 | Chief Compliance Officer,<br>Secretary | Since March, 2017            |

The principal occupations of the Trustees and Executive Officers of the Fund during the past five years and public directorships held by the Trustees are set forth below:

|                    |  |
|--------------------|--|
| Stephen C. Rogers* | Chief Executive Officer, Shelton Capital Management, 1999 to present. ETSpreads, 2007 to present.  |
| Kevin T. Kogler    | President & Founder of MicroBiz LLC, 2012 to present; Principal, Robertson Piper Software Group, 2006 to 2012; Senior Vice President, Investment Banking, Friedman, Billings Ramsey, 2005 to 2006. ETSpreads, 2007 to present. |
| Marco L. Quazzo    | Principal, Bartko Zankel Bunzel & Miller, March, 2015 to present; Partner, Barg Coffin Lewis & Trapp LLP (law firm), 2008 to March 2015.   |

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|                  |  |
|------------------|--|
| Stephen H. Sutro | Managing Partner, Duane Morris LLP (law firm), 2014 to present; Partner, Duane Morris LLP (law firm), 2003 to Present. ETSpreads, 2007 to present. |
| William P. Mock  | Portfolio Manager, Shelton Capital Management, 2010 to present; Portfolio Manager, ETSpreads, 2007 to present.                                     |
| Gregory T. Pusch | Global Head of Risk & Compliance, Matthews Asia 2015-2016; Head of Legal & Regulatory Compliance/CCO, HarbourVest Partners, 2012-2015.             |

Additional information about the Trustees may be found in the SAI, which is available without charge by calling (800) 955-9988.

Trustee deemed to be an “interested person” of the Trust, as defined in the Investment Company Act of 1940. Mr. \*Rogers is an interested person because he is the CEO of Shelton Capital Management, the Trust’s Advisor and Administrator.



**Board Approval of the Investment Advisory Agreement (Unaudited)  
June 30, 2018**

The Investment Company Act of 1940 (the “1940 Act”) requires that the full board of the SCM Trust (the “Board”) and a majority of the Independent Trustees annually approve the continuation of:

The Investment Advisory Agreement (the “Advisory Agreement”) dated October 11, 2016 between SCM Trust, on behalf of the funds listed below, and Shelton Capital Management (“SCM”):

- o Shelton International Select Equity Fund;
- o Shelton BDC Income Fund;
- o Shelton Greater China Fund;
- o Shelton Real Estate Income Fund; and
- o Shelton Tactical Credit Fund.

At a meeting held in-person on February 7-8, 2018, the Board, including a majority of the Independent Trustees, considered and approved the continuation of each Advisory Agreement for an additional one-year period ending March 31, 2019:

Prior to the meeting, the Independent Trustees requested information from SCM and third-party sources. This information, together with other information provided by SCM, and the information provided to the Independent Trustees throughout the course of the year, formed the primary (but not exclusive) basis for the Board’s determinations, as summarized below. In addition to the information identified above, other material factors and conclusions that formed the basis for the Board’s subsequent approval are described below.

**Information Received**

*Materials Received.* During the course of each year, the Independent Trustees receive a wide variety of materials relating to the services provided by SCM, including reports on each applicable Fund’s investment results; portfolio

composition; third party fund rankings; investment strategy; portfolio trading practices; shareholder services; and other information relating to the nature, extent and quality of services provided by SCM to the applicable Funds. In addition, the Board requests and reviews supplementary information that includes materials regarding each Fund's investment results, advisory fee and expense comparisons, the costs of operating the Funds and financial and profitability information regarding Shelton Capital (the principal business activity of which is managing the Funds), descriptions of various functions such as compliance monitoring and portfolio trading practices, and information about the personnel providing investment management services to each applicable Fund.

*Review Process.* The Board received assistance and advice regarding legal and industry standards from independent legal counsel to the Independent Trustees and fund counsel. The Board discussed the renewal of the Advisory Agreement with SCM representatives, and in a private session with independent legal counsel at which representatives of SCM were not present. In deciding to approve the renewal of the Advisory Agreement, the Independent Trustees considered the total mix of information requested by and made available to them and did not identify any single issue or particular information that, in isolation, was the controlling factor. This summary describes the most important, but not all, of the factors considered by the Board.

### **Nature, Extent and Quality of Services**

*SCM, its personnel and its resources.* The Board considered the depth and quality of Shelton Capital's investment management process; the experience, capability and integrity of its senior management and other personnel; operating performance and the overall financial strength and stability of its organization. The Board also considered that SCM made available to its investment professionals a variety of resources relating to investment management, compliance, trading, performance and portfolio accounting. The Board further considered SCM's continuing need to attract and retain qualified personnel and, noting SCM's additions over recent years, determined that SCM was adequately managing matters related to the Funds.

*Other Services.* The Board considered, in connection with the performance of its investment management services to the Funds: SCM's policies, procedures and systems to ensure compliance with applicable laws and regulations and each of their commitment to these programs; each of their efforts to keep the Trustees informed; and each of their attention to matters that may involve conflicts of interest with the applicable Funds. As a point of comparison, the Board also considered the nature, extent, quality and cost of certain non-investment related administrative services provided by SCM to the Funds under the administration servicing agreements.

The Board concluded that SCM had the quality and depth of personnel and investment methods essential to performing its duties under the applicable Advisory Agreements, and that the nature, extent and overall quality of such services provided by SCM, respectively, are satisfactory and reliable.

### **Investment Performance**

The Board considered each Fund's investment results in comparison to its stated investment objectives. The Trustees reviewed the short-term and long-term performance of each Fund on both an absolute basis and against its benchmark indices. The Trustees also reviewed performance rankings for each Fund as provided by an independent third-party service provider, as applicable. In assessing performance of certain Funds, the Trustees took into consideration the fact that Fund performance is expected to mirror the appropriate benchmarks as closely as possible given certain practical constraints imposed by the 1940 Act, the Fund's investment restrictions, the Fund's size, and similar factors. Among the factors considered in this regard, were the following:

For the International Select Equity Fund, it was noted that the performance of the Fund was in the top 1% over the 1-year period.

For the Shelton BDC Income Fund, it was noted that the performance of the Fund was in the fourth quartile over the 1-year and 3-year periods.

For the Shelton Greater China Fund, it was noted that the performance of the Fund was in the third quartile over the 1-year, 3-year, and 10-year period and the fourth quartile over the 5-year periods.

For the Shelton Real Estate Income Fund, it was noted that the performance of the Fund was in the third quartile over the 3-year and 5-year

**Board Approval of the Investment Advisory Agreement (Unaudited)  
June 30, 2018 (Continued)**

periods.

For the Shelton Tactical Credit Fund, it was noted that the performance of the Fund was in the top 1% for the 3-year period and in the second quartile over the 1-year period.

The Board received a satisfactory explanation of the reasons underlying the performance of the lower performing Funds and SCM articulated a strategy for improving performance of these Funds. The Board ultimately concluded that SCM's performance records in managing the applicable Fund was satisfactory, and in some cases excellent, supporting the determination that SCM's continued management under the applicable Advisory Agreement would be consistent with the best interests of each applicable Fund and its shareholders.

**Management Fees and Total Annual Operating Expense Ratios**

The Board reviewed the management fees and total operating expenses of each Fund and compared such amounts with the management fees and total operating expenses of other funds in the industry that are found within the same style category as defined by a third-party independent service provider. The Board considered the advisory fees and total fees and expenses of each Fund in comparison to the advisory fees and other fees and expenses of other funds in each Fund's relevant category. The Trustees considered both the gross advisory fee rates, as well as the effective advisory rates charged by SCM after taking into consideration the expense limitation arrangements and voluntary fee waivers on certain Funds. The Trustees also noted the Funds pay certain administrative services that were previously provided to the Funds by SCM at SCM's expense.

The Board noted that the total management fees charged to most Funds were generally higher than the industry median for comparable funds, with the exception of the International Select Equity Fund, which was at median.

The Board also observed that each Fund's total annual operating expense ratios, after taking into account the expense limitations and waivers applicable to certain Funds (and excluding acquired fund fees and expenses for the Shelton BDC Income Fund), were generally slightly or significantly below the industry median for other comparable funds, with the exception of the Shelton Greater China Fund, which was above median.

**Comparable Accounts**

The Board noted certain information provided by SCM regarding fees charged to other clients utilizing a strategy similar to that employed by an applicable Fund. The Board determined that, bearing in mind the limitations of comparing different types of managed accounts and the different levels of service typically associated with such accounts, the fee structures applicable to SCM's other clients employing a comparable strategy to each applicable Fund was not indicative of any unreasonableness with respect to the advisory fee payable by such Fund.

### **Cost Structure, Level of Profits, Economies of Scale and Ancillary Benefits**

The Board reviewed information regarding SCM's costs of providing services to the applicable Funds, as well as the resulting level of profits to SCM. The Independent Trustees received financial and other information from SCM.

The Board noted its intention to continue to monitor assets under management, and the resulting impact on SCM's profitability, in order to ensure that each has sufficient resources to continue to provide the services that shareholders in the applicable Funds require. The Board considered SCM's need to invest in technology, data services, infrastructure and staff to provide the expected quality of investment advisory services to the Funds. They further considered that breakpoints in the advisory fee structure of certain Funds provide for reductions in the level of fees charged by SCM to such Fund as Fund assets increase, reflecting the fact that economies of scale in the cost of operations will be shared with such Fund's shareholders. The Trustees also noted that SCM has contractually agreed to limit its advisory fees on certain Funds so that those Funds do not exceed their respective specified operating expense limitations, and that in the case of certain other Funds, SCM has imposed a voluntary fee limitation. Such voluntary contractual fee limitations may only be terminated with the approval of the Board of Trustees of the Funds.

The Board also considered that SCM does not receive material indirect benefits from managing the applicable Funds. For example, SCM does not seek to supplement its fees with "soft dollar" benefits.

Based on the foregoing, together with the other information provided to it at the Meeting and throughout the year, the Board concluded that each applicable Fund's cost structure and level of profits for SCM, respectively, were reasonable and that economies of scale and ancillary benefits, to the extent present with respect to a Fund, were not material.

### **Conclusions**

The Board indicated that the information presented and the discussion of the information were adequate for making a determination regarding the renewal of the Advisory Agreement. During the review process, the Board noted certain instances where clarification or follow-up was appropriate and others where the Board determined that further clarification or follow-up was not necessary. In those instances where clarification or follow-up was requested, the

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Board determined that in each case either information responsive to its requests had been provided, or where any request was outstanding in whole or in part, given the totality of the information provided with respect to the Advisory Agreement, the Board had received sufficient information to renew and approve the Advisory Agreement.

Based on their review, including but not limited to their consideration of each of the factors referred to above, the Board concluded that the Advisory Agreement, taking into account the separate administration fees, is and would be fair and reasonable to each Fund and its shareholders, that each Fund's shareholders received or should receive reasonable value in return for the advisory fees and other amounts paid to SCM by the Funds, and that the renewal of the Advisory Agreement was in the best interests of each Fund and its shareholders.



ITEM 2. CODE OF ETHICS.

Not applicable for semi-annual report.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable for semi-annual report.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable for semi-annual report.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable for semi-annual report.

ITEM 6. SCHEDULE OF INVESTMENTS.

(a) Investments in securities of unaffiliated issuers as of the close of the reporting period are included as part of the report to shareholders filed under Item 1 of this Form N-CSR.

(b) Not applicable.



ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There have been no material changes to the procedures by which the shareholders may recommend nominees to the Registrant's board of trustees since the Registrant last provided disclosure in response to the requirements of Item 7(d)(2)(ii)(G) of Schedule 14A or this Item.

ITEM 11. CONTROLS AND PROCEDURES.

The Registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c)) are effective as of a date (a) within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).

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(b) There were no changes in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act that occurred during the Registrant's last fiscal half-year (the Registrant's second fiscal half-year in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting

ITEM 12. EXHIBITS.

(a)(1) Code of Ethics not applicable for semi-annual report.

(a)(2) Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002, as amended ("SOX"), are filed as Exhibit 12(a)(2) to this Form N-CSR.

(b) Certifications required by Rule 30a-2(b) under the 1940 Act, Section 906 of SOX, Rule 13a-14(b) under the Exchange Act, and Section 1350 of Chapter 63 of Title 18 of the United States Code are furnished as Exhibit 12(b) to this Form N-CSR.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Shelton Greater China Fund

By/s/ Stephen C. Rogers  
Stephen C. Rogers, Chairman  
Date: September 7, 2018

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By/s/ Stephen C. Rogers  
Stephen C. Rogers, Chairman  
Date: September 7, 2018

By/s/ William P. Mock  
William P. Mock, Treasurer  
Date: September 7, 2018