

SCM Trust  
Form N-CSR  
March 09, 2018

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM N-CSR

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)

Stephen C. 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: December 31, 2017

---

ITEM 1. REPORTS TO STOCKHOLDERS

ANNUAL REPORT

---

December 31, 2017

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.

---

Table of Contents December 31, 2017

|   |    |
|---|----|
| Historical Performance and Manager's Discussion         | 2  |
| About Your Fund's Expenses                              | 13 |
| Top Holdings and Sector Breakdown                       | 15 |
| Portfolio of Investments                                | 17 |
| Statements of Assets & Liabilities                      | 24 |
| Statements of Operations                                | 25 |
| Statements of Changes in Net Assets                     | 27 |
| Financial Highlights                                    | 35 |
| Notes to Financial Statements                           | 42 |
| Report of Independent Registered Public Accounting Firm | 50 |
| Additional Information                                  | 50 |
| Board of Trustees and Executive Officers                | 51 |

Historical Performance and Manager's Discussion (Unaudited) December 31, 2017

## Shelton Greater China Fund

Since 2009, Shelton International Equity team has been investing together using rigorous, bottom-up, fundamental stock selection to seek to deliver attractive risk-adjusted returns for our investors, and we are excited to be taking over as managers of the Shelton Greater China Fund ("The Fund", sym: SGCFX).

### Market Overview

For the full year of 2017, The Fund delivered strong returns of +34.85%, but trailed the benchmark MSCI Golden Dragon Index return of +43.79%. Overall, it was a very strong year for investors.

Among the many developments in the country in 2017, China's Communist Party held its 19th National Congress meeting in October. President Xi effectively consolidated power after becoming only the fourth "core" leader in modern Chinese history. Many important issues were addressed at this twice-a-decade meeting including various social issues, widespread corruption, foreign access to local markets, and how the country may deal with its high level of indebtedness. Although details were lacking in the public remarks, it does appear that officials will not repeat their pledge to double GDP and per capita income after 2020 as they did for the 10 years starting from 2010. Over the longer-term this will help the country combat its need to hit unrealistically high annual growth targets fueled by excess credit growth. It is this credit growth that prompted both S&P and Moody's to downgrade the country's credit rating in 2017.

Additional positive developments were President Xi's desire to open the country up to foreign investors, a continuation of the closure of excess capacity in various industries, and eradicating dangerous speculation in the real estate market. Balancing out these more 'open-market' reforms were a continued strong commitment to overseeing some of the overall economy through reforming state-owned enterprises and preventing loss of state assets. Also promised was the "development of a mixed-ownership economy and the cultivation of globally competitive world class firms," according to officials.

In terms of market developments, technology was the standout sector in 2017. Tencent and Alibaba became the sixth and eighth largest companies in the world with total returns in 2017 of 114% and 96% respectively. These two companies together now make up approximately 18% of the MSCI Golden Dragon Index and 75% of the technology sector weighting. Consumer discretionary and healthcare also largely outperformed in 2017. Among the biggest underperforming sectors were telecom, industrials, and energy.

The Chinese market continues to evolve. The tightly controlled and closed nature of the internet in China has led to the creation of a few champions without outside interference from either the government or foreign competition. Meanwhile the state-owned enterprises continue to suck value (and capital) out of the market as the government struggles with how to restructure these companies.

Overall, despite the many challenges, we are encouraged with the latest reforms announced by the central government and continue to be optimistic about the growth prospects for the Chinese market over the long-term.

### Performance Review

The Shelton Greater China Fund returned +34.85% for the year ending December 31, 2017.

### The Top Contributors and Detractors

Edgar Filing: SCM Trust - Form N-CSR

| Largest Contributors                | Total Return (%) | Contribution (%) |
|-------------------------------------|------------------|------------------|
| Kingboard Chemical Holdings Limited | 87.33            | 1.31             |
| Sunny Optical                       | 215.90           | 1.08             |
| China Taiping Insurance Holdings    | 82.54            | 0.59             |
| Tencent Holdings Ltd.               | 112.75           | 0.48             |
| Haier Electronics Group Co., Ltd.   | 75.43            | 0.47             |

| Largest Detractors                          | Total Return (%) | Contribution (%) |
|---|------------------|------------------|
| Tianneng Power International Ltd.           | -2.76            | -0.53            |
| Chunghwa Telecom Co., Ltd.                  | 18.50            | -0.61            |
| Ping An Insurance (Group) Company           | 2.17             | -0.89            |
| China State Construction Intl Holdings Ltd. | -3.84            | -1.86            |
| Alibaba Group Holdings Ltd. ADR             | 0.40             | -2.76            |

2

---

## Edgar Filing: SCM Trust - Form N-CSR

Historical Performance (Expressed in U.S. Dollars) (Unaudited) December 31, 2017

All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the fund. Current performance may be lower or higher than the performance data cited. For more recent performance information, visit our website at [www.sheltoncap.com](http://www.sheltoncap.com). Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost. The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

Average Annual Total Returns  
for years ended 12/31/17

| Fund/Benchmark             | One<br>Year | Since 6/11/2011 (Annualized) | Five Year<br>(Annualized)* | Ten Year<br>(Annualized)* |
|----------------------------|-------------|------------------------------|----------------------------|---------------------------|
| Shelton Greater China Fund | 34.85%      | 3.54%                        | 7.20%                      | 2.31%                     |
| MSCI Golden Dragon Index   | 43.79%      | 3.67%                        | 10.07%                     | 4.34%                     |

---

The Fund's investment objective and investment advisor have changed. See Note 1 of the Notes to Financial Statements for more information about the change in investment objective and see Note 3 of the Notes to Financial Statements for more information about the change in investment advisor. On June 11, 2011, the Fund began investing using its new investment objective, therefore, performance prior to that date is not relevant.

Historical Performance and Manager's Discussion (Unaudited) December 31, 2017

## **Shelton BDC Income Fund**

The Shelton BDC Income Fund (the "Fund", sym: LOANX/LOAIX) focuses its investments in securities of Business Development Companies ("BDCs") including common stock, preferred stock, convertible bonds and other debt. Under normal market conditions, at least 80% of the Fund's net assets will be invested in BDC related securities. The Fund's investment objective is to provide a high level of income with the potential for capital appreciation.

For the one-year period ending December 31, 2017, the Fund's Investor Class provided a 3.73% total return to shareholders, while the Fund's Institutional Class provided a 3.94% total return to shareholders. The Fund's benchmark, the Wells Fargo BDC Index (sym: WFBDC), returned 0.09% for the same period. At period-end, 100% of the Fund's investments were in U.S. domiciled securities. The breakdown of the portfolio was 82.89% listed BDCs, 0.36% Specialty Finance, 3.77% BDC Preferred and 9.52% cash.

BDCs rallied through the first few months of 2017, along with financials in an environment of likely fiscal stimulus and deregulation, and an improved business environment for middle market companies in particular. As the Fed Funds rate rose to 1% in March and then to 1.25% in June, investors began to pull money from BDCs as the yield advantage of BDCs (yielding 8-10%) over Treasuries diminished and the case for further rate hikes strengthened. In the second half of 2017, BDCs went sideways while the broader market, including financials, continued to march upward. This, we believe, is also primarily attributed to rising Treasury yields rendering BDC spreads less competitive.

From a fundamental standpoint, credit losses were higher than expected for the year which was troublesome given the strong economic growth the US experienced in 2017. We believe this underlines the importance of assessing BDC management teams and being selective in the space.

Looking ahead, despite the recent underperformance of BDCs, Shelton Capital Management is optimistic about specific types of BDC portfolios. Asset price levels have increased the risk/reward attractiveness and we believe the pricing of mid-market assets has significant room to run. In this environment, Shelton Capital Management looks for management teams well placed to generate attractive rates of return through organic investments.

There are a few legislative issues which may affect BDCs going forward. First, the impact of lower corporate tax rates should be positive, albeit limited in the BDC space. Because BDCs qualify as regulated investment companies, they are not subject to corporate-level taxes and thus are not directly impacted. However, the companies which BDCs lend to are likely to benefit from lower taxes, which should improve loan to value and credit metrics in BDC loan portfolios.

Finally, expectations in the market about the removal of the current Acquired Fund Fees and Expenses (AFFE) disclosure seem to be well-founded. This SEC requirement, passed in January 2007, requires a fund-of-funds' prospectus to include the operating expenses of the underlying funds and has had the unintended consequence of making BDCs ineligible for indices such as the Russell 2000 and S&P 500. A potential overturn of the rule may be a large technical positive and expand institutional ownership for larger BDCs.

We thank you for your investment and the confidence you have placed in the Shelton BDC Income Fund.

## Edgar Filing: SCM Trust - Form N-CSR

Historical Performance (Expressed in U.S. Dollars) (Unaudited) December 31, 2017

All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the fund. Current performance may be lower or higher than the performance data cited. For more recent performance information, visit our website at [www.sheltoncap.com](http://www.sheltoncap.com). Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost. The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

### INSTITUTIONAL SHARES

Average Annual Total Returns  
for years ended 12/31/17

| Fund/Benchmark          | One<br>Year | Five Year<br>(Annualized) | Ten Year<br>(Annualized) | Since Inception |
|-------------------------|-------------|---------------------------|--------------------------|-----------------|
| Shelton BDC Income Fund | 3.94%       | N/A                       | N/A                      | 3.52%           |
| Wells Fargo BDC Index   | 0.09%       | N/A                       | N/A                      | 3.61%           |

### INVESTOR SHARES

Average Annual Total Returns  
for years ended 12/31/17

| Fund/Benchmark          | One<br>Year | Five Year<br>(Annualized) | Ten Year<br>(Annualized) | Since Inception |
|-------------------------|-------------|---------------------------|--------------------------|-----------------|
| Shelton BDC Income Fund | 3.73%       | N/A                       | N/A                      | 3.65%           |
| Wells Fargo BDC Index   | 0.09%       | N/A                       | N/A                      | 3.61%           |

Historical Performance and Manager's Discussion (Unaudited) December 31, 2017

### **Shelton Real Estate Income Fund**

The Shelton Real Estate Income Fund ("The Fund", sym: RENTX/RENIX) focuses its investments in real estate securities, including securities issued by real estate investment trusts (REITs). Under normal market conditions, at least 80% of its net assets will be invested in income producing real estate common equity, preferred equity and debt securities. The Fund's investment objective is to provide a high level of income with the potential for capital appreciation.

For the one-year period ending December 31, 2017, the Fund's Investor Class provided a 3.72% total return to shareholders, while the Fund's Institutional Class provided a 3.98% total return to shareholders. These results lagged the broader REIT market (as defined by the S&P U.S. REIT Index) which produced a total return of 4.3%. During the same time, the bond market (as defined by the Bloomberg/Barclays US Aggregate Bond Index) produced a 7.5% total return. The Fund had near full exposure to the U.S. stock market as of December 31, 2017, with a cash position at year-end of 4.4%.

2017 was a year characterized by volatility within the REIT market, driven early on in our opinion, by increasing risk-on sentiment stoked by fiscal stimulus and tax reform speculation, equity market momentum and exuberance, historically accommodative global central bank monetary policy, and relatively low inflation prospects. By the end of February 2017, the REIT market surged over 4%. However, through the first 10 days of March 2017, the S&P US REIT Index contracted by over 6.5%, erasing all of its year-to-date gains. Subsequently throughout 2017, the REIT market experienced seven additional periods whereby the S&P US REIT Index expanded or contracted by more than 4%. While The Fund also exhibited volatility in 2017, the magnitude relative to the S&P US REIT Index was significantly less, oscillating at a more subdued and generally upward trend. By the end of September 2017, the Fund's Investor Share Class had returned 3.9%, while our Investor Share Class had returned 4.1%, both in line with the S&P US REIT Index which returned 3.9%. However, starting in October 2017, the Fund began to move into a more defensive position, similar in timing and magnitude to 2016. Throughout October 2017, the Fund raised as much as 8% in cash. In early November, management decided to raise additional cash, taking advantage of robust outperformance by the Fund's ex-U.S. positions. Because of these decisions, the Fund held almost 14% cash by mid-November. Unfortunately, the broader REIT market staged a significant rally throughout the first two weeks of November 2017, rising by as much as 3.7%. During the same period, the Fund was also exposed to a few preferred REIT equity positions, which suffered disproportionately as interest rates and risk-on sentiment surged through the remainder of 2017. As a result, the Fund underperformed the S&P US REIT index by over 200 basis points during November and December 2017, which was the main culprit of our underperformance in 2017.

Moving forward, Shelton Capital Management remains optimistic about REIT valuations. We feel that commercial real estate fundamentals, while decelerating, remain sound. Supply across most sectors and markets remains disciplined, and even those sectors/markets with heightened supply levels, are expecting absorption to increase by mid-year 2018. Economic growth remains steady, extending a 9-year-old bull market, which is also supported by late-cycle fiscal stimulus here in the US, a solid job market and robust consumer sentiment and retail sales. In addition, modern-day REITs continue to provide investors with professional management, institutional asset quality, strong balance sheets and an increasing palette of property sectors to choose from. Investors are no longer constrained to traditional property types, but can now allocate among prisons, farmland/timber, single family homes, infrastructure, movie theaters, data centers and cellular towers. This expanding universe of emerging real estate property types may change the narrative describing real estate cycles, which has been traditionally focused solely on supply/demand. New and evolving real estate sectors have different fundamental demand drivers, which may result in lower correlations and provide an increasing opportunity set from which REIT investors can choose. For example, while Amazon has disrupted retailing channels and negatively impacted the shopping center and mall real estate sectors, emerging beneficiaries from this disruption include industrial real estate, data centers and cell towers. More

distribution centers are needed to meet the logistic demands stemming from a growing service sector and e-commerce economy. In addition, given the rapid growth in cloud computing, 5G, and emerging trends in virtual reality and artificial intelligence, demand for data centers and cell towers is surging. Also, advances in medicine and biotechnology are helping to increase demand for outpatient medical facilities, life science campuses and even emergency-care facilities, which can now be found in your local shopping center. Baby Boomers, GenX, Millennials and GenZ are also each impacting real estate fundamentals in different ways. Boomers are living longer, increasing the need for senior housing and assisted living facilities in both rural and urban metros. The Millennial and GenZ cohorts are renting apartments longer and delaying home purchases, either due to affordability constraints or mobility preferences. At the same time, younger empty-nesters are migrating back into cities and renting. Finally, urbanization preferences among the GenX cohort is causing employers to relocate their headquarters into cities, creating more live, work and play communities. This not only helps office and multifamily absorption, but supports retail demand as well. Lastly, aging global demographics continue to drive the search for yield, providing a demand tailwind for both direct real estate.

However, risks remain to both fundamentals and sentiment. Volatility may return to equity markets reminding investors to take stock of their own risk tolerance. On balance however, we believe real estate related securities may continue provide a compelling investment opportunity as well as risk mitigating component to an investor's portfolio as we move through 2018.

We thank you for your support and the confidence you have placed in the Shelton Real Estate Income Fund.

## Edgar Filing: SCM Trust - Form N-CSR

Historical Performance (Expressed in U.S. Dollars) (Unaudited) December 31, 2017

All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the fund. Current performance may be lower or higher than the performance data cited. For more recent performance information, visit our website at [www.sheltoncap.com](http://www.sheltoncap.com). Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost. The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

### INSTITUTIONAL SHARES

Average Annual Total Returns  
for years ended 12/31/17

| Fund/Benchmark                  | One<br>Year | Five Year<br>(Annualized) | Ten Year<br>(Annualized) | Since Inception |
|---------------------------------|-------------|---------------------------|--------------------------|-----------------|
| Shelton Real Estate Income Fund | 3.98%       | N/A                       | N/A                      | 7.24%           |
| S&P US REIT Index               | 4.33%       | N/A                       | N/A                      | 8.08%           |

### INVESTOR SHARES

Average Annual Total Returns  
for years ended 12/31/17

| Fund/Benchmark                  | One<br>Year | Five Year<br>(Annualized) | Ten Year<br>(Annualized) | Since Inception (Annualized) |
|---------------------------------|-------------|---------------------------|--------------------------|------------------------------|
| Shelton Real Estate Income Fund | 3.72%       | N/A                       | N/A                      | 7.03%                        |
| S&P US REIT Index               | 4.33%       | N/A                       | N/A                      | 8.08%                        |

Historical Performance and Manager's Discussion (Unaudited) December 31, 2017

## Shelton Tactical Credit Fund

We are pleased to write the third full year shareholder letter for the Shelton Tactical Credit Fund ("the Fund", sym: DEBTX/DEBIX) which launched in December 2014. The Fund's investment objective is to seek current income and capital appreciation. We seek to achieve this objective using related credit assets on both the long and short side to generate an attractive rate of return and reduce risk. Portfolio construction is implemented with a relative value framework and looks across the entire balance sheet of a corporation from senior secured liabilities down through subordinated, equity-linked securities. 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. The Fund has changed its fiscal year end to December 31.

## Market Review

High-yield bond prices were higher during April and May as favorable backdrops for rates, stocks, and a light new-issue calendar outweighed resurfacing oil price volatility and a multi-year low for yields. Also supportive for returns across fixed income, the 10 year US Treasury yields reached 2.20%, 40bp below the high in mid-March. Meanwhile, stocks regained record-high levels with a solid 1Q earnings season and expectations for US tax reform supporting valuations.

High-yield remained strong throughout the summer, staggering briefly in August due to concerns related to tensions with North Korea only to rally into September and October supported by the strong stock market, rallying energy bonds and optimism surrounding the U.S. tax reform plan.

In November, high-yield bond prices endured a sharp downdraft and eventual recovery amid sector specific based selling and heavy retail withdrawals. High yield finished the year quietly, rallying slightly in the final week of the year.

In 2017, CCC-rated bonds outperformed higher-rated credits for a second consecutive year in 2017.

After three years of consecutive declines, primary market activity increased in 2017, with a volume of \$322 billion.

Defaults were down 46% by volume vs 2016.

## Portfolio Commentary

The Fund's investor class gained 3.34% and the insititutional class gained 3.65% for the fiscal year ending December 31, 2017, versus the Fund's benchmark, the Barclays U.S. Aggregate Bond Index, which returned 3.54% during this period. For the fiscal year ending April 30, 2017, the Fund's Investor Class gained 9.36% and the Institutional Class gained 9.56%.

Given the strong end of year performance in 2016, our belief was that the risk-reward proposition slowly moved from positive to negative on both the long and short side. Prices had little upside, shorts became too expensive and fundamentals did not justify taking significant positions either way. We compensated for this by positioning the portfolio to capture strong cash flows while avoiding directional bets on general movements in security prices. If volatility were to pick up dramatically at some point, we were ready to tactically adjust positioning if needed while avoiding initial losses and maintaining stable and attractive cash flows.

To be clear, 2017 was marked by complacency and listlessness. The key to managing a portfolio of leveraged credits was mitigating losses and owning attractively priced securities over the course of the year. Specifically, avoiding major pitfalls in sectors such as Retail, Telecommunications, and Consumer Products was a key to providing positive performance. While these headwinds persisted, we continued to focus on risk management, owning credits that we know well and not chasing performance for the sake of excess returns. Our belief is managing a consistent portfolio from a long-run perspective is the correct course of action, and we will continue to invest based on this viewpoint. While we believe there has been an overreaction to a certain extent, any large selloff will likely provide us with significant opportunities given positive fundamentals and the overall positive macro backdrop.

With this strategy in mind, the Fund owned shorter duration, high coupon bonds with an emphasis on companies with tangible assets and high relative cash flows. The top industry concentrations for the Fund were Industrials, Services, Telecom, and Technology. The Fund continues to avoid Oil, Oil Service, Commodity, Financials, and Real Estate sectors. We were active in the new issue market, incorporating several first-time issuers from the slow post-summer calendar into our core holdings. The relative smoothness of returns was the result of an eye toward more liquid investments and the ability to tactically re-allocate capital subsequent to the March lows.

We believe the assumption that all fixed income assets will be hurt with rising rates is a flawed one. We believe the probability of a spike in rates is low, and that a more likely scenario is one in which rates are range-bound and trend higher over a protracted timeframe as we have begun to see. However, should interest rates rise rapidly, we embrace the opportunity to deploy cash tactically as we have multiple times before. The Fund will look to invest in corporations where credit improvement will likely occur regardless of rates, owning shorter duration and less interest rate-sensitive bonds.

If rates move higher, we expect to become more active on the short side of the ledger, most likely in investment grade which we find to be attractively priced and an effective hedge against interest rates.

In an environment that can change on a dime, we believe portfolio construction that includes active hedging, tactical investing, and relative liquidity will be paramount. Keeping an “ear to the ground” will be as important as ever. The strategy of simply “owning the market” will not work. We believe passive investing will underperform a more active approach. The foundation of portfolio construction in uncertain times must be predicated on capital preservation and one which includes a wide set of investment tools. Delivering attractive risk adjusted returns will necessitate aggressive hedging, tactical re-allocation between asset classes, a laser focus on liquidity and the flexibility to change investment direction quickly. In our view, a strategic approach which marries top-down investing with bottom up asset selection will more effectively deliver returns that are less volatile and less subject to the weekly whims of the markets and central banks.

We thank you for your support and the confidence you have placed in the Shelton Tactical Credit Fund.

Edgar Filing: SCM Trust - Form N-CSR

Historical Performance (Expressed in U.S. Dollars) (Unaudited) December 31, 2017

All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the fund. Current performance may be lower or higher than the performance data cited. For more recent performance information, visit our website at [www.sheltoncap.com](http://www.sheltoncap.com). Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost. The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

INSTITUTIONAL SHARES

Average Annual Total Returns  
for years ended 12/31/17

| Fund/Benchmark                   | One<br>Year | Five Year<br>(Annualized) | Ten Year<br>(Annualized) | Since<br>Inception |
|----------------------------------|-------------|---------------------------|--------------------------|--------------------|
| Shelton Tactical Credit Fund     | 3.65%       | N/A                       | N/A                      | 6.75%              |
| Barclays US Aggregate Bond Index | 3.54%       | N/A                       | N/A                      | 2.27%              |

INVESTOR SHARES

Average Annual Total Returns  
for years ended 12/31/17

| Fund/Benchmark                   | One<br>Year | Five Year<br>(Annualized) | Ten Year<br>(Annualized) | Since Inception |
|----------------------------------|-------------|---------------------------|--------------------------|-----------------|
| Shelton Tactical Credit Fund     | 3.34%       | N/A                       | N/A                      | 6.46%           |
| Barclays US Aggregate Bond Index | 3.54%       | N/A                       | N/A                      | 2.27%           |

Historical Performance and Manager's Discussion (Unaudited) December 31, 2017

### Shelton International Select Equity Fund

Since 2009, the team has been investing together using rigorous, bottom-up, fundamental stock selection to deliver attractive risk-adjusted returns for our investors.

For the Shelton International Select Equity Fund ("The Fund", sym) our investment philosophy is centered around the concept of the competitive corporate life cycle. Our framework establishes a level global playing field from which to assess a company's ability to create value for shareholders. We recognize that companies evolve over time, and that the risks they face and the opportunities they capitalize on will differ at the various stages of their development. We directly measure this relationship between a company's competitive opportunities and challenges, its economic performance, and its valuation in the equity market as it travels along the corporate life cycle. And, in doing so, we believe we have established a solid framework from which to generate more consistent excess returns for our investors over time. The Fund has changed its fiscal year end to December 31.

### Market Overview

The twelve-month period ending December 31, 2017 was a strong one for international equity investors, with the benchmark MSCI All Country World Ex-US index rising 27.19%.

The general tone for investing in 2017 was set in the first quarter of year. Driven by reflationary expectations, such as rising interest rates, accelerating global Gross Domestic Product (GDP) growth and the prospect of US government stimulus, international equity markets took off in January and never looked back.

Perhaps unsurprisingly, politics once again played an important role in 2017. In the US, the inauguration of Donald Trump as President delivered a clear change in direction for US policy and investor sentiment, with the return of a more business-friendly agenda emphasizing reduced regulation, tax reform, and infrastructure investment. Despite his combative style and unpredictable nature, investors cheered his message of smaller government and more growth-oriented policy.

But it was not only in the US where an election revealed popular discontent and the desire for change. Europeans went to the polls in France, Germany, Spain, and the Netherlands, and although the results of the elections were less dramatic than that of the US and UK in 2016, the establishment continue to suffer defeats. In France, Marine Le Pen and her National Front Party shocked the country by making it into the second round of elections. In Spain, the Catalan region voted for independence. Even in Germany, where Angela Merkel succeeded in winning her fourth term as Chancellor, her Christian Democratic Union/Christian Social Union (CDU/CSU) party was significantly weakened in the final election results while the right-wing populist Alternative for Deutschland (AfD) party gained ground.

Despite all the political noise, corporate earnings growth remained resilient in 2017. Investors around the globe applauded the current paradigm of 'growth without inflation'. Non-US equity markets delivered strong returns with relatively low volatility as central banks continued to support economic growth with relatively easy monetary conditions. US investor returns further benefited from a weaker USD, which contributed nearly half of the market's full year returns.

Leading the way in 2017 were global emerging markets, propelled higher by accelerating global economic growth, continued low inflation, and a weaker USD. Regionally, Asia Pacific ex Japan was the strongest and most consistent performer throughout the year. Asia Pacific strength was supported by a number of factors, including stronger commodity prices, the ongoing recovery in Asian regional and Chinese economic growth, and Technology shares. Meanwhile, European equities performed well in the first half of the calendar year but then treaded water in the

second half, struggling to gain further ground beyond the support of the strengthening Euro. Finally, Japanese equity market performance was quite the opposite, lagging for most of the year before finishing strongly in the fourth quarter.

In terms of sectors, strong performance was realized across most economically-sensitive areas of the market, including Materials, Industrials, Consumer Discretionary, and Financials, all of which stand to benefit from improving economic conditions and, in the case of Financials, somewhat higher interest rates. But the most exceptional performance was gained in Technology shares, which delivered returns on average nearly double that of the overall international equity market, on the strength of internet and semiconductor companies. The biggest laggards, on the other hand, were Utilities, Telecoms, and Healthcare. Utilities suffered as a result of their general defensiveness in a rising market and their perceived interest-rate sensitivity as bond proxies. Telecoms, most notably the large integrated incumbent operators across, continued to struggle with increased regulation, stronger new entrant competition, rising content costs and a general lack of pricing power. Lastly, the global Healthcare industry grappled with a lack of new product innovation combined with a more challenging market environment in which US drug price increases are no longer guaranteed, especially not for me-too product or based product-life extensions. Lastly, Energy shares struggled to perform in 2017, but this relatively poor performance masks a strong recovery in the second half of the year.

#### Performance Review

The Fund returned +35.30% (Institutional class–no load), +34.94% (Investor class–no load) for the year ending December 31, 2017, strongly outperforming the Fund’s benchmark, the MSCI ACWI ex US Index, which returned +27.19% during this period.

#### Shelton International Selection Equity Fund Top Contributors and Detractors<sup>1</sup>

| Largest Contributors   | Total Return (%) | Contribution (%) |
|------------------------|------------------|------------------|
| Yaskawa Electric Corp. | 126.28           | 2.44             |
| Tencent Holdings Ltd.  | 112.75           | 1.51             |
| Start Today Co., Ltd.  | 77.40            | 1.29             |
| KGHM Polska Miedz S.A. | 37.30            | 1.08             |
| Intertek Group PLC     | 65.70            | 0.99             |

For the period of July 18, 2016 - April 30, 2017, the Fund returned +12.22% (Institutional Class-no load), and +12.03% (Investor class-no load).

## Edgar Filing: SCM Trust - Form N-CSR

Historical Performance and Manager's Discussion (Unaudited) (Continued) December 31, 2017

| Largest Detractors             | Total Return (%) | Contribution (%) |
|--------------------------------|------------------|------------------|
| BHP Billiton Limited           | -1.30            | -0.53            |
| BP PLC                         | -8.31            | -0.61            |
| Murata Manufacturing Co., Ltd  | 1.53             | -0.62            |
| Alibaba Group Holding Ltd. ADR | 0.81             | -0.66            |
| CRH PLC                        | 5.62             | -0.67            |

We are happy to report the portfolio outperformed across all major regions, Continental Europe, the UK, Japan, and Asia Pacific ex Japan, in 2017. The top contributors to outperformance were Japan, Asia ex Japan, and Continental Europe, with strong stock selection registered in each region. While in the UK, good stock selection was further assisted by an underweight allocation. Lastly, the Fund contributed positively across both North America and Latin America, but detracted minimally in the Middle East and North Africa (MENA) region.

Overall the portfolio delivered broad-based sector outperformance. Financials, most notably across developed and emerging Asia, was the largest positive contributor to returns. But the portfolio also outperformed meaningfully in the Consumer Discretionary, Technology, Healthcare, and Industrials sectors, while adding incrementally in Telecommunications, Utilities, Consumer Staples and Materials. Finally, the portfolio modestly detracted in two of the smallest sector groups, Energy and Real Estate.

As always, the Shelton International Select Equity strategy seeks to deliver its excess returns over time through superior stock selection. Amongst the top performers over the course of the year was Yaskawa Electric Corp. Based in Japan, Yaskawa Electric is one of the world's leading suppliers of servo motors, controllers, drives, and industrial robots. Over the coming decade, as industrial automation, advanced robotics and artificial intelligence transform the factory floor and large segments of the larger industrial economy with increased productivity and improved efficiency, Yaskawa Electric is well-positioned to capture the opportunity. Another top contributor was Start Today, Japan's leading online fashion retailer. The company, through its Zozotown online platform, has continued to see rapid growth in the number of brands, users, and gross merchandise value. With Start Today still in the early stages of its expansion, there remains considerable scope to drive greater merchandise value and improved profitability with more partners, an expanded product offering, and greater overall scale. Lastly, Chinese internet giant, Tencent, with Wechat mobile chat service and leading online and mobile gaming platform, has continued to expand its reach into new adjacent retail, online, and mobile business areas. We anticipate that one of the largest untapped opportunities for Tencent is a greater monetization of its user base with increased advertising placement and higher ad rates throughout its platform of services. Over time, this additional profit driver has the potential to deliver significant further value for shareholders over the next several years.

Although rising modestly in 2017, Ireland's CRH PLC underperformed the overall portfolio and detracted from performance as changing political priorities delayed much-needed US highway and infrastructure spending legislation. Without a doubt, major investment in our nation's roads, airports, ports, and other major infrastructure projects are needed, and as one of the world's largest building materials groups and the leading supplier to US roadbuilding, CRH will likely benefit significantly over time. Additionally, Murata Manufacturing, a leading supplier of passive components to electronic devices, detracted as production costs rose and yields suffered on a newly launched product component. Although the higher costs were disappointing in the short term, the issues appear to have been a temporary setback as yields have already begun to recover. Lastly, UK-based oil major BP PLC lagged the market, along with other Energy companies, as the price of crude languished throughout most of 2017.

We thank you for your investment in the Fund and for your continued support of our firm.



## Edgar Filing: SCM Trust - Form N-CSR

Historical Performance (Expressed in U.S. Dollars) (Unaudited) December 31, 2017

All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the fund. Current performance may be lower or higher than the performance data cited. For more recent performance information, visit our website at [www.sheltoncap.com](http://www.sheltoncap.com). Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost. The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

### INSTITUTIONAL SHARES

Average Annual Total Returns  
for years ended 12/31/17

| Fund/Benchmark                           | One Year | Five Year (Annualized) | Ten Year (Annualized) | Since Inception* |
|--|----------|------------------------|-----------------------|------------------|
| Shelton International Select Equity Fund | 35.30%   | N/A                    | N/A                   | 23.32%           |
| MSCI ACWI ex US                          | 27.19%   | N/A                    | N/A                   | 19.82%           |

\*Performance inception date is July 18, 2016

### INVESTOR SHARES

Average Annual Total Returns  
for years ended 12/31/17

| Fund/Benchmark                           | One Year | Five Year (Annualized) | Ten Year (Annualized) | Since Inception* |
|--|----------|------------------------|-----------------------|------------------|
| Shelton International Select Equity Fund | 34.94%   | N/A                    | N/A                   | 23.04%           |
| MSCI ACWI ex US                          | 27.19%   | N/A                    | N/A                   | 19.82%           |

\*Performance inception date is July 18, 2016

About Your Fund's Expenses (Unaudited) December 31, 2017

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 July 1, 2017 to December 31, 2017.

#### 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.

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.

Edgar Filing: SCM Trust - Form N-CSR

About Your Fund's Expenses (Unaudited) (Continued) December 31, 2017

|   | Beginning<br>Account Value<br>July 1, 2017<br>(in U.S. Dollars) | Ending<br>Account Value<br>December 31,<br>2017<br>(in U.S. Dollars) | Expenses Paid<br>During Period*<br>(in U.S. Dollars) | Net Annual<br>Expense<br>Ratio |
|---|---|--|--|--------------------------------|
| <b>Greater China Fund</b>                       |   |  |  |                                |
| <b>Direct Shares</b>                            |   |  |  |                                |
| Based on Actual Fund Return                     | \$ 1,000  | \$ 1,129   | \$ 10.63   | 1.98%                          |
| Based on Hypothetical 5% Return before expenses | \$ 1,000  | \$ 1,015   | \$ 10.06   | 1.98%                          |
| <b>BDC Income Fund</b>                          |   |  |  |                                |
| <b>Institutional Shares</b>                     |   |  |  |                                |
| Based on Actual Fund Return                     | \$ 1,000  | \$ 984   | \$ 51.96   | 10.39%                         |
| Based on Hypothetical 5% Return before expenses | \$ 1,000  | \$ 973   | \$ 51.67   | 10.39%                         |
| <b>Investor Shares</b>                          |   |  |  |                                |
| Based on Actual Fund Return                     | \$ 1,000  | \$ 984   | \$ 53.21   | 10.64%                         |
| Based on Hypothetical 5% Return before expenses | \$ 1,000  | \$ 971   | \$ 52.86   | 10.64%                         |
| <b>Real Estate Income Fund</b>                  |   |  |  |                                |
| <b>Institutional Shares</b>                     |   |  |  |                                |
| Based on Actual Fund Return                     | \$ 1,000  | \$ 1,021   | \$ 5.96  | 1.17%                          |
| Based on Hypothetical 5% Return before expenses | \$ 1,000  | \$ 1,019   | \$ 5.95  | 1.17%                          |
| <b>Investor Shares</b>                          |   |  |  |                                |
| Based on Actual Fund Return                     | \$ 1,000  | \$ 1,019   | \$ 7.23  | 1.42%                          |
| Based on Hypothetical 5% Return before expenses | \$ 1,000  | \$ 1,018   | \$ 7.22  | 1.42%                          |
| <b>Tactical Credit Fund</b>                     |   |  |  |                                |
| <b>Institutional Shares</b>                     |   |  |  |                                |
| Based on Actual Fund Return                     | \$ 1,000  | \$ 1,018   | \$ 7.32  | 1.44%                          |
| Based on Hypothetical 5% Return before expenses | \$ 1,000  | \$ 1,018   | \$ 7.32  | 1.44%                          |
| <b>Investor Shares</b>                          |   |  |  |                                |
| Based on Actual Fund Return                     | \$ 1,000  | \$ 1,015   | \$ 8.58  | 1.69%                          |

Edgar Filing: SCM Trust - Form N-CSR

|   |          |          |         |       |
|---|----------|----------|---------|-------|
| Based on Hypothetical 5% Return before expenses | \$ 1,000 | \$ 1,016 | \$ 8.59 | 1.69% |
| International Select Equity Fund                |          |          |         |       |
| Institutional Shares                            |          |          |         |       |
| Based on Actual Fund Return                     | \$ 1,000 | \$ 1,160 | \$ 5.39 | 0.99% |
| Based on Hypothetical 5% Return before expenses | \$ 1,000 | \$ 1,020 | \$ 5.04 | 0.99% |
| Investor Shares                                 |          |          |         |       |
| Based on Actual Fund Return                     | \$ 1,000 | \$ 1,159 | \$ 6.75 | 1.24% |
| Based on Hypothetical 5% Return before expenses | \$ 1,000 | \$ 1,019 | \$ 6.31 | 1.24% |

---

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

Edgar Filing: SCM Trust - Form N-CSR

Top Holdings and Sector Breakdowns (Unaudited) December 31, 2017

Shelton Greater China

| Security                                | Market Value<br>(in U.S. Dollars) | Percentage of Total Investment |
|---|-----------------------------------|--------------------------------|
| 1 Tencent Holdings Ltd                  | \$ 1,127,013                      | 12.87%                         |
| 2 Taiwan Semiconductor Manufacturing    | 526,612                           | 6.01%                          |
| 3 AIA Group Ltd                         | 465,518                           | 5.31%                          |
| 4 Alibaba Group Holding Ltd             | 431,075                           | 4.92%                          |
| 5 Industrial & Commercial Bank of China | 362,886                           | 4.14%                          |
| 6 BOC Hong Kong Holdings Ltd            | 354,598                           | 4.05%                          |
| 7 China Construction Bank Corp          | 345,388                           | 3.94%                          |
| 8 Ping An Insurance Group Corp          | 312,192                           | 3.56%                          |
| 9 HSBC Holdings PLC                     | 310,910                           | 3.55%                          |
| 10 China State Construction             | 283,391                           | 3.24%                          |

Shelton BDC Income Fund

| Security                            | Market Value<br>(in U.S. Dollars) | Percentage of Total Investment |
|-------------------------------------|-----------------------------------|--------------------------------|
| 1 Ares Capital Corp                 | \$ 2,015,949                      | 14.77%                         |
| 2 Hercules Capital Inc.             | 1,577,024                         | 11.55%                         |
| 3 Solar Capital Ltd                 | 1,438,325                         | 10.54%                         |
| 4 Goldman Sachs BDC Inc             | 1,237,644                         | 9.07%                          |
| 5 TPG Specialty Lending Inc         | 1,154,340                         | 8.46%                          |
| 6 TCP Capital Corp                  | 955,000                           | 7.00%                          |
| 7 Pennantpark Floating Rate Capital | 946,680                           | 6.93%                          |
| 8 Apollo Investment Corp            | 673,540                           | 4.93%                          |
| 9 Triplepoint Venture Growth BDC    | 605,351                           | 4.43%                          |
| 10Saratoga Investment Corp          | 569,425                           | 4.17%                          |

Shelton Real Estate Income Fund

| Security                                  | Market Value<br>(in U.S. Dollars) | Percentage of Total Investment |
|---|-----------------------------------|--------------------------------|
| 1 GGP Inc 6.375%                          | \$ 681,480                        | 7.02%                          |
| 2 CBL & Associates Properties Inc. 6.625% | 618,591                           | 6.37%                          |
| 3 DDR Corp 6.25%                          | 571,158                           | 5.88%                          |
| 4 Duke Realty Corp                        | 499,304                           | 5.14%                          |
| 5 Blackstone Mortgage Trust Inc           | 466,256                           | 4.80%                          |
| 6 Starwood Property Trust Inc             | 439,938                           | 4.53%                          |
| 7 Apollo Commercial Real Estate           | 436,564                           | 4.50%                          |
| 8 AvalonBay Communities Inc               | 389,469                           | 4.01%                          |
| 9 Cyrusone Inc                            | 255,979                           | 2.64%                          |
| 10Sabra Health Care REIT Inc              | 255,469                           | 2.63%                          |



Top Holdings and Sector Breakdowns (Unaudited) (Continued) December 31, 2017

## Shelton Tactical Credit Fund

| Security                             | Market Value<br>(in U.S. Dollars) | Percentage of Total Investment |
|--------------------------------------|-----------------------------------|--------------------------------|
| 1 Golden Nugget Inc.                 | \$ 2,100,000                      | 8.39%                          |
| 2 Rackspace Hostin                   | 1,601,250                         | 6.40%                          |
| 3 Icahn Enterprises Finance Corp     | 1,284,375                         | 5.13%                          |
| 4 Altice Luxembourg SA               | 1,196,875                         | 4.78%                          |
| 5 Kinetic Concepts Inc               | 1,122,500                         | 4.49%                          |
| 6 Transocean Inc                     | 1,108,281                         | 4.43%                          |
| 7 Bcd Acquisition Inc                | 1,100,000                         | 4.40%                          |
| 8 Scientific Games International Inc | 1,097,500                         | 4.39%                          |
| 9 Blueline Rental Corp               | 1,067,500                         | 4.27%                          |
| 10 First Data Corp                   | 1,057,500                         | 4.23%                          |

## Shelton International Select Equity Fund

| Security                  | Market Value<br>(in U.S. Dollars) | Percentage of Total Investment |
|---------------------------|-----------------------------------|--------------------------------|
| 1 AIA Group Ltd           | \$ 1,601,176                      | 3.51%                          |
| 2 ITOCHU Corp             | 1,523,345                         | 3.33%                          |
| 3 AMBU A/S                | 1,506,483                         | 3.30%                          |
| 4 KBC Group NV            | 1,489,610                         | 3.26%                          |
| 5 Bangkok Bank PCL        | 1,488,447                         | 3.26%                          |
| 6 Komatsu Ltd             | 1,448,025                         | 3.17%                          |
| 7 Tencent Holdings Ltd    | 1,381,500                         | 3.02%                          |
| 8 BNP Paribas SA          | 1,360,447                         | 2.98%                          |
| 9 L'Oreal SA              | 1,354,738                         | 2.97%                          |
| 10 DBS Group Holdings Ltd | 1,332,313                         | 2.92%                          |

Edgar Filing: SCM Trust - Form N-CSR

Shelton Greater China Fund  
Portfolio of Investments  
December 31, 2017

| Security Description                      | Shares  | Value      |
|---|---------|------------|
| <b>Common Stock (98.58%)</b>              |         |            |
| Basic Materials (4.40%)                   |         |            |
| Kingboard Chemical Holdings Ltd           | 29,000  | \$ 156,736 |
| Nine Dragons Paper Holdings Ltd           | 80,000  | 128,126    |
| Sinopec Shanghai Petrochemical            | 186,000 | 105,881    |
| Total Basic Materials                     |         | 390,743    |
| <b>Communications (22.38%)</b>            |         |            |
| Alibaba Group Holding Ltd*                | 2,500   | 431,075    |
| China Mobile Ltd                          | 20,900  | 211,879    |
| Chunghwa Telecom Co Ltd                   | 36,000  | 128,232    |
| Tencent Holdings Ltd                      | 21,700  | 1,127,013  |
| YY Inc*                                   | 800     | 90,448     |
| Total Communications                      |         | 1,988,647  |
| <b>Consumer, Cyclical (6.74%)</b>         |         |            |
| ANTA Sports Products Ltd                  | 27,000  | 122,440    |
| Galaxy Entertainment Group Ltd            | 18,000  | 144,372    |
| Great Wall Motor Co Ltd                   | 111,000 | 127,084    |
| Haier Electronics Group Co Ltd            | 75,000  | 205,314    |
| Total Consumer, Cyclical                  |         | 599,210    |
| Consumer, Non-Cyclical (3.56%)            |         |            |
| China Mengniu Dairy Co Ltd                | 32,000  | 95,174     |
| New Oriental Education & Technology Group | 1,000   | 94,000     |
| Uni-President Enterprises Corp            | 57,374  | 127,247    |
| Total Consumer, Non-Cyclical              |         | 316,421    |
| Diversified (1.84%)                       |         |            |
| CK Hutchison Holdings Ltd                 | 13,000  | 163,138    |
| Total Diversified                         |         | 163,138    |
| <b>Energy (4.20%)</b>                     |         |            |
| China Everbright International            | 32,000  | 45,683     |
| China Longyuan Power Group Corp           | 152,000 | 108,109    |
| CNOOC Ltd                                 | 56,000  | 80,376     |
| PetroChina Co Ltd                         | 200,000 | 139,434    |
| Total Energy                              |         | 373,602    |

**Financial (41.79%)***Banks (20.30%)*

|                                       |         |           |
|---------------------------------------|---------|-----------|
| Bank of China Ltd                     | 431,000 | 211,715   |
| BOC Hong Kong Holdings Ltd            | 70,000  | 354,598   |
| China CITIC Bank Corp Ltd             | 135,000 | 84,620    |
| China Construction Bank Corp          | 375,000 | 345,388   |
| Chongqing Rural Commercial Ban        | 191,000 | 134,870   |
| HSBC Holdings PLC                     | 30,400  | 310,910   |
| Industrial & Commercial Bank of China | 451,000 | 362,886   |
|                                       |         | 1,804,987 |

*Diversified Financial Services (3.31%)*

|                                |        |         |
|--------------------------------|--------|---------|
| China Everbright Ltd           | 20,000 | 44,721  |
| Fubon Financial Holding Co Ltd | 54,713 | 93,215  |
| Hong Kong Exchanges & Clearing | 5,100  | 156,445 |
|                                |        | 294,381 |

**Financial (41.79%) (Continued)***Insurance (12.19%)*

|   |        |           |
|---|--------|-----------|
| AIA Group Ltd                           | 54,600 | 465,518   |
| China Taiping Insurance Holdings        | 55,764 | 209,009   |
| Fosun International Ltd                 | 43,368 | 96,086    |
| Ping An Insurance Group Co of China Ltd | 30,000 | 312,192   |
|   |        | 1,082,805 |

*Real Estate (5.99%)*

|                             |        |         |
|-----------------------------|--------|---------|
| CK Asset Holdings Ltd       | 13,000 | 113,581 |
| Hysan Development Co Ltd    | 31,000 | 164,373 |
| Sun Hung Kai Properties Ltd | 15,166 | 252,983 |
|                             |        | 530,937 |

|                 |  |           |
|-----------------|--|-----------|
| Total Financial |  | 3,713,110 |
|-----------------|--|-----------|

**Industrial (6.23%)**

|  |         |         |
|--|---------|---------|
| China Communications Services          | 202,000 | 135,402 |
| China State Construction International | 202,500 | 283,391 |
| Largan Precision Co Ltd                | 1,000   | 135,087 |

|                  |  |         |
|------------------|--|---------|
| Total Industrial |  | 553,880 |
|------------------|--|---------|

*Technology (5.93%)*

|                                    |        |         |
|------------------------------------|--------|---------|
| Taiwan Semiconductor Manufacturing | 68,284 | 526,612 |
|------------------------------------|--------|---------|

|                  |  |         |
|------------------|--|---------|
| Total Technology |  | 526,612 |
|------------------|--|---------|

*Utilities (1.51%)*

|                                |        |         |
|--------------------------------|--------|---------|
| China Resources Power Holdings | 72,000 | 134,104 |
|--------------------------------|--------|---------|

|                 |  |         |
|-----------------|--|---------|
| Total Utilities |  | 134,104 |
|-----------------|--|---------|

Edgar Filing: SCM Trust - Form N-CSR

|   |             |
|---|-------------|
| Total Common Stock (Cost \$6,033,535)                               | 8,759,467   |
| <b>Total Investments (Cost \$6,033,535) <sup>(a)</sup> (98.58%)</b> | \$8,759,467 |
| <b>Other Net Assets (1.42%)</b>                                     | 125,869     |
| Net Assets (100.00%)  | \$8,885,336 |

\*Non-income producing security.

(a) Aggregate cost for federal income tax purpose is \$6,386,713

At December 31, 2017, unrealized appreciation (depreciation) of securities for federal income tax purposes is as follows:

|                             |             |
|-----------------------------|-------------|
| Unrealized appreciation     | \$2,477,338 |
| Unrealized depreciation     | (104,584 )  |
| Net unrealized appreciation | \$2,372,754 |

See accompanying notes to financial statements.

Edgar Filing: SCM Trust - Form N-CSR

Shelton BDC Income Fund  
 Portfolio of Investments  
 December 31, 2017

| Security Description                          | Shares  | Value      |
|---|---------|------------|
| Rights (0.36%)                                |         |            |
| <b>Financial (0.36%)</b>                      |         |            |
| Diversified Financial Services (0.36%)        |         |            |
| NewStar Financial Inc CVR <sup>(b)</sup>      | 100,410 | \$ 54,221  |
| Total Rights (Cost \$54,221)                  |         | 54,221     |
| Common Stock (82.84%)                         |         |            |
| Financial (82.84%)                            |         |            |
| Investment Company (72.39%)                   |         |            |
| Apollo Investment Corp                        | 119,000 | 673,540    |
| Ares Capital Corp                             | 128,241 | 2,015,949  |
| BlackRock Capital Investment Corp             | 60,000  | 373,800    |
| Goldman Sachs BDC Inc                         | 55,800  | 1,237,644  |
| Harvest Capital Credit Corp                   | 35,910  | 393,574    |
| New Mountain Finance Corp                     | 26,800  | 363,140    |
| Oaktree Strategic Income Corp                 | 66,263  | 556,609    |
| PennantPark Floating Rate Capital             | 69,000  | 946,680    |
| PennantPark Investment Corp                   | 31,000  | 214,210    |
| Solar Capital Ltd                             | 71,169  | 1,438,324  |
| TCP Capital Corp                              | 62,500  | 955,000    |
| TPG Specialty Lending Inc                     | 58,300  | 1,154,340  |
| TriplePoint Venture Growth BDC                | 47,703  | 605,351    |
|   |         | 10,928,161 |
| Financial (83.20%) (Continued)                |         |            |
| Private Equity (10.45%)                       |         |            |
| Hercules Capital Inc                          | 120,200 | 1,577,024  |
|   |         | 1,577,024  |
| Total Financial                               |         | 12,505,185 |
| <b>Total Common Stock (Cost \$12,966,840)</b> |         | 12,505,185 |
| Preferred Stock (3.77%)                       |         |            |
| Financial (3.77%)                             |         |            |
| Saratoga Investment Corp*                     | 22,011  | 569,425    |
| Total Financial                               |         | 569,425    |
| Total Preferred Stock (Cost \$550,275)        |         | 569,425    |

Edgar Filing: SCM Trust - Form N-CSR

| Security Description  | Par Value | Rate  | Maturity | Value                |
|---|-----------|-------|----------|----------------------|
| Convertible Bonds (3.46%)<br>TPG Specialty Lending Inc        | \$500,000 | 4.50% | 8/1/2022 | \$522,188<br>522,188 |
| Total Convertible Bonds (Cost \$500,000)                      |           |       |          | 522,188              |
| Total Investments (Cost \$14,071,336) <sup>(a)</sup> (90.43%) |           |       |          | \$13,651,019         |
| Other Net Assets (9.57%)                                      |           |       |          | 1,444,641            |
| Net Assets (100.00%)  |           |       |          | \$15,095,660         |

(a) Aggregate cost for federal income tax purpose is \$14,115,112

(b) Level 3 security fair valued under procedures established by the Board of Trustees, represents 0.36% of net assets.  
The total value of the fair value security is \$54,221.

\*Non-income producing security.

At December 31, 2017, unrealized appreciation (depreciation) of securities for federal income tax purposes is as follows:

|                             |             |
|-----------------------------|-------------|
| Unrealized appreciation     | \$79,712    |
| Unrealized depreciation     | (543,806)   |
| Net unrealized depreciation | \$(464,093) |

See accompanying notes to financial statements.

Edgar Filing: SCM Trust - Form N-CSR

Shelton Real Estate Income Fund  
 Portfolio of Investments  
 December 31, 2017

| Security Description              | Shares | Value     |
|-----------------------------------|--------|-----------|
| Common Stock (68.83%)             |        |           |
| Financial (68.83%)                |        |           |
| REITS-Diversified (2.08%)         |        |           |
| Lexington Realty Trust            | 6,500  | \$62,725  |
| Liberty Property Trust            | 3,400  | 146,234   |
|                                   |        | 208,959   |
| REITS-Health Care (2.90%)         |        |           |
| Healthcare Trust of America Inc   | 6,706  | 201,448   |
| Physicians Realty Trust           | 5,000  | 89,950    |
|                                   |        | 291,398   |
| REIT-Industrial (8.98%)           |        |           |
| DCT Industrial Trust Inc          | 940    | 55,253    |
| Duke Realty Corp                  | 18,350 | 499,304   |
| First Industrial Realty Trust     | 200    | 6,294     |
| Prologis Inc                      | 3,900  | 251,588   |
| Rexford Industrial Realty Inc     | 3,070  | 89,521    |
|                                   |        | 901,960   |
| REIT-Mortgage (13.36%)            |        |           |
| Apollo Commercial Real Estate     | 23,662 | 436,564   |
| Blackstone Mortgage Trust Inc     | 14,489 | 466,256   |
| Starwood Property Trust Inc       | 20,606 | 439,938   |
|                                   |        | 1,342,758 |
| REIT-Office (6.24%)               |        |           |
| Boston Properties Inc             | 893    | 116,117   |
| Douglas Emmett Inc                | 2,400  | 98,544    |
| Hudson Pacific Properties Inc     | 3,000  | 102,750   |
| Kilroy Realty Corp                | 1,970  | 147,061   |
| Mack-Cali Realty Corp             | 3,600  | 77,616    |
| SL Green Realty Corp              | 840    | 84,781    |
|                                   |        | 626,869   |
| REIT-Residential (9.91%)          |        |           |
| American Homes 4 Rent             | 2,400  | 52,416    |
| Apartment Investment & Management | 2,375  | 103,811   |
| AvalonBay Communities Inc         | 2,183  | 389,468   |
| Equity Residential                | 2,340  | 149,222   |
| Essex Property Trust Inc          | 400    | 96,548    |
| Sun Communities Inc               | 2,200  | 204,116   |
|                                   |        | 995,581   |

Edgar Filing: SCM Trust - Form N-CSR

|  |        |                  |
|--|--------|------------------|
| REIT-Retail (7.90%)                          |        |                  |
| Brixmor Property Group Inc                   | 12,500 | 233,250          |
| DDR Corp                                     | 6,108  | 54,728           |
| GGP Inc                                      | 7,840  | 183,378          |
| Retail Properties of America Inc             | 9,000  | 120,960          |
| Simon Property Group Inc                     | 1,175  | 201,795          |
|  |        | 794,111          |
| Financial (68.83%) (Continued)               |        |                  |
| REIT-Specialized (17.46%)                    |        |                  |
| American Tower Corp                          | 1,400  | 199,738          |
| Crown Castle International Corp              | 1,800  | 199,818          |
| CubeSmart                                    | 8,600  | 248,712          |
| CyrusOne Inc                                 | 4,300  | 255,979          |
| Digital Realty Trust Inc                     | 1,875  | 213,563          |
| EPR Properties                               | 2,246  | 147,023          |
| Equinix Inc                                  | 200    | 90,644           |
| QTS Realty Trust Inc                         | 3,000  | 162,480          |
| Weyerhaeuser Co                              | 6,700  | 236,242          |
|  |        | 1,754,199        |
| Total Financial                              |        | 6,915,835        |
| <b>Total Common Stock (Cost \$6,622,960)</b> |        | <b>6,915,835</b> |
| Preferred Stock (25.22%)                     |        |                  |
| Financial (25.22%)                           |        |                  |
| REITS-Diversified (0.14%)                    |        |                  |
| PS Business Parks Inc 5.75%                  | 567    | 14,317           |
|  |        | 14,317           |
| REIT-Industrial (1.08%)                      |        |                  |
| STAG Industrial Inc 6.625%                   | 4,280  | 108,070          |
|  |        | 108,070          |
| REIT-Mortgage (1.97%)                        |        |                  |
| ARMOUR Residential REIT Inc 7.875%           | 7,900  | 197,658          |
|  |        | 197,658          |
| REIT-Retail (21.83%)                         |        |                  |
| CBL & Associates Properties Inc 6.625%       | 28,054 | 618,591          |
| Cedar Realty Trust Inc 7.25%                 | 7,483  | 189,021          |
| DDR Corp 6.25%                               | 22,250 | 571,157          |
| GGP Inc 6.375%                               | 27,000 | 681,480          |
| Kimco Realty Corp 6%                         | 5,306  | 133,658          |
|  |        | 2,193,907        |
| REIT-Specialized (0.20%)                     |        |                  |
| Digital Realty Trust Inc 5.875%              | 800    | 20,392           |
|  |        | 20,392           |

|  |           |
|--|-----------|
| Total Financial                          | 2,534,344 |
| Total Preferred Stock (Cost \$2,334,041) | 2,534,344 |

See accompanying notes to financial statements.

Edgar Filing: SCM Trust - Form N-CSR

Shelton Real Estate Income Fund  
Portfolio of Investments  
December 31, 2017 (Continued)

| Security Description   | Par Value | Rate  | Maturity | Value        |
|--|-----------|-------|----------|--------------|
| Bonds & Notes (2.55%)  |           |       |          |              |
| Sabra Health Care REIT Inc                                   | \$250,000 | 5.50% | 2/1/2021 | \$255,469    |
| Total Bonds & Notes (Cost \$249,347)                         |           |       |          | 255,469      |
| Total Investments (Cost \$9,206,348) <sup>(a)</sup> (96.60%) |           |       |          | \$9,705,648  |
| Other Net Assets (3.40%)                                     |           |       |          | 341,479      |
| Net Assets (100.00%)   |           |       |          | \$10,047,127 |

(a) Aggregate cost for federal income tax purpose is \$9,211,851

At December 31, 2017, unrealized appreciation (depreciation) of securities for federal income tax purposes is as follows:

|                             |           |
|-----------------------------|-----------|
| Unrealized appreciation     | \$741,665 |
| Unrealized depreciation     | (247,868) |
| Net unrealized appreciation | \$493,797 |

Shelton Tactical Credit Income Fund  
Portfolio of Investments  
December 31, 2017

| Security Description           | Shares | Value    |
|--------------------------------|--------|----------|
| Common Stock (5.09%)           |        |          |
| Communications (0.81%)         |        |          |
| Amazon.com Inc*                | 85     | \$99,405 |
| Cisco Systems Inc              | 2,900  | 111,070  |
| Total Communications           |        | 210,475  |
| Consumer, Cyclical (0.85%)     |        |          |
| Costco Wholesale Corp          | 615    | 114,464  |
| McDonald's Corp                | 610    | 104,993  |
| Total Consumer, Cyclical       |        | 219,457  |
| Consumer, Non-Cyclical (0.79%) |        |          |
| Mondelez International Inc     | 2,425  | 103,790  |
| United Rentals Inc*            | 575    | 98,848   |
| Total Consumer, Non-Cyclical   |        | 202,638  |
| Financial (1.02%)              |        |          |

Edgar Filing: SCM Trust - Form N-CSR

|                                       |       |           |
|---------------------------------------|-------|-----------|
| JPMorgan Chase & Co                   | 1,480 | 158,271   |
| Mastercard Inc                        | 685   | 103,682   |
| Total Financial                       |       | 261,953   |
| Industrial (1.25%)                    |       |           |
| Advanced Disposal Services Inc*       | 4,425 | 105,935   |
| Boeing Co/The                         | 385   | 113,540   |
| Fluor Corp                            | 1,950 | 100,718   |
| Total Industrial                      |       | 320,193   |
| Technology (0.37%)                    |       |           |
| Oracle Corp                           | 1,990 | 94,087    |
| Total Technology                      |       | 94,087    |
| Total Common Stock (Cost \$1,254,133) |       | 1,308,803 |

See accompanying notes to financial statements.

Edgar Filing: SCM Trust - Form N-CSR

Shelton Tactical Credit Income Fund  
 Portfolio of Investments  
 December 31, 2017 (Continued)

| Security Description               | Par Value   | Rate   | Maturity    | Value       |
|------------------------------------|-------------|--------|-------------|-------------|
| Corporate Debt (92.28%)            |             |        |             |             |
| Communications (11.61%)            |             |        |             |             |
| Altice Luxembourg SA               | \$1,250,000 | 7.625  | %02/15/2025 | \$1,196,875 |
| Frontier Communications Corp       | 1,000,000   | 11.000 | %09/15/2025 | 735,000     |
| Intelsat Jackson Holdings SA       | 1,000,000   | 8.000  | %02/15/2024 | 1,052,500   |
| Total Communications               |             |        |             | 2,984,375   |
| Consumer, Cyclical (24.28%)        |             |        |             |             |
| BCD Acquisition Inc                | 1,000,000   | 9.625  | %09/15/2023 | 1,100,000   |
| Golden Nugget Inc                  | 2,000,000   | 8.750  | %10/01/2025 | 2,100,000   |
| Navistar International Corp        | 1,000,000   | 6.625  | %11/01/2025 | 1,043,380   |
| Rite Aid Corp                      | 1,000,000   | 6.125  | %04/01/2023 | 902,500     |
| Scientific Games International Inc | 1,000,000   | 10.000 | %12/01/2022 | 1,097,500   |
| Total Consumer, Cyclical           |             |        |             | 6,243,380   |
| Consumer, Non-Cyclical (15.77%)    |             |        |             |             |
| Avantor Inc                        | 1,000,000   | 9.000  | %10/01/2025 | 985,000     |
| Herc Rentals Inc                   | 919,000     | 7.500  | %06/01/2022 | 990,223     |
| Kinetic Concepts Inc               | 1,000,000   | 12.500 | %11/01/2021 | 1,122,499   |
| Post Holdings Inc                  | 950,000     | 5.625  | %01/15/2028 | 955,035     |
| Total Consumer, Non-Cyclical       |             |        |             | 4,052,757   |
| Energy (9.37%)                     |             |        |             |             |
| McDermott International Inc        | 1,015,000   | 8.000  | %05/01/2021 | 1,043,268   |
| Transocean Inc                     | 250,000     | 7.500  | %01/15/2026 | 256,013     |
| Transocean Inc                     | 1,025,000   | 9.000  | %07/15/2023 | 1,108,281   |
| Total Energy                       |             |        |             | 2,407,562   |
| Financial (9.02%)                  |             |        |             |             |
| Icahn Enterprises Finance Corp     | 1,250,000   | 6.750  | %02/01/2024 | 1,284,375   |
| JFIN Co-Issuer Corp                | 1,000,000   | 7.500  | %04/15/2021 | 1,035,000   |
| Total Financial                    |             |        |             | 2,319,375   |
| Industrial (8.04%)                 |             |        |             |             |
| BlueLine Rental Finance Corp       | 1,000,000   | 9.250  | %03/15/2024 | 1,067,500   |
| FXI Holdings Inc                   | 1,000,000   | 7.875  | %11/01/2024 | 997,800     |
| Total Industrial                   |             |        |             | 2,065,300   |

See accompanying notes to financial statements.

21

---

Edgar Filing: SCM Trust - Form N-CSR

Shelton Tactical Credit Income Fund  
Portfolio of Investments  
December 31, 2017 (Continued)

| Security Description   | Par Value   | Rate   | Maturity   | Value        |
|--|-------------|--------|------------|--------------|
| Technology (14.19%)  |             |        |            |              |
| First Data Corp  | \$1,000,000 | 7.000% | 12/01/2023 | \$1,057,500  |
| Rackspace Hosting Inc  | 1,500,000   | 8.625% | 11/15/2024 | 1,601,250    |
| West Corp  | 1,000,000   | 8.500% | 10/15/2025 | 987,500      |
| Total Technology   |             |        |            | 3,646,250    |
| Total Corporate Debt (Cost \$23,005,044)                             |             |        |            | 23,718,999   |
| <b>Total Investments (Cost \$24,259,177) <sup>(a)</sup> (97.37%)</b> |             |        |            | \$25,027,802 |
| Other Net Assets (2.63%)   |             |        |            | 674,917      |
| Net Assets (100.00%)   |             |        |            | \$25,702,719 |

\*Non-income producing security.

(a) Aggregate cost for federal income tax purpose is \$24,721,249

At December 31, 2017, unrealized appreciation (depreciation) of securities for federal income tax purposes is as follows:

|                             |           |
|-----------------------------|-----------|
| Unrealized appreciation     | \$376,497 |
| Unrealized depreciation     | (69,944)  |
| Net unrealized appreciation | \$306,553 |

Shelton International Select Equity Fund  
Portfolio of Investments  
December 31, 2017

| Security Description  | Shares  | Value       |
|-----------------------|---------|-------------|
| Common Stock (98.01%) |         |             |
| Belgium (3.20%)       |         |             |
| KBC Group NV          | 17,445  | \$1,489,610 |
| Total Belgium         |         | 1,489,610   |
| Brazil (2.72%)        |         |             |
| Banco Bradesco SA     | 123,775 | 1,267,456   |
| Total Brazil          |         | 1,267,456   |
| Britain (6.95%)       |         |             |
| ASOS PLC*             | 8,890   | 807,543     |
| Intertek Group PLC    | 17,050  | 1,197,042   |
| Unilever NV           | 21,920  | 1,234,534   |

Edgar Filing: SCM Trust - Form N-CSR

|                                  |           |           |
|----------------------------------|-----------|-----------|
| Total Britain                    |           | 3,239,119 |
| China (5.62%)                    |           |           |
| Alibaba Group Holding Ltd*       | 7,175     | 1,237,185 |
| Tencent Holdings Ltd             | 26,600    | 1,381,500 |
| Total China                      |           | 2,618,685 |
| Denmark (3.23%)                  |           |           |
| Ambu A/S                         | 16,800    | 1,506,483 |
| Total Denmark                    |           | 1,506,483 |
| France (13.38%)                  |           |           |
| BNP Paribas SA                   | 18,200    | 1,360,447 |
| L'Oreal SA                       | 6,100     | 1,354,738 |
| Thales SA                        | 11,000    | 1,187,208 |
| TOTAL SA                         | 21,552    | 1,191,629 |
| Valeo SA                         | 15,300    | 1,144,040 |
| Total France                     |           | 6,238,062 |
| Germany (8.83%)                  |           |           |
| Adidas AG                        | 4,600     | 923,284   |
| Beiersdorf AG                    | 9,950     | 1,169,706 |
| Siemens AG                       | 5,925     | 826,378   |
| Wirecard AG                      | 10,700    | 1,195,816 |
| Total Germany                    |           | 4,115,184 |
| Hong Kong (3.44%)                |           |           |
| AIA Group Ltd                    | 187,800   | 1,601,176 |
| Total Hong Kong                  |           | 1,601,176 |
| Indonesia (3.72%)                |           |           |
| Bank Rakyat Indonesia Persero    | 4,300,150 | 1,153,679 |
| Telekomunikasi Indonesia Persero | 18,010    | 580,282   |
| Total Indonesia                  |           | 1,733,961 |
| Ireland (2.65%)                  |           |           |
| CRH PLC                          | 34,295    | 1,233,591 |
| Total Ireland                    |           | 1,233,591 |

See accompanying notes to financial statements.

Edgar Filing: SCM Trust - Form N-CSR

Shelton International Select Equity Fund  
 Portfolio of Investments  
 December 31, 2017 (Continued)

| Security Description               | Shares  | Value       |
|------------------------------------|---------|-------------|
| Japan (19.37%)                     |         |             |
| CyberAgent Inc                     | 27,900  | \$1,089,747 |
| Daikin Industries Ltd              | 8,800   | 1,041,704   |
| ITOCHU Corp                        | 81,600  | 1,523,344   |
| Komatsu Ltd                        | 40,000  | 1,448,025   |
| Mitsubishi UFJ Financial Group     | 100,700 | 738,735     |
| Murata Manufacturing Co Ltd        | 6,800   | 912,703     |
| Start Today Co Ltd                 | 37,050  | 1,126,465   |
| Yaskawa Electric Corp              | 26,000  | 1,145,939   |
| Total Japan                        |         | 9,026,662   |
| Luxembourg (2.75%)                 |         |             |
| ArcelorMittal*                     | 39,428  | 1,283,765   |
| Total Luxembourg                   |         | 1,283,765   |
| Netherlands (2.79%)                |         |             |
| ING Groep NV                       | 70,600  | 1,299,201   |
| Total Netherlands                  |         | 1,299,201   |
| Norway (2.58%)                     |         |             |
| Norsk Hydro ASA                    | 157,800 | 1,202,887   |
| Total Norway                       |         | 1,202,887   |
| Singapore (2.86%)                  |         |             |
| DBS Group Holdings Ltd             | 71,650  | 1,332,313   |
| Total Singapore                    |         | 1,332,313   |
| Switzerland (7.91%)                |         |             |
| Dormakaba Holding AG               | 1,255   | 1,168,715   |
| Givaudan SA                        | 525     | 1,213,238   |
| Nestle SA                          | 15,200  | 1,306,744   |
| Total Switzerland                  |         | 3,688,697   |
| Taiwan (2.82%)                     |         |             |
| Taiwan Semiconductor Manufacturing | 33,200  | 1,316,380   |
| Total Taiwan                       |         | 1,316,380   |
| Thailand (3.19%)                   |         |             |

Edgar Filing: SCM Trust - Form N-CSR

|  |         |              |
|--|---------|--------------|
| Bangkok Bank PCL   | 221,500 | 1,488,447    |
| Total Thailand   |         | 1,488,447    |
| Total Common Stock (Cost \$32,476,003)                               |         | 45,681,679   |
| <b>Total Investments (Cost \$32,475,521) <sup>(a)</sup> (98.01%)</b> |         | \$45,681,679 |
| Other Net Assets (1.99%)   |         | 926,840      |
| Net Assets (100.00%)   |         | \$46,608,519 |

\*Non-income producing security.

(a) Aggregate cost for federal income tax purpose is \$32,485,526

At December 31, 2017, unrealized appreciation (depreciation) of securities for federal income tax purposes is as follows:

|                             |               |
|-----------------------------|---------------|
| Unrealized appreciation     | \$ 13,212,382 |
| Unrealized depreciation     | (16,210 )     |
| Net unrealized appreciation | \$ 13,196,172 |

See accompanying notes to financial statements.

Edgar Filing: SCM Trust - Form N-CSR

Statements of Assets and Liabilities  
December 31, 2017

|   | Shelton<br>Greater<br>China<br>Fund | Shelton<br>BDC<br>Income<br>Fund | Shelton<br>Real Estate<br>Income<br>Fund | Shelton<br>Tactical<br>Credit Fund | Shelton<br>International<br>Select<br>Equity Fund |
|---|-------------------------------------|----------------------------------|--|------------------------------------|---|
| <b>Assets</b>   |                                     |                                  |  |                                    |   |
| Investments in securities                             |                                     |                                  |  |                                    |   |
| Cost of investments                                   | \$6,033,535                         | \$14,071,336                     | \$9,206,348                              | \$24,259,177                       | \$32,475,521                                      |
| Market value of investments (Note 1)                  | 8,759,467                           | 13,651,019                       | 9,705,648                                | 25,027,802                         | 45,681,679  |
| Cash  | 162,092                             | 1,435,943                        | 226,160                                  | 356,343                            | 953,811   |
| Foreign Cash (Cost \$—, \$—, \$—, \$—, \$666)         | —                                   | —                                | —  | —                                  | 685   |
| Dividend and interest receivable                      | 4,366                               | 135,760                          | 85,137                                   | 456,335                            | 38,062  |
| Receivable from investment advisor                    | —                                   | 16,217                           | 29,992                                   | —                                  | —   |
| Receivable for fund shares sold                       | 680                                 | 991                              | 436                                      | 28,912                             | 1,903   |
| Reclaim Receivable                                    | —                                   | —                                | 3,028                                    | —                                  | 226,578   |
| Prepaid expenses                                      | —                                   | 9,130                            | 15,120                                   | 31,301                             | 9,152   |
| <b>Total assets</b>                                   | <b>\$8,926,605</b>                  | <b>\$15,249,060</b>              | <b>\$10,065,521</b>                      | <b>\$25,900,693</b>                | <b>\$46,911,870</b>                               |
| <b>Liabilities</b>                                    |                                     |                                  |  |                                    |   |
| Payables and other liabilities                        |                                     |                                  |  |                                    |   |
| Fund shares redeemed                                  | 10,860                              | 5,099                            | 1,806                                    | 151,575                            | 249,186   |
| Investment advisor                                    | 8,600                               | —                                | —  | 9,494                              | 21,023  |
| Distributions payable                                 | —                                   | 138,522                          | 3,864                                    | 1,504                              | —   |
| 12b-1 fees  | —                                   | 2,123                            | 1,320                                    | 5,570                              | 2,503   |
| Administration fees                                   | 650                                 | 1,135                            | 752                                      | 2,041                              | 3,919   |
| Printing fees   | 4,083                               | 63                               | 1,152                                    | 180                                | 1,284   |
| Audit fees  | 4,232                               | 1,487                            | 2,438                                    | 21,015                             | 16,000  |
| Custody fees  | 6,342                               | 753                              | 2,478                                    | 668                                | 5,032   |
| Fund accounting fees                                  | 980                                 | 696                              | 2,114                                    | 2,650                              | 2,500   |
| Transfer agent fees                                   | 2,704                               | 2,242                            | 958                                      | 163                                | 604   |
| CCO fees  | 128                                 | 606                              | 241                                      | 667                                | 563   |
| Trustee Fees  | 1,771                               | 475                              | 1,141                                    | 695                                | 391   |
| Expenses  | 919                                 | 199                              | 130                                      | 1,752                              | 346   |
| <b>Total liabilities</b>                              | <b>41,269</b>                       | <b>153,400</b>                   | <b>18,394</b>                            | <b>197,974</b>                     | <b>303,351</b>                                    |
| <b>Net assets</b>                                     | <b>\$8,885,336</b>                  | <b>\$15,095,660</b>              | <b>\$10,047,127</b>                      | <b>\$25,702,719</b>                | <b>\$46,608,519</b>                               |
| Net assets at December 31, 2017 consist of            |                                     |                                  |  |                                    |   |
| Paid-in capital                                       | 7,094,302                           | 18,572,979                       | 10,975,513                               | 26,798,803                         | 93,095,839  |
| Undistributed net investment income                   | (109,776 )                          | 61,253                           | (13,036 )                                | 12,572                             | (1,273 )  |
| Accumulated net realized gain (loss)                  | (825,154 )                          | (3,118,255 )                     | (1,414,884 )                             | (1,877,281 )                       | (59,698,081 )                                     |
| Unrealized appreciation (depreciation) of investments | 2,725,964                           | (420,317 )                       | 499,534                                  | 768,625                            | 13,212,034  |
| <b>Total net assets</b>                               | <b>\$8,885,336</b>                  | <b>\$15,095,660</b>              | <b>\$10,047,127</b>                      | <b>\$25,702,719</b>                | <b>\$46,608,519</b>                               |
| Net assets  |                                     |                                  |  |                                    |   |
| Direct Shares   | \$8,885,336                         | \$—                              | \$—                                      | \$—                                | \$—   |

Edgar Filing: SCM Trust - Form N-CSR

|  |         |              |             |                             |                             |
|--|---------|--------------|-------------|-----------------------------|-----------------------------|
| Institutional Shares   | \$—     | \$1,609,844  | \$131,254   | \$17,255,880 <sup>(b)</sup> | \$42,823,887 <sup>(a)</sup> |
| Investor Shares  | \$—     | \$13,485,816 | \$9,915,873 | \$8,446,839 <sup>(b)</sup>  | \$3,784,633 <sup>(a)</sup>  |
| Shares outstanding   |         |              |             |                             |                             |
| Direct Shares (no par value, unlimited shares authorized)        | 981,828 | —            | —           | —                           | —                           |
| Institutional Shares (no par value, unlimited shares authorized) | —       | 180,431      | 15,198      | 1,665,803 <sup>(b)</sup>    | 2,006,822 <sup>(a)</sup>    |
| Investor Shares (no par value, unlimited shares authorized)      | —       | 1,496,614    | 1,116,638   | 819,015 <sup>(b)</sup>      | 177,722 <sup>(a)</sup>      |
| Net asset value per share  |         |              |             |                             |                             |
| Direct or Institutional Shares                                   | \$9.05  | \$8.92       | \$8.64      | \$10.36 <sup>(b)</sup>      | \$21.34 <sup>(a)</sup>      |
| Investor Shares  | \$—     | \$9.01       | \$8.88      | \$10.31 <sup>(b)</sup>      | \$21.30 <sup>(a)</sup>      |

(a) Effective after the close of business on July 28, 2017, Class I Shares and Class A Shares were renamed Institutional Shares and Investor Shares, respectively.

(b) Effective after the close of business on March 17, 2017, Class I Shares and Class A Shares were renamed to Institutional Shares and Investor Shares, respectively. Class C Shares merged into Investor Shares. See Note 5.

See accompanying notes to financial statements.

**Statements of Operations**  
**For the Year or Period Ended December 31, 2017**

|   | Shelton<br>Greater<br>China<br>Fund<br>For the<br>Year<br>Ended<br>December<br>31,<br>2017 | Shelton<br>BDC<br>Income<br>Fund<br>For the<br>Year Ended<br>December<br>31,<br>2017 | Shelton<br>Real<br>Estate<br>Income<br>Fund<br>For the<br>Year<br>Ended<br>December<br>31,<br>2017 |
|---|--|--|--|
| Investment income   |  |  |  |
| Interest income   | \$—  | \$79,830   | \$13,939   |
| Dividend income (net of foreign tax withheld: \$19,315, \$-, \$3,654, respectively) | 274,870  | 1,055,072  | 579,079  |
| Total   | 274,870  | 1,134,902  | 593,018  |
| Expenses  |  |  |  |
| Management fees (Note 2)  | 104,565  | 140,562  | 97,709   |
| Administration fees (Note 2)  | 7,302  | 13,750   | 10,762   |
| Transfer agent fees   | 5,212  | 24,168   | 38,152   |
| Accounting services   | 9,472  | 20,302   | 11,332   |
| Custodian fees  | 23,604   | 2,030  | 23,900   |
| Legal and audit fees  | 46,217   | 11,768   | 10,208   |
| CCO fees (Note 2)   | 697  | 1,828  | 1,460  |
| Trustees fees   | 5,951  | 5,239  | 4,956  |
| Insurance   | 518  | 3,082  | 2,944  |
| Printing  | 4,083  | 8,226  | 6,111  |
| Registration and dues   | 5,173  | 46,613   | 48,535   |
| 12b-1 fees Investor Shares (Note 2)   | —  | 35,827   | 29,611   |
| Other expenses  | 6,474  | 647  | —  |
| Total expenses  | 219,268  | 314,042  | 285,680  |
| Less reimbursement from manager (Note 2)  | (53,237 )  | (81,015 )  | (113,675 )   |
| Net expenses  | 166,031  | 233,027  | 172,005  |
| Net investment income   | 108,839  | 901,875  | 421,013  |
| Realized and unrealized gain (loss) on investments                                  |  |  |  |
| Net realized gain (loss) from security transactions                                 | 811,633  | 1,082,001  | 86,842   |
| Net change in unrealized appreciation (depreciation) of investments                 | 1,507,773  | (1,501,151)  | (44,486 )  |
| Net realized and unrealized gain (loss) on investments                              | 2,319,406  | (419,150 )   | 42,356   |
| Net increase (decrease) in net assets resulting from operations                     | \$2,428,245  | \$482,725  | \$463,369  |

See accompanying notes to financial statements.

**Statements of Operations**  
**For the Year or Period Ended December 31, 2017 (Continued)**

|  | Shelton Tactical<br>Credit Fund                                   |  | Shelton International<br>Select Equity Fund                           |   |
|--|---|--|---|---|
|  | For the<br>Period<br>May 1,<br>2017 to<br>December<br>31,<br>2017 | <b>For the<br/>Year<br/>Ended<br/>April 30,<br/>2017 (a)</b> | For the<br>Period<br>May 1,<br>2017 to<br>December<br>31,<br>2017 (b) | For the<br>Year<br>Ended<br>April 30,<br>2017 |
| Investment income  |   |  |   |   |
| Interest income  | \$1,341,948   | \$2,440,876  | \$—   | \$—   |
| Dividend income (net of foreign tax withheld: \$-, \$91,078, respectively) | 25,411  | 69,298   | 529,388   | 1,046,084                                     |
| Total  | 1,367,359   | 2,510,174  | 529,388   | 1,046,084                                     |
| Expenses   |   |  |   |   |
| Management fees (Note 2)   | 229,650   | 382,043  | 224,536   | 335,314                                       |
| Administration fees (Note 2)   | 20,736  | 59,917   | 42,363  | 62,021  |
| Transfer agent fees  | 10,665  | 68,568   | 19,450  | 62,226  |
| Accounting services  | 13,805  | 10,714   | 3,879   | 44,521  |
| Custodian fees   | 4,415   | 11,892   | 15,619  | 33,123  |
| Legal and audit fees   | 22,228  | 65,468   | 45,138  | 73,873  |
| CCO fees (Note 2)  | 2,269   | 8,868  | 3,951   | 14,902  |
| Trustees fees  | 3,299   | 11,695   | 3,892   | 8,584   |
| Insurance  | 603   | 4,815  | 3,785   | 22,254  |
| Printing   | 3,587   | 28,206   | 8,989   | 35,187  |
| Registration and dues  | 15,261  | 93,761   | 24,516  | 91,612  |
| 12b-1 fees Investor Shares (Note 2) (Class A Shares)                       | 19,828  | 38,102   | 6,720   | 15,348  |
| 12b-1 fees Class C (Note 2)  | —   | 12,086   | —   | —   |
| Shareholder service fees Class C Shares (Note 2)                           | —   | 4,029  | —   | —   |
| Dividend Expense   | —   | 1,600  | —   | —   |
| Other expenses   | —   | 23,038   | 12,270  | 13,746  |
| Total expenses   | 346,346   | 824,802  | 415,108   | 812,711                                       |
| Less reimbursement from manager (Note 2)                                   | (46,709 )   | (315,415 )   | (105,811 )  | (348,768 )                                    |
| Net expenses   | 299,637   | 509,387  | 309,297   | 463,943                                       |
| Net investment income  | 1,067,722   | 2,000,787  | 220,091   | 582,141                                       |
| Realized and unrealized gain (loss) on investments                         |   |  |   |   |
| Net realized gain (loss) from security transactions                        | 37,752  | 105,714  | 3,419,712   | 1,801,946                                     |
| Net realized gain (loss) from foreign currency transactions                | —   | —  | —   | 14,141  |
| Net realized gain (loss) from written options contracts                    | —   | 119,872  | —   | —   |
| Net realized (loss) from short sale transactions                           | —   | (4,002 )   | —   | —   |
| Total net realized gain (loss)   | 37,752  | 221,584  | 3,419,712   | 1,816,087                                     |
| Net change in unrealized appreciation (depreciation) of investments        | (637,943 )  | 364,538  | 4,873,836   | 3,540,364                                     |
| Net change in unrealized appreciation/depreciation of written options      | —   | (15,735 )  | —   | —   |

Edgar Filing: SCM Trust - Form N-CSR

|   |            |             |             |             |
|---|------------|-------------|-------------|-------------|
| Net change in unrealized appreciation/depreciation of foreign currency transactions | —          | —           | —           | (40,594 )   |
| Total net change in unrealized appreciation (depreciation) of investments           | (637,943 ) | 348,803     | 4,873,836   | 3,499,770   |
| Net realized and unrealized gain (loss) on investments                              | (600,191 ) | 570,387     | 8,293,548   | 5,315,857   |
| Net increase (decrease) in net assets resulting from operations                     | \$467,531  | \$2,571,174 | \$8,513,639 | \$5,897,998 |

- 
- (a) Effective after the close of business on March 17, 2017, Class I Shares and Class A Shares were renamed to Institutional Shares and Investor Shares, respectively. See Note 5.
- (b) Effective after the close of business on July 28, 2017, Class I Shares and Class A Shares were renamed to Institutional Shares and Investor Shares, respectively.

See accompanying notes to financial statements.

Edgar Filing: SCM Trust - Form N-CSR

Statements of Changes in Net Assets

|   | Shelton Greater<br>China Fund            |  |
|---|--|--|
|   | Year<br>Ended<br>December<br>31,<br>2017 | Year<br>Ended<br>December<br>31,<br>2016 |
| Operations  |  |  |
| Net investment income (loss)  | \$108,839                                | \$106,370                                |
| Net realized gain (loss) on investments and foreign currency transactions   | 811,633                                  | 143,360                                  |
| Change in unrealized appreciation (depreciation) of investments             | 1,507,773                                | (133,934 )                               |
| Net increase (decrease) in net assets resulting from operations             | 2,428,245                                | 115,796                                  |
| Distributions to shareholders   |  |  |
| Distributions from net investment income                                    |  |  |
| Direct shares   | (187,315 )                               | (169,576 )                               |
| Total Distributions   | (187,315 )                               | (169,576 )                               |
| Capital share transactions  |  |  |
| Increase (decrease) in net assets resulting from capital share transactions | (555,928 )                               | (471,651 )                               |
| Total increase (decrease)   | 1,685,002                                | (525,431 )                               |
| Net assets  |  |  |
| Beginning of year   | 7,200,334                                | 7,725,765                                |
| End of year   | 8,885,336                                | \$7,200,334                              |
| Including undistributed net investment income (loss) of:                    | \$(109,776 )                             | \$(26,038 )                              |

See accompanying notes to financial statements.

Edgar Filing: SCM Trust - Form N-CSR

Statements of Changes in Net Assets  
(Continued)

|   | Shelton BDC<br>Income Fund            |   |   |
|---|---------------------------------------|---|---|
|   | Year Ended<br>December<br>31,<br>2017 | Period<br>Ended<br>December<br>31,<br><b>2016</b> <sup>(a)(c)</sup> | <b>Year Ended<br/>March 31,<br/>2016</b> <sup>(b)</sup> |
| <b>Operations</b>   |                                       |   |   |
| Net investment income (loss)  | \$901,875                             | \$766,404   | \$1,875,209   |
| Net realized gain (loss) on investments and foreign currency transactions   | 1,082,001                             | 67,313  | (4,163,727 )  |
| Change in unrealized appreciation (depreciation) of investments             | (1,501,151 )                          | 1,378,067   | (195,811 )  |
| Net increase (decrease) in net assets resulting from operations             | 482,725                               | 2,211,784   | (2,484,329 )  |
| <b>Distributions to shareholders</b>  |                                       |   |   |
| Distributions from net investment income                                    |                                       |   |   |
| Institutional Shares (Advisor Class I Shares)                               | (81,809 )                             | (20,631 )   | (364,165 )  |
| Investor Shares (Class A Shares)  | (823,864 )                            | (598,974 )  | (1,157,495 )  |
| Class C Shares  | —                                     | (147,362 )  | (374,180 )  |
| Total Distributions   | (905,673 )                            | (766,967 )  | (1,895,840 )  |
| <b>Capital share transactions</b>   |                                       |   |   |
| Increase (decrease) in net assets resulting from capital share transactions | 1,484,333                             | (5,611,368 )  | 8,534,566   |
| Total increase (decrease)   | 1,061,385                             | (4,166,551 )  | 4,154,397   |
| <b>Net assets</b>   |                                       |   |   |
| Beginning of period   | 14,034,275                            | 18,200,826  | 14,046,429  |
| End of period   | \$ 15,095,660                         | \$ 14,034,275   | \$ 18,200,826   |
| Including undistributed net investment income (loss) of:                    | \$61,253                              | \$863   | \$—   |

(a) For the nine-month period ending December 31, 2016.

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

(c) Effective after the close of business on November 4, 2016, Advisor Class Shares and Class A Shares were renamed to Institutional Shares and Investor Shares, respectively. Class C Shares merged into Investor Shares. See Note 5.

See accompanying notes to financial statements.

Statements of Changes in Net Assets  
(Continued)

|   | Shelton Real Estate<br>Income Fund    |  |  |
|---|---------------------------------------|--|--|
|   | Year Ended<br>December<br>31,<br>2017 | Period<br>Ended<br>December<br>31,<br><b>2016</b> (a)(c) | <b>Year Ended<br/>March 31,<br/>2016</b> (b) |
| <b>Operations</b>   |                                       |  |  |
| Net investment income (loss)  | \$421,013                             | \$347,156  | \$892,549                                    |
| Net realized gain (loss) on investments and foreign currency transactions   | 86,842                                | 1,309,166  | 1,142,444                                    |
| Change in unrealized appreciation (depreciation) of investments             | (44,486 )                             | (1,088,363 )   | (2,384,622 )                                 |
| Net increase (decrease) in net assets resulting from operations             | 463,369                               | 567,959  | (349,629 )                                   |
| <b>Distributions to shareholders</b>  |                                       |  |  |
| <b>Distributions from net investment income</b>                             |                                       |  |  |
| Institutional Shares (Advisor Class I Shares)                               | (12,436 )                             | (26,796 )  | (278,588 )                                   |
| Investor Shares (Class A Shares)  | (378,226 )                            | (405,566 )   | (694,893 )                                   |
| Class C Shares  | —                                     | (98,703 )  | (338,830 )                                   |
| <b>Distributions from return of capital</b>                                 |                                       |  |  |
| Institutional shares  | —                                     | (13,241 )  | —  |
| Investor shares (Class A)   | —                                     | (200,411 )   | —  |
| Class C   | —                                     | (48,775 )  | —  |
| <b>Distributions from realized capital gains on investments</b>             |                                       |  |  |
| Institutional shares  | —                                     | (83,007 )  | (97,202 )                                    |
| Investor shares (Class A)   | —                                     | (1,330,591 )   | (776,435 )                                   |
| Class C   | —                                     | (729,970 )   | (437,077 )                                   |
| Total Distributions   | (390,662 )                            | (2,937,060 )   | (2,623,025 )                                 |
| <b>Capital share transactions</b>   |                                       |  |  |
| Increase (decrease) in net assets resulting from capital share transactions | (5,831,563 )                          | (854,034 )   | (24,709,426)                                 |
| Total increase (decrease)   | (5,758,856 )                          | (3,223,135 )   | (27,682,080)                                 |
| <b>Net assets</b>   |                                       |  |  |
| Beginning of period   | 15,805,983                            | 19,029,118   | 46,711,198                                   |
| End of period   | \$10,047,127                          | \$15,805,983   | \$19,029,118                                 |
| Including undistributed net investment income (loss) of:                    | \$(13,036 )                           | \$(16,772 )  | \$232,747                                    |

(a) For the nine-month period ending December 31, 2016.

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

(c) Effective after the close of business on November 4, 2016, Advisor Class Shares and Class A Shares were renamed to Institutional Shares and Investor Shares, respectively. Class C Shares merged into Investor Shares. See Note 5.

See accompanying notes to financial statements.

Statements of Changes in Net Assets  
(Continued)

|   | Shelton Tactical<br>Credit Fund    |  |  |
|---|------------------------------------|--|--|
|   | Period Ended                       |  |  |
|   | December<br>31,<br><b>2017</b> (a) | <b>Year Ended<br/>April 30,<br/>2017</b> (b) | <b>Year Ended<br/>April 30,<br/>2016</b> (c) |
| <b>Operations</b>   |                                    |  |  |
| Net investment income (loss)  | \$1,067,722                        | \$2,000,787                                  | \$1,866,131                                  |
| Net realized gain (loss) on investments and foreign currency transactions   | 37,752                             | 105,714                                      | (2,083,100 )                                 |
| Net realized gain (loss) on written options contracts                       | —                                  | 119,872                                      | —  |
| Net realized gain (loss) from short sale transactions                       | —                                  | (4,002 )                                     | —  |
| Total net realized gain (loss)  | 37,752                             | 221,584                                      | (2,083,100 )                                 |
| Change in unrealized appreciation (depreciation) of investments             | (637,943 )                         | 364,538                                      | 1,035,561                                    |
| Net change in unrealized appreciation/depreciation of written options       | —                                  | (15,735 )                                    | —  |
| Total net change in unrealized appreciation (depreciation) of investments   | (637,943 )                         | 348,803                                      | 1,035,561                                    |
| Net increase (decrease) in net assets resulting from operations             | 467,531                            | 2,571,174                                    | 818,592                                      |
| <b>Distributions to shareholders</b>  |                                    |  |  |
| <b>Distributions from net investment income</b>                             |                                    |  |  |
| Institutional Shares (Advisor Class I Shares)                               | (748,463 )                         | (1,135,785 )                                 | (1,170,977 )                                 |
| Investor Shares (Class A Shares)  | (475,435 )                         | (1,028,152 )                                 | (266,216 )                                   |
| Class C Shares  | —                                  | (99,729 )                                    | (44,628 )                                    |
| <b>Distributions from realized capital gains on investments</b>             |                                    |  |  |
| Institutional shares  | —                                  | —  | (115,654 )                                   |
| Investor shares (Class A)   | —                                  | —  | (28,440 )                                    |
| Class C   | —                                  | —  | (5,095 )                                     |
| Total Distributions   | (1,223,898 )                       | (2,263,666 )                                 | (1,631,010 )                                 |
| <b>Capital share transactions</b>   |                                    |  |  |
| Increase (decrease) in net assets resulting from capital share transactions | (9,262,057 )                       | 5,945,473                                    | 25,706,602                                   |
| Total increase (decrease)   | (10,018,424)                       | 6,252,981                                    | 24,894,184                                   |
| <b>Net assets</b>   |                                    |  |  |
| Beginning of period   | 35,721,143                         | 29,468,162                                   | 4,573,978                                    |
| End of period   | \$25,702,719                       | \$35,721,143                                 | \$29,468,162                                 |
| Including undistributed net investment income (loss) of:                    | \$12,572                           | \$168,748                                    | \$430,027                                    |

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

(b) Effective after the close of business on March 17, 2017, Class I Shares and Class A Shares were renamed to Institutional Shares and Investor Shares, respectively. Class C Shares merged into Investor Shares. See Note 5.

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

See accompanying notes to financial statements.

Statements of Changes in Net Assets  
(Continued)

|   | Shelton International<br>Select Equity Fund |  |   |
|---|---|--|---|
|   | Period<br>Ended                             |  |   |
|   | December<br>31,<br><b>2017</b> (a)(b)       | <b>Year Ended<br/>April 30,<br/>2017</b> (b) | <b>Year Ended<br/>April 30,<br/>2016</b> (c)(d) |
| Operations  |   |  |   |
| Net investment income (loss)  | \$220,091                                   | \$582,141                                    | \$2,810,425                                     |
| Net realized gain (loss) on investments and foreign currency transactions   | 3,419,712                                   | 1,816,087                                    | (54,124,589 )                                   |
| Change in unrealized appreciation (depreciation) of investments             | 4,873,836                                   | 3,499,770                                    | (39,681,193 )                                   |
| Net increase in net assets resulting from operations                        | 8,513,639                                   | 5,897,998                                    | (90,995,357 )                                   |
| Distributions to shareholders   |   |  |   |
| Distributions from net investment income                                    |   |  |   |
| Institutional Shares (Advisor Class I Shares)                               | (808,165 )                                  | (505,743 )                                   | (5,081,580 )                                    |
| Investor Shares (Class A Shares)  | (72,892 )                                   | (52,217 )                                    | (525,377 )                                      |
| Class C Shares  | —   | —  | (3,396 )  |
| Distributions from return of capital  |   |  |   |
| Institutional shares  | (23,185 )                                   | —  | —   |
| Investor shares (Class A)   | (2,091 )                                    | —  | —   |
| Total Distributions   | (906,333 )                                  | (557,960 )                                   | (5,610,353 )                                    |
| Capital share transactions  |   |  |   |
| Increase (decrease) in net assets resulting from capital share transactions | (4,223,528 )                                | (14,737,108)                                 | (252,136,993)                                   |
| Total increase (decrease)   | 3,383,778                                   | (9,397,070 )                                 | (348,742,703)                                   |
| Net assets  |   |  |   |
| Beginning of period   | 43,224,741                                  | 52,621,811                                   | 401,364,514                                     |
| End of period   | \$46,608,519                                | \$43,224,741                                 | \$52,621,811                                    |
| Including undistributed net investment income (loss) of:                    | \$(1,273 )                                  | \$672,089                                    | \$406,734                                       |

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

(b) Effective after the close of business on March 17, 2017, Class I Shares and Class A Shares were renamed to Institutional Shares and Investor Shares, respectively. See Note 5.

(c) Class C Shares closed on April 15, 2016.

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

See accompanying notes to financial statements.

Edgar Filing: SCM Trust - Form N-CSR

Statements of Changes in Net Assets  
(Continued)

|  |                                 |               |                             |             |                           |              |
|--|---------------------------------|---------------|-----------------------------|-------------|---------------------------|--------------|
| Shelton Greater China Fund                     | Direct Shares                   |               |                             |             |                           |              |
|  | Year Ended                      |               | Year Ended                  |             |                           |              |
|  | December 31, 2017               |               | December 31, 2016           |             |                           |              |
|  | Shares                          | Value         | Shares                      | Value       |                           |              |
| Shares sold                                    | 8,082                           | \$64,143      | 5,052                       | \$32,908    |                           |              |
| Shares issued in reinvestment of distributions | 17,789                          | 152,102       | 20,322                      | 135,331     |                           |              |
| Shares repurchased                             | (93,080)                        | (772,173)     | (97,073)                    | (639,890)   |                           |              |
| Net increase (decrease)                        | (67,209)                        | \$(555,928)   | (71,699)                    | \$(471,651) |                           |              |
| Shelton BDC Income Fund                        | <b>Institutional Shares (a)</b> |               |                             |             |                           |              |
|  | Year Ended                      |               | <b>Period of April 1 to</b> |             | <b>Year Ended</b>         |              |
|  | December 31, 2017               |               | <b>December 31, 2016</b>    |             | <b>March 31, 2016 (d)</b> |              |
|  | Shares                          | Value         | Shares                      | Value       | Shares                    | Value        |
| Shares sold                                    | 163,416                         | \$1,540,708   | 3,218                       | \$29,097    | 1,318,933                 | \$11,925,742 |
| Shares issued in reinvestment of distributions | 1,926                           | 17,810        | 1,096                       | 9,718       | 32,916                    | 279,231      |
| Shares repurchased                             | (31,072)                        | (289,683)     | (10,948)                    | (98,802)    | (1,310,008)               | (10,461,336) |
| Net increase (decrease)                        | 134,270                         | \$1,268,835   | (6,634)                     | \$(59,987)  | 41,841                    | \$1,743,637  |
|  | <b>Investor Shares (a)</b>      |               |                             |             |                           |              |
|  | Year Ended                      |               | <b>Period of April 1 to</b> |             | <b>Year Ended</b>         |              |
|  | December 31, 2017               |               | <b>December 31, 2016</b>    |             | <b>March 31, 2016 (d)</b> |              |
|  | Shares                          | Value         | Shares                      | Value       | Shares                    | Value        |
| Shares sold                                    | 518,679                         | \$4,933,025   | 513,711                     | \$4,552,771 | 1,269,383                 | \$11,709,634 |
| Shares issued in reinvestment of distributions | 46,680                          | 437,007       | 39,996                      | 360,369     | 91,757                    | 797,018      |
| Shares repurchased                             | (546,388)                       | (5,154,534)   | (586,581)                   | (5,325,885) | (1,057,200)               | (9,059,520)  |
| Net increase (decrease)                        | 18,971                          | \$215,498     | (32,874)                    | \$(412,745) | 303,940                   | \$3,447,132  |
|  | <b>Class C (a)</b>              |               |                             |             |                           |              |
|  | Period of April 1, 2016 to      |               | <b>Year Ended</b>           |             |                           |              |
|  | November 4, 2016                |               | <b>March 31, 2016 (d)</b>   |             |                           |              |
|  | Shares                          | Value         | Shares                      | Value       |                           |              |
| Shares sold                                    | 2,803                           | \$25,000      | 557,108                     | \$5,161,301 |                           |              |
| Shares issued in reinvestment of distributions | 9,328                           | 83,227        | 24,357                      | 209,734     |                           |              |
| Shares repurchased (e)                         | (590,344)                       | (5,246,863)   | (239,928)                   | (2,027,238) |                           |              |
| Net increase (decrease)                        | (578,213)                       | \$(5,138,636) | 341,537                     | \$3,343,797 |                           |              |
| Shelton Real Estate Income Fund                | <b>Institutional Shares (a)</b> |               |                             |             |                           |              |
|  | Year Ended                      |               | <b>Period of April 1 to</b> |             | <b>Year Ended</b>         |              |
|  | December 31, 2017               |               | <b>December 31, 2016</b>    |             | <b>March 31, 2016 (d)</b> |              |
|  | Shares                          | Value         | Shares                      | Value       | Shares                    | Value        |
| Shares sold                                    | 14,323                          | \$126,012     | 576                         | \$5,096     | 153,480                   | \$1,674,841  |
|  | 1,420                           | 12,436        | 5,749                       | 51,043      | 32,853                    | 347,155      |

Edgar Filing: SCM Trust - Form N-CSR

Shares issued in reinvestment of  
distributions

|                                 |           |             |          |           |             |                |
|---------------------------------|-----------|-------------|----------|-----------|-------------|----------------|
| Shares repurchased              | (103,476) | (927,519)   | (22,276) | (227,156) | (1,461,815) | (15,791,217)   |
| Shares Issued in reorganization | —         | —           | 52,898   | 467,086   | —           | —              |
| Net increase (decrease)         | (87,733 ) | \$(789,071) | 36,947   | \$296,069 | (1,275,482) | \$(13,769,221) |

See accompanying notes to financial statements.

32

---

Edgar Filing: SCM Trust - Form N-CSR

Statements of Changes in Net Assets  
(Continued)

|  | <b>Investor Shares <sup>(a)</sup></b> |               |                             |              |                                      |                |
|--|---------------------------------------|---------------|-----------------------------|--------------|--------------------------------------|----------------|
|  | <b>Year Ended</b>                     |               | <b>Period of April 1 to</b> |              | <b>Year Ended</b>                    |                |
|  | <b>December 31, 2017</b>              |               | <b>December 31, 2016</b>    |              | <b>March 31, 2016 <sup>(d)</sup></b> |                |
|  | Shares                                | Value         | Shares                      | Value        | Shares                               | Value          |
| Shares sold                                    | 122,004                               | \$ 1,084,989  | 547,694                     | \$ 4,847,530 | 436,537                              | \$ 4,796,313   |
| Shares issued in reinvestment of distributions | 36,235                                | 320,416       | 197,317                     | 1,774,928    | 126,351                              | 1,319,066      |
| Shares repurchased                             | (724,943)                             | (6,447,897)   | (356,265)                   | (3,643,692)  | (1,308,872)                          | (13,996,599)   |
| Shares Issued in reorganization                | —                                     | —             | 226,031                     | 2,000,375    | —                                    | —              |
| Net increase (decrease)                        | (566,704)                             | \$(5,042,492) | 614,777                     | \$ 4,979,141 | (745,984 )                           | \$(7,881,220 ) |

|  | <b>Class C <sup>(a)</sup></b>  |               |                                      |               |
|--|--------------------------------|---------------|--------------------------------------|---------------|
|  | <b>Period of April 1, 2016</b> |               | <b>Year Ended</b>                    |               |
|  | <b>to</b>                      |               | <b>March 31, 2016 <sup>(d)</sup></b> |               |
|  | Shares                         | Value         | Shares                               | Value         |
| Shares sold                                    | 4,898                          | \$ 51,781     | 264,181                              | \$ 2,878,885  |
| Shares issued in reinvestment of distributions | 82,631                         | 739,724       | 63,306                               | 657,944       |
| Shares repurchased <sup>(f)</sup>              | (740,346)                      | (6,920,747)   | (621,335)                            | (6,595,814)   |
| Net increase (decrease)                        | (652,817)                      | \$(6,129,242) | (293,848)                            | \$(3,058,985) |

| Shelton Tactical Credit Fund                   | <b>Institutional Shares <sup>(b)</sup></b> |               |                       |               |                                      |               |
|--|--|---------------|-----------------------|---------------|--------------------------------------|---------------|
|  | <b>Period Ended</b>                        |               | <b>Year Ended</b>     |               | <b>Year Ended</b>                    |               |
|  | <b>December 31, 2017</b>                   |               | <b>April 30, 2017</b> |               | <b>April 30, 2016 <sup>(d)</sup></b> |               |
|  | Shares                                     | Value         | Shares                | Value         | Shares                               | Value         |
| Shares sold                                    | 422,690                                    | \$ 4,457,159  | 1,168,883             | \$ 12,347,311 | 4,247,915                            | \$ 44,701,987 |
| Shares issued in reinvestment of distributions | 69,814                                     | 727,118       | 103,675               | 1,081,813     | 88,463                               | 906,029       |
| Shares repurchased                             | (673,568)                                  | (7,116,851)   | (969,322 )            | (10,181,672)  | (3,221,276)                          | (33,106,722)  |
| Net increase (decrease)                        | (181,064)                                  | \$(1,932,574) | 303,236               | \$ 3,247,452  | 1,115,102                            | \$ 12,501,294 |

|  | <b>Investor Shares <sup>(b)</sup></b> |                |                       |               |                                      |               |
|--|---------------------------------------|----------------|-----------------------|---------------|--------------------------------------|---------------|
|  | <b>Period Ended</b>                   |                | <b>Year Ended</b>     |               | <b>Year Ended</b>                    |               |
|  | <b>December 31, 2017</b>              |                | <b>April 30, 2017</b> |               | <b>April 30, 2016 <sup>(d)</sup></b> |               |
|  | Shares                                | Value          | Shares                | Value         | Shares                               | Value         |
| Shares sold                                    | 237,943                               | \$ 2,492,290   | 1,728,782             | \$ 18,230,300 | 1,513,783                            | \$ 15,788,235 |
| Shares issued in reinvestment of distributions | 45,543                                | 473,115        | 94,055                | 981,885       | 26,620                               | 272,506       |
| Shares repurchased                             | (985,625)                             | (10,294,888)   | (1,389,678)           | (14,563,404)  | (464,521 )                           | (4,790,944 )  |
| Net increase (decrease)                        | (702,139)                             | \$(7,329,483 ) | 433,159               | \$ 4,648,781  | 1,075,882                            | \$ 11,269,797 |

|  | <b>Class C Shares <sup>(b)</sup></b> |            |                                      |              |
|--|--------------------------------------|------------|--------------------------------------|--------------|
|  | <b>Period May 1 to</b>               |            | <b>Year Ended</b>                    |              |
|  | <b>March 17, 2017</b>                |            | <b>April 30, 2016 <sup>(d)</sup></b> |              |
|  | Shares                               | Value      | Shares                               | Value        |
| Shares sold                                    | 31,312                               | \$ 333,349 | 188,766                              | \$ 1,966,870 |
| Shares issued in reinvestment of distributions | 9,626                                | 99,729     | 4,746                                | 48,450       |

Edgar Filing: SCM Trust - Form N-CSR

|                                   |           |               |          |             |
|-----------------------------------|-----------|---------------|----------|-------------|
| Shares repurchased <sup>(g)</sup> | (226,582) | (2,383,838)   | (7,867 ) | (79,809 )   |
| Net increase (decrease)           | (185,644) | \$(1,950,760) | 185,645  | \$1,935,511 |

See accompanying notes to financial statements.

Statements of Changes in Net Assets  
(Continued)

Shelton International  
Select Equity Fund

|  | <b>Institutional Shares</b> <sup>(c)</sup> |               |                |                |                                      |                 |
|--|--|---------------|----------------|----------------|--------------------------------------|-----------------|
|  | Period Ended                               |               | Year Ended     |                | Year Ended                           |                 |
|  | December 31, 2017                          |               | April 30, 2017 |                | <b>April 30, 2016</b> <sup>(d)</sup> |                 |
|  | Shares                                     | Value         | Shares         | Value          | Shares                               | Value           |
| Shares sold                                    | 131,505                                    | \$2,520,264   | 340,283        | \$5,634,219    | 6,133,764                            | \$106,747,498   |
| Shares issued in reinvestment of distributions | 40,564                                     | 807,223       | 28,733         | 468,912        | 240,629                              | 3,717,717       |
| Shares repurchased                             | (313,889)                                  | (6,169,368)   | (995,347)      | (16,147,861)   | (21,036,904)                         | (347,164,373)   |
| Net increase (decrease)                        | (141,820)                                  | \$(2,841,881) | (626,331)      | \$(10,044,730) | (14,662,511)                         | \$(236,699,158) |

|  | <b>Investor Shares</b> <sup>(c)</sup> |               |                |               |                                      |                |
|--|---------------------------------------|---------------|----------------|---------------|--------------------------------------|----------------|
|  | Period Ended                          |               | Year Ended     |               | Year Ended                           |                |
|  | December 31, 2017                     |               | April 30, 2017 |               | <b>April 30, 2016</b> <sup>(d)</sup> |                |
|  | Shares                                | Value         | Shares         | Value         | Shares                               | Value          |
| Shares sold                                    | 2,971                                 | \$60,349      | 3,796          | \$61,537      | 197,720                              | \$3,715,891    |
| Shares issued in reinvestment of distributions | 3,118                                 | 61,964        | 2,648          | 43,243        | 23,922                               | 369,356        |
| Shares repurchased                             | (77,447)                              | (1,503,960)   | (292,063)      | (4,797,158)   | (1,179,575)                          | (19,406,293)   |
| Net increase (decrease)                        | (71,358)                              | \$(1,381,647) | (285,619)      | \$(4,692,378) | (957,933)                            | \$(15,321,046) |

|  | Class C Shares                       |             |
|--|--------------------------------------|-------------|
|  | <b>Year Ended</b>                    |             |
|  | <b>April 30, 2016</b> <sup>(h)</sup> |             |
|  | Shares                               | Value       |
| Shares sold                                    | 343                                  | \$5,000     |
| Shares issued in reinvestment of distributions | 220                                  | 3,396       |
| Shares repurchased                             | (8,653)                              | (125,185)   |
| Net increase (decrease)                        | (8,090)                              | \$(116,789) |

(a) Following the acquisition on November 4, 2016, the Advisor Class and the A Class were renamed Institutional Shares and Investor Shares. The C Class merged into the Investor Class.

(b) Effective after the close of business on March 17, 2017, Class I Shares and Class A Shares were renamed to Institutional Shares and Investor Shares, respectively. Class C Shares merged into Investor Shares. See Note 5.

(c) Following the reorganization on July 28, 2017, Class A Shares and Class I Shares were renamed Investor Shares and Institutional Shares, respectively. See note 5.

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

(e) As of the close of business on November 4, 2016, Class C Shares were converted to Investor Shares at the following rates:

| Shares  | Dollars     |
|---------|-------------|
| Issued  |             |
| 486,190 | \$4,307,646 |

(f) As of the close of business on November 4, 2016, Class C Shares were converted to Investor Shares at the following rates:

Shares

| Issued  | Dollars     |
|---------|-------------|
| 536,418 | \$4,747,297 |

(g) As of the close of business on March 17, 2017, Class C Shares were converted to Investor Shares as shown below:

Shares

| Issued  | Dollars     |
|---------|-------------|
| 165,472 | \$1,751,497 |

(h) Class C Shares closed on April 15, 2016.

See accompanying notes to financial statements.

Edgar Filing: SCM Trust - Form N-CSR

Financial Highlights

For a Share Outstanding Throughout Each Year or Period

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

| <b>Shelton BDC Income Fund <sup>(c)</sup></b>                | Institutional Shares                     |  | Formerly<br>AR Capital<br>BDC Income Fund    | Period<br>of<br>May 2,<br>2014 to<br>March<br>31,<br>2015<br>(d)(i) |
|--|--|--|--|---|
|  | 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<br>(i) |   |
| Net asset value, beginning of period                         | \$9.11                                   | \$ 8.40  | \$9.65                                       | \$ 10.00  |
| <b>INCOME FROM INVESTMENT OPERATIONS</b>                     |  |  |  |   |
| Net investment income (loss) <sup>(a)</sup>                  |  | 0.59   | 0.44   | 0.80  |
| Net gain (loss) on securities (both realized and unrealized) |  | (0.22 )  | 0.72   | (1.36)  |
| Total from investment operations                             |  | 0.37   | 1.16   | (0.56)  |
|  |  |  |  | 0.15  |

Edgar Filing: SCM Trust - Form N-CSR

LESS DISTRIBUTIONS

|                                      |         |         |                        |                       |
|--------------------------------------|---------|---------|------------------------|-----------------------|
| Dividends from net investment income | (0.56 ) | (0.45 ) | (0.69 )                | (0.50 )               |
| Distributions from capital gains     | —       | —       | —                      | —                     |
| Total distributions                  | (0.56 ) | (0.45 ) | (0.69 )                | (0.50 )               |
| Net asset value, end of period       | \$8.92  | \$ 9.11 | \$8.40                 | \$9.65                |
| Total return                         | 3.94 %  | 14.07 % | (5.76)% <sup>(e)</sup> | 1.59 % <sup>(e)</sup> |

RATIOS / SUPPLEMENTAL DATA

|  |         |        |        |                        |
|--|---------|--------|--------|------------------------|
| Net assets, end of year (000s)   | \$1,610 | \$ 420 | \$443  | \$ 106                 |
| Ratio of expenses to average net assets: <sup>(i)</sup>                    |         |        |        |                        |
| Before expense reimbursements  | 1.78 %  | 2.53 % | 2.47 % | 10.23 % <sup>(f)</sup> |
| After expense reimbursements   | 1.25 %  | 1.24 % | 1.25 % | 1.25 % <sup>(f)</sup>  |
| Ratio of net investment income (loss) to average net assets <sup>(h)</sup> |         |        | 9.30 % | 17.58 % <sup>(f)</sup> |
| Before expense reimbursements  | 5.82 %  | 5.26 % |        |                        |
| After expense reimbursements   | 6.34 %  | 6.55 % |        |                        |
| Portfolio turnover   | 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 Shares and Investor Shares. See Note 5.

The inception date of Shelton BDC Income Fund is April 22, 2014; the commencement of operations and start of performance for Institutional Shares and Investor Shares is May 2, 2014. The inception date of Shelton Real Estate Income Fund is June 4, 2013; the commencement of operations and start of performance is June 7, 2013.

(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) Recognition of net investment income by the Fund is affected by the timing in which the Fund invests. The ratio does not include the net income of the investment companies in which the Fund invests.

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

(j) Does not include expenses of investment companies in which the Fund invests.

See accompanying notes to financial statements.

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

| Shelton BDC Income Fund <sup>(c)</sup>                                     | Investor Shares                          |  | Formerly<br>AR Capital<br>BDC Income Fund            |   |
|--|--|--|--|---|
|  | 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> | For the<br>Period<br>of<br>May 2,<br>2014 to<br>March<br>31,<br>2015<br><sup>(d)(i)</sup> |
| Net asset value, beginning of period                                       | \$9.21                                   | \$ 8.51  | \$9.66   | \$10.00   |
| <b>INCOME FROM INVESTMENT OPERATIONS</b>                                   |  |  |  |   |
| Net investment income (loss) <sup>(a)</sup>                                | 0.54                                     | 0.44   | 0.70   | 0.77  |
| Net gain (loss) on securities (both realized and unrealized)               | (0.19 )                                  | 0.71   | (1.17 )  | (0.62 )   |
| Total from investment operations   | 0.35                                     | 1.15   | (0.47 )  | 0.15  |
| <b>LESS DISTRIBUTIONS</b>  |  |  |  |   |
| Dividends from net investment income                                       | (0.55 )                                  | (0.45 )  | (0.68 )  | (0.49 )   |
| Distributions from capital gains   | —  | —  | —  | —   |
| Total distributions  | (0.55 )                                  | (0.45 )  | (0.68 )  | (0.49 )   |
| Net asset value, end of period   | \$9.01                                   | \$ 9.21  | \$8.51   | \$9.66  |
| Total return   | 3.73 %                                   | 13.74 %  | (4.83 )%   | 1.56 % <sup>(e)</sup>   |
| <b>RATIOS / SUPPLEMENTAL DATA</b>  |  |  |  |   |
| Net assets, end of year (000s)   | \$13,486                                 | \$ 13,614  | \$12,853   | \$11,658  |
| Ratio of expenses to average net assets: <sup>(i)</sup>                    |  |  |  |   |
| Before expense reimbursements  | 2.04 %                                   | 2.82 %   | 2.66 %   | 7.61 % <sup>(f)</sup>   |
| After expense reimbursements   | 1.50 %                                   | 1.50 %   | 1.45 %   | 1.50 % <sup>(f)</sup>   |
| Ratio of net investment income (loss) to average net assets <sup>(h)</sup> |  |  |  |   |
| Before expense reimbursements  | 5.21 %                                   | 5.16 %   | 7.89 %   | 8.94 % <sup>(f)</sup>   |
| After expense reimbursements   | 5.73 %                                   | 6.48 %   |  |   |
| Portfolio turnover   | 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.

Following the acquisition on November 4, 2016, Advisor Class and Class A were renamed Institutional Shares and  
(c) Investor Shares. See Note 5.

The inception date of Shelton BDC Income Fund is April 22, 2014; the commencement of operations and start of  
(d) performance for Institutional Shares and Investor Shares is May 2, 2014. The inception date of Shelton Real Estate  
Income Fund is June 4, 2013; the commencement of operations and start of performance is June 7, 2013.

(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) Recognition of net investment income by the Fund is affected by the timing in which the Fund invests. The ratio does not include the net income of the investment companies in which the Fund invests.

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

(j) Does not include expenses of investment companies in which the Fund invests.

See accompanying notes to financial statements.

Edgar Filing: SCM Trust - Form N-CSR

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

| Shelton Real Estate Income Fund                              | Institutional Shares<br>(c)              |  | Formerly<br>AR Capital Real<br>Estate Income Fund |   | For the<br>Period<br>of<br>June 7,<br>2013 to<br>March<br>31,<br>2014<br>(d)(h) |
|--|--|--|---|---|---|
|  | Year<br>Ended<br>December<br>31,<br>2017 | Year<br>Ended<br>December<br>31,<br>2016 (b) | Year<br>Ended<br>March<br>31,<br>2016<br>(h)      | Year<br>Ended<br>March<br>31,<br>2015 (h) |   |
| Net asset value, beginning of period                         | \$8.82                                   | \$ 10.65                                     | \$11.40   | \$10.22                                   | \$10.00   |
| <b>INCOME FROM INVESTMENT OPERATIONS</b>                     |  |  |   |   |   |
| Net investment income (loss) (a)                             | 0.28                                     | 0.23   | 0.26  | 0.27                                      | 0.25  |
| Net gain (loss) on securities (both realized and unrealized) | 0.07                                     | 0.07   | 0.02 (i)  | 1.58                                      | 0.23 (i)  |
| Total from investment operations                             | 0.35                                     | 0.30   | 0.28  | 1.85                                      | 0.48  |
| <b>LESS DISTRIBUTIONS</b>                                    |  |  |   |   |   |
| Dividends from net investment income                         | (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  | (0.53)                                   | (2.13 )                                      | (1.03 )   | (0.67 )                                   | (0.26 )   |
| Net asset value, end of period                               | \$8.64                                   | \$ 8.82                                      | \$10.65   | \$11.40                                   | \$10.22   |
| Total return   | 3.98 %                                   | 3.15 %                                       | 2.90 % (g)  | 18.71 % (e)                               | 5.01 % (e)  |
| <b>RATIOS / SUPPLEMENTAL DATA</b>                            |  |  |   |   |   |
| Net assets, end of year (000s)                               | \$ 131                                   | \$ 908                                       | \$703   | \$15,295                                  | \$17,533  |
| Ratio of expenses to average net assets:                     |  |  |   |   |   |
| Before expense reimbursements                                | 2.10 %                                   | 2.49 %                                       | 2.01 % (f)  | 2.21 %                                    | 3.97 % (f)  |
| After expense reimbursements                                 | 1.17 %                                   | 1.14 %                                       | 1.15 % (f)  | 1.15 %                                    | 1.15 % (f)  |
| Ratio of net investment income (loss) to average net assets  |  |  |   |   |   |
| Before expense reimbursements                                | 2.20 %                                   | 1.61 %                                       | 2.40 % (f)  | 2.54 %                                    | 3.09 % (f)  |
| After expense reimbursements                                 | 3.13 %                                   | 2.96 %                                       | 3.13 % (f)  |   |   |
| Portfolio turnover   | 41 %                                     | 137 %  | 99 % (g)  | 104 %                                     | 86 % (g)  |

(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 Shares and Investor Shares. See Note 5.

(d) The inception date of Shelton BDC Income Fund is April 22, 2014; the commencement of operations and start of performance for Institutional Shares and Investor Shares is May 2, 2014. The inception date of Shelton Real Estate Income Fund is June 4, 2013; the commencement of operations and start of performance is June 7, 2013.

Edgar Filing: SCM Trust - Form N-CSR

- (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) Audited by other independent registered public accounting firm.
- (i) 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 the shareholder subscriptions and redemptions.

See accompanying notes to financial statements.

Edgar Filing: SCM Trust - Form N-CSR

Financial Highlights

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

| Shelton Real Estate Income Fund                              | Investor Shares <sup>(c)</sup>           |  | Formerly<br>AR Capital Real<br>Estate Income Fund |   | For the<br>Period<br>of<br>June 7,<br>2013 to<br>March<br>31,<br>2014<br>(d)(h) |
|--|--|--|---|---|---|
|  | Year<br>Ended<br>December<br>31,<br>2017 | Year<br>Ended<br>December<br>31, 2016<br>(b) | Year<br>Ended<br>March<br>31,<br>2016 (h)         | Year<br>Ended<br>March<br>31,<br>2015 (h) |   |
| Net asset value, beginning of period                         | \$8.85                                   | \$ 10.66                                     | \$11.40   | \$10.21                                   | \$10.00   |
| <b>INCOME FROM INVESTMENT OPERATIONS</b>                     |  |  |   |   |   |
| Net investment income (loss) <sup>(a)</sup>                  | 0.31                                     | 0.21   | 0.30  | 0.26                                      | 0.28  |
| Net gain (loss) on securities (both realized and unrealized) | 0.01                                     | 0.07   | (0.03 )   | 1.57                                      | 0.18 <sup>(i)</sup>   |
| Total from investment operations                             | 0.32                                     | 0.28   | 0.27  | 1.83                                      | 0.46  |
| <b>LESS DISTRIBUTIONS</b>                                    |  |  |   |   |   |
| Dividends from net investment income                         | (0.29 )                                  | (0.35 )                                      | (0.46 )   | (0.57 )                                   | (0.17 )   |
| Distributions from return of capital                         | —  | (0.17 )                                      | —   | —   | —   |
| Distributions from capital gains                             | —  | (1.57 )                                      | (0.55 )   | (0.07 )                                   | (0.08 )   |
| Total distributions  | (0.29 )                                  | (2.09 )                                      | (1.01 )   | (0.64 )                                   | (0.25 )   |
| Net asset value, end of period                               | \$8.88                                   | \$ 8.85                                      | \$10.66   | \$11.40                                   | \$10.21   |
| Total return   | 3.72 %                                   | 3.02 %                                       | 2.79 % <sup>(g)</sup>                             | 18.47 % <sup>(e)</sup>                    | 4.83 % <sup>(e)</sup>   |
| <b>RATIOS / SUPPLEMENTAL DATA</b>                            |  |  |   |   |   |
| Net assets, end of year (000s)                               | \$9,916                                  | \$ 14,898                                    | \$11,396  | \$20,677                                  | \$14,362  |
| Ratio of expenses to average net assets:                     |  |  |   |   |   |
| Before expense reimbursements                                | 2.35 %                                   | 2.72 % <sup>(f)</sup>                        | 2.22 %  | 2.46 %                                    | 4.22 % <sup>(f)</sup>   |
| After expense reimbursements                                 | 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                                | 2.53 %                                   | 1.41 % <sup>(f)</sup>                        | 2.75 %  | 2.41 %                                    | 3.47 % <sup>(f)</sup>   |
| After expense reimbursements                                 | 3.46 %                                   | 2.74 % <sup>(f)</sup>                        |   |   |   |
| Portfolio turnover   | 41 %                                     | 137 % <sup>(g)</sup>                         | 99 %  | 104 %                                     | 86 % <sup>(g)</sup>   |

(a) Calculated based upon average shares outstanding.

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

(c) Following the acquisition on November 4, 2016, Advisor Class and Class A were renamed Institutional Shares and Investor Shares. See Note 5.

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

Edgar Filing: SCM Trust - Form N-CSR

Income Fund is June 4, 2013; the commencement of operations and start of performance is June 7, 2013.

(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) Audited by other independent registered public accounting firm.

(i) 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 the shareholder subscriptions and redemptions.

See accompanying notes to financial statements.

Edgar Filing: SCM Trust - Form N-CSR

Financial Highlights

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

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

|  | For the<br>Period<br>Ended<br><b>December</b><br><b>31,</b><br><b>2017</b> <sup>(d)</sup> | Year<br>Ended<br>April<br>30,<br>2017 | <b>Year</b><br>Ended<br><b>April</b><br><b>30,</b><br><b>2016</b> <sup>(b)</sup> | For the<br>Period<br>December<br>16, 2014*<br>to April<br>30,<br>2015 <sup>(b)</sup> |
|--|---|---------------------------------------|--|--|
| Shelton Tactical Credit Fund<br><b>Institutional Shares</b> <sup>(c)</sup> |   |                                       |  |  |
| Net asset value, beginning of period                                       | \$ 10.62  | \$10.46                               | \$10.38  | \$ 10.00   |
| <b>INCOME FROM INVESTMENT OPERATIONS</b>                                   |   |                                       |  |  |
| Net investment income (loss) <sup>(a)</sup>                                | 0.39  | 0.67                                  | 0.56   | 0.12   |
| Net gain (loss) on securities (both realized and unrealized)               | (0.20 )   | 0.27                                  | (0.08 )  | 0.34   |
| Total from investment operations   | 0.19  | 0.94                                  | 0.48   | 0.46   |
| <b>LESS DISTRIBUTIONS</b>  |   |                                       |  |  |
| Dividends from net investment income                                       | (0.45 )   | (0.78 )                               | (0.37 )  | (0.08 )  |
| Distributions from capital gains   | —   | —                                     | (0.03 )  | —  |
| Total distributions  | (0.45 )   | (0.78 )                               | (0.40 )  | (0.08 )  |

Edgar Filing: SCM Trust - Form N-CSR

|   |           |   |          |   |          |   |          |   |
|---|-----------|---|----------|---|----------|---|----------|---|
| Net asset value, end of period                              | \$ 10.36  |   | \$10.62  |   | \$10.46  |   | \$ 10.38 |   |
| Total return  | 1.79      | % | 9.35     | % | 4.78     | % | 4.60     | % |
| RATIOS / SUPPLEMENTAL DATA                                  |           |   |          |   |          |   |          |   |
| Net assets, end of year (000s)                              | \$ 17,256 |   | \$19,609 |   | \$16,139 |   | \$ 4,448 |   |
| Ratio of expenses to average net assets:                    |           |   |          |   |          |   |          |   |
| Before expense reimbursements                               | 1.67      | % | 2.34     | % | 2.66     | % | 6.35     | % |
| After expense reimbursements                                | 1.42      | % | 1.39     | % | 1.61     | % | 1.42     | % |
| Ratio of net investment income (loss) to average net assets |           |   |          |   |          |   |          |   |
| Before expense reimbursements                               | 5.27      | % | 5.42     | % |          |   |          |   |
| After expense reimbursements                                | 5.51      | % | 6.37     | % | 5.54     | % | 3.22     | % |
| Portfolio turnover  | 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 Class I Shares were renamed to Investor Shares and Institutional Shares, respectively. See Note 5.

(d) For the eight month period ended December 31, 2017.

See accompanying notes to financial statements.

Edgar Filing: SCM Trust - Form N-CSR

Financial Highlights

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

|  | <b>For the<br/>Period<br/>Ended<br/>December<br/>31,<br/>2017</b> <sup>(e)</sup> | Year<br>Ended<br>April<br>30,<br>2017 | Year<br>Ended<br>April<br>30,<br>2016 <sup>(c)</sup> | Year<br>Ended<br>April<br>30,<br>2015 <sup>(c)</sup> | Year<br>Ended<br>April<br>30,<br>2014 <sup>(c)</sup> | Year<br>Ended<br>April<br>30,<br>2013 <sup>(c)</sup> |
|--|--|---------------------------------------|--|--|--|--|
| Shelton International<br>Select Equity Fund<br><b>Investor Shares</b> <sup>(d)</sup> |  |                                       |  |  |  |  |
| Net asset value, beginning of<br>period  | \$ 18.02   | \$ 15.88                              | \$ 21.16   | \$ 23.48   | \$ 20.54   | \$ 19.30   |
| <b>INCOME FROM INVESTMENT<br/>OPERATIONS</b>   |  |                                       |  |  |  |  |
| Net investment income (loss) <sup>(a)</sup>  | 0.08   | 0.17                                  | 0.19   | 0.17   | 0.14   | 0.05   |
| Net gain (loss) on securities (both<br>realized and unrealized)                      | 3.60   | 2.13                                  | (4.97 )  | (2.34 )  | 2.92   | 1.22   |
| Total from investment operations   | 3.68   | 2.30                                  | (4.78 )  | (2.17 )  | 3.06   | 1.27   |
| <b>LESS DISTRIBUTIONS</b>  |  |                                       |  |  |  |  |
| Dividends from net investment<br>income  | (0.39 )  | (0.16 )                               | (0.50 )  | (0.15 )  | (0.09 )  | (0.03 )  |
| Distributions from return of<br>capital  | (0.01 )  | —                                     | —  | —  | —  | —  |
| Distributions from capital gains   | —  | —                                     | —  | —  | (0.03 )  | —  |
| Total distributions  | (0.40 )  | (0.16 )                               | (0.50 )  | (0.15 )  | (0.12 )  | (0.03 )  |
| Redemption Fees  | —  | —                                     | —  | — <sup>(b)</sup>                                     | — <sup>(b)</sup>                                     | — <sup>(b)</sup>                                     |
| Net asset value, end of period   | \$ 21.30   | \$ 18.02                              | \$ 15.88   | \$ 21.16   | \$ 23.48   | \$ 20.54   |
| Total return   | 20.53 %  | 14.55 % <sup>(f)</sup>                | (22.51)% <sup>(f)</sup>                              | (9.18 )% <sup>(f)</sup>                              | 14.90 % <sup>(f)</sup>                               | 6.61 % <sup>(f)</sup>                                |
| <b>RATIOS / SUPPLEMENTAL<br/>DATA</b>  |  |                                       |  |  |  |  |
| Net assets, end of year (000s)   | \$ 3,785   | \$ 4,488                              | \$ 8,488   | \$ 31,583  | \$ 46,435  | \$ 53,447  |
| Ratio of expenses to average net<br>assets:  |  |                                       |  |  |  |  |
| Before expense reimbursements  | 1.59 %   | 2.02 % <sup>(g)</sup>                 | 1.53 % <sup>(g)</sup>                                | 1.45 % <sup>(g)</sup>                                | 1.45 % <sup>(g)</sup>                                | 1.46 % <sup>(g)</sup>                                |
| After expense reimbursements   | 1.24 %   | 1.24 %                                | 1.48 %   | 1.45 %   | 1.49 %   | 1.50 %   |
| Ratio of net investment income<br>(loss) to average net assets                       |  |                                       |  |  |  |  |
| Before expense reimbursements  | 0.23 %   |                                       |  |  |  |  |
| After expense reimbursements   | 0.58 %   | 1.06 %                                | 1.11 %   | 0.75 %   | 0.67 %   | 0.27 %   |
| Portfolio turnover   | 24 %   | 41 %                                  | 40 %   | 8 %  | 6 %  | 5 %  |

(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 Class I Shares were renamed to Investor Shares and Institutional Shares, respectively. See Note 5.

(e) For the eight month period ended December 31, 2017.

Edgar Filing: SCM Trust - Form N-CSR

- Total investment return is calculated assuming a purchase of shares on the first day and a sale of shares on the last day of each period reported and includes reinvestment of dividends and distributions, if any. For Investor Shares
- (f) (Formerly Class A Shares), total investment return does not reflect the impact of the maximum front-end sales load of 5.75%. If reflected, the return would be lower.
- (g) During the period, certain fees were waived and/or reimbursed; or recouped, if any. If such fee waivers and/or reimbursements or recoupments had not occurred, the ratios would have been as indicated.

See accompanying notes to financial statements.

Edgar Filing: SCM Trust - Form N-CSR

Financial Highlights

For a Share Outstanding Throughout Each Year or Period

(Continued)

|   | <b>For the<br/>Period<br/>Ended<br/>December<br/>31,<br/>2017 <sup>(e)</sup></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>Year<br/>Ended<br/>April 30,<br/>2013 <sup>(c)</sup></b> |
|---|--|--|---|---|---|---|
| Shelton International<br>Select Equity Fund<br><b>Institutional Shares <sup>(d)</sup></b> |  |  |   |   |   |   |
| Net asset value, beginning of<br>year   | \$ 18.03   | \$ 15.90   | \$ 21.20  | \$ 23.53  | \$ 20.59  | \$ 19.35  |
| <b>INCOME FROM<br/>INVESTMENT<br/>OPERATIONS</b>  |  |  |   |   |   |   |
| Net investment income (loss)<br><sup>(a)</sup>  | 0.10   | 0.22   | 0.25  | 0.24  | 0.20  | 0.11  |
| Net gain (loss) on securities<br>(both realized and<br>unrealized)                        | 3.61   | 2.13   | (5.01 )   | (2.36 )   | 2.92  | 1.22  |
| Total from investment<br>operations   | 3.71   | 2.35   | (4.76 )   | (2.12 )   | 3.12  | 1.33  |
| <b>LESS DISTRIBUTIONS</b>   |  |  |   |   |   |   |
| Dividends from net<br>investment income   | (0.39 )  | (0.22 )  | (0.54 )   | (0.21 )   | (0.15 )   | (0.09 )   |
| Distributions from return of<br>capital   | (0.01 )  | —  | —   | —   | —   | —   |
| Distributions from capital<br>gains   | —  | —  | —   | —   | (0.03 )   | —   |
| Total distributions   | (0.40 )  | (0.22 )  | (0.54 )   | (0.21 )   | (0.18 )   | (0.09 )   |
| Redemption Fees   | —  | —  | —   | — <sup>(b)</sup>  | — <sup>(b)</sup>  | — <sup>(b)</sup>  |
| Net asset value, end of year  | \$ 21.34   | \$ 18.03   | \$ 15.90  | \$ 21.20  | \$ 23.53  | \$ 20.59  |
| Total return  | 20.74  | % 14.89 <sup>(f)</sup>                           | (22.36 )% <sup>(f)</sup>  | (8.94 )% <sup>(f)</sup>                                     | 15.18 <sup>(f)</sup>  | 6.88 <sup>(f)</sup>   |
| <b>RATIOS /<br/>SUPPLEMENTAL DATA</b>   |  |  |   |   |   |   |
| Net assets, end of year<br>(000s)   | \$ 42,824  | \$ 38,737  | \$ 44,133   | \$ 369,610  | \$ 347,791  | \$ 320,190  |
| Ratio of expenses to average<br>net assets:   |  |  |   |   |   |   |
| Before expense<br>reimbursements  | 1.32   | % 1.76 <sup>(g)</sup>                            | 1.28 <sup>(g)</sup>   | 1.20 <sup>(g)</sup>   | 1.20 <sup>(g)</sup>   | 1.21 <sup>(g)</sup>   |
| After expense<br>reimbursements   | 0.99   | % 0.99 %   | 1.23 %  | 1.20 %  | 1.24 %  | 1.25 %  |
| Ratio of net investment<br>income (loss) to average net<br>assets                         |  |  |   |   |   |   |
| Before expense<br>reimbursements  | 0.41   | %  |   |   |   |   |

Edgar Filing: SCM Trust - Form N-CSR

|                              |      |   |      |   |      |   |      |   |      |   |      |   |
|------------------------------|------|---|------|---|------|---|------|---|------|---|------|---|
| After expense reimbursements | 0.74 | % | 1.32 | % | 1.36 | % | 1.11 | % | 0.92 | % | 0.58 | % |
| Portfolio turnover           | 24   | % | 41   | % | 40   | % | 8    | % | 6    | % | 5    | % |

(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 Class I Shares were renamed to Investor Shares and Institutional Shares, respectively. See Note 5.

(e) For the eight month period ended December 31, 2017.

(f) Total investment return is calculated assuming a purchase of shares on the first day and a sale of shares on the last day of each period reported and includes reinvestment of dividends and distributions, if any. For Investor Shares (Formerly Class A Shares), total investment return does not reflect the impact of the maximum front-end sales load of 5.75%. If reflected, the return would be lower.

(g) During the period, certain fees were waived and/or reimbursed; or recouped, if any. If such fee waivers and/or reimbursements or recoupments had not occurred, the ratios would have been as indicated.

See accompanying notes to financial statements.

SCM Trust Notes to Financial Statements December 31, 2017

#### NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The 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.

The 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.

The 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. Effective July 1, 2016, Shelton became the advisor to the Fund.

The 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. Effective July 1, 2016 Shelton became the advisor to the Fund.

The Real Estate Income Fund and the BDC Income Fund (the “Successor Funds”) are each a successor to a series of the Realty Capital Income Funds Trust, a Delaware statutory trust, pursuant to a reorganization that took place after the close of business on November 4, 2016. Prior to November 4, 2016, each Successor Fund of the SCM Trust had no investment operations. As a result of the reorganization, holders of Class A and Class C shares of the AR Capital BDC Income Fund received Investor shares of the Shelton BDC Income Fund and holders of Advisor Class received Institutional shares of the Shelton BDC Income Fund. As a result of the reorganization, holders of Class A and Class C shares of the AR Capital Real Estate Income Fund and the AR Capital Real Estate Global Income Fund received Investor Shares of the Shelton Real Estate Income Fund and holders of Advisor Class received Institutional Shares of the Shelton Real Estate Income Fund.

The Shelton Tactical Credit Fund (“Tactical Credit Fund”) is an open-end, non-diversified series of the Trust. The inception date is December 16, 2014. 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.

The Shelton International Select Equity Fund (“International Select Fund”) is an open-end, diversified series of the Trust. The inception date is July 31, 2009. 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* — Inputs used to value corporate debt securities generally include relative credit information, observed market movements, sector news, U.S. Treasury yield curve or relevant benchmark curve, and other market information, which may include benchmark yields, reported trades, broker-dealer quotes, issuer spreads, benchmark securities, bids, offers, and reference data, such as market research publications, when available (“Other Market Information”). 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 its 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.

(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 date. 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 late year ordinary income.

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. Short-term capital gain distributions are treated as ordinary income distributions for tax purposes.

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.

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.

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) Currency Risk* — The Fund invests in securities of foreign issuers, including American Depositary Receipts. These markets are subject to special risks associated with foreign investments not typically associated with investing in U.S. markets. Because the foreign securities in which the Fund may invest generally trade in currencies other than the U.S. dollar, changes in currency exchange rates will affect the Fund’s NAV, the value of dividends and interest earned and gains and losses realized on the sale of securities. Because the NAV for the Fund is determined on the basis of U.S. dollars, the Fund may lose money by investing in a foreign security if the local currency of a foreign market depreciates against the U.S. dollar, even if the local currency value of the Fund’s holdings goes up. Generally, a strong U.S. dollar relative to these other currencies will adversely affect the value of the Fund’s holdings in foreign securities.

*(g) 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.

*(h) 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.

*(i) 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 (2014-2016), or expected to be taken in the Fund’s 2017 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.

Edgar Filing: SCM Trust - Form N-CSR

SCM Trust      Notes to Financial Statements (Continued)      December  
31, 2017

(j) *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.

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 December, 31, 2017 using fair value hierarchy:

|                                 | <b>Level 1<sup>(a)</sup></b> | <b>Level 2<sup>(a)</sup></b>    | <b>Level 3<sup>(a)</sup></b> |               |
|---------------------------------|------------------------------|---------------------------------|------------------------------|---------------|
|                                 |                              | <b>Investments</b>              | <b>Investments</b>           |               |
|                                 | Investments                  | <b>in</b>                       | in                           | Total         |
| Fund                            | in Securities                | <b>Securities<sup>(c)</sup></b> | Securities                   | Assets        |
| Greater China Fund              | \$8,759,467                  | \$—                             | \$ —                         | \$8,759,467   |
| BDC Income Fund                 | 13,074,610                   | 522,188                         | 54,221                       | 13,651,019    |
| Real Estate Income Fund         | 9,450,179                    | 255,469                         | —                            | 9,705,648     |
| Tactical Credit Fund            | 1,308,803                    | 23,718,999 <sup>(b)</sup>       | —                            | 25,027,802    |
| International Select Fund       | 45,681,679                   | —                               | —                            | 45,681,679    |
| Total investments in securities | \$78,274,738                 | \$24,496,656                    | \$ 54,221                    | \$102,825,615 |

(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 equities and 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.

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

|                       |                                    |   |                                      |                             |   |
|-----------------------|------------------------------------|---|--------------------------------------|-----------------------------|---|
|                       | Fair<br>Value<br>as of<br>12/31/17 | Valuation<br>Techniques<br>Relative value | Unobservable<br>Input<br>Stale price | Input<br>Values<br>\$ 11.98 | Impact to valuation<br>from an increase<br>to input<br>Increase |
| Newstar Financial CVR | \$ 54,221                          |   |                                      |                             |   |

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:

|                           |               |
|---------------------------|---------------|
| Fund                      | Net<br>Assets |
| 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%         |

Edgar Filing: SCM Trust - Form N-CSR

SCM Trust      Notes to Financial Statements (Continued)      December  
31, 2017

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 December 31, 2017 are as follows:

| Fund                      | Voluntary Expense Limitation |                      |                 |            |
|---------------------------|------------------------------|----------------------|-----------------|------------|
|                           | Direct Shares                | Institutional Shares | Investor Shares | Expiration |
| Greater China Fund        | 1.98%                        | N/A                  | N/A             | 1/2/18     |
| BDC Income Fund           | N/A                          | 1.25%                | 1.50%           | 11/6/17    |
| Real Estate Income Fund   | N/A                          | 1.15%                | 1.40%           | 11/6/17    |
| Tactical Credit Fund      | N/A                          | 1.42%                | 1.67%           | 3/20/18    |
| International Select Fund | N/A                          | 0.99%                | 1.24%           | 7/28/18    |

For the period May 1 2016 to June 30, 2016, WHV Investments, Inc. ("WHV") charged the Tactical Credit Fund advisory fees at the rate of 1.17% of the fund's daily net assets. Also during this period, Acuity Capital Management served as sub-advisor to the Fund. The Sub-Advisor provided certain services pursuant to a sub-advisory agreement between WHV, the Sub-Advisor, and the former Trust on behalf of the fund. Sub-Advisory fees were paid by WHV, not the Fund. For the period May 1, 2016 to June 30, 2016, WHV earned advisory fees of \$59,284 and waived fees of \$43,943 resulting in a net advisory fee of \$15,341. For the period July 1, 2016 to April 30, 2017, Shelton Capital charged advisory fees at the rate of 1.17% of the Fund's daily net assets. Shelton Capital earned fees of \$322,759 and waived fees of \$271,472 for a net advisory fee of \$51,287.

WHV served as the investment advisor to the International Select Fund Prior to July 18, 2016. For its services, WHV was entitled to an investment advisory fee of 0.74% (on an annualized basis), which is calculated daily and paid monthly based on the average daily net assets of the Fund. After July 18, 2016, Shelton became the investment advisor to the Fund. WHV, prior to July 18, 2016, and Shelton, after July 18, 2016, contractually agreed to reduce its investment advisory fee and/or reimburse certain expenses of the Fund to the extent necessary to ensure that the Fund's total operating expenses. For the period from May 1, 2016 through July 17, 2016, WHV earned fees of \$76,464 and waived fees of \$76,083. For the period from July 18, 2016 through April 30, 2017, Shelton earned fees of \$258,850, waived fees of \$258,850 and reimbursed fees of \$13,835. WHV is no longer eligible to recover any amounts previously waived or reimbursed.

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 \$2,620,668. The Advisor may recapture a portion of the above amount no later than the dates as stated below.

| Fund                    | Expires 3/31/18 | Expires 4/30/18 | Expires 12/31/18 | Expires 3/31/19 | Expires 4/30/19 | Expires 12/31/19 |
|-------------------------|-----------------|-----------------|------------------|-----------------|-----------------|------------------|
| Greater China Fund      | \$—             | \$—             | \$58,370         | \$—             | \$—             | \$84,130         |
| BDC Income Fund         | 71,605          | —               | —                | 281,806         | —               | 160,178          |
| Real Estate Income Fund | 141,894         | —               | —                | 305,545         | —               | 154,139          |

Edgar Filing: SCM Trust - Form N-CSR

|                           |           |          |          |           |           |           |
|---------------------------|-----------|----------|----------|-----------|-----------|-----------|
| Tactical Credit Fund      | —         | 15,049   | —        | —         | 359,405   | —         |
| International Select Fund | —         | —        | —        | —         | —         | —         |
| Total                     | \$213,499 | \$15,049 | \$58,370 | \$587,351 | \$359,405 | \$398,447 |

| Fund (Continued)          | Expires   | Expires   | Total       |
|---------------------------|-----------|-----------|-------------|
|                           | 4/30/20   | 12/31/20  |             |
| Greater China Fund        | \$—       | \$53,237  | \$195,737   |
| BDC Income Fund           | —         | 81,015    | 594,604     |
| Real Estate Income Fund   | —         | 113,675   | 715,253     |
| Tactical Credit Fund      | 315,415   | 46,709    | 736,578     |
| International Select Fund | 272,685   | 105,811   | 378,496     |
| Total                     | \$588,100 | \$400,447 | \$2,620,668 |

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 the Board of trustee review and approval prior to the time the reimbursement is initiated.

For the year ended April 30, 2017 and the period from May 1, 2017 to July 28, 2017, BNY Mellon was the administrator for The International Select Fund. For the period from May 1, 2016 to April 17, 2017, BNY Mellon was the administrator for Tactical Credit Fund. The Funds were charged a minimum monthly fee of \$5,833 in addition to the following fee rates:

|                                   |                       |
|-----------------------------------|-----------------------|
| International Select Equity Fund: | Tactical Credit Fund: |
| First 250M - .05%                 | First 250M - .06%     |
| Next 250M - .04%                  | Next 250M - .05%      |
| Next 250M - .03%                  | Next 250M - .04%      |
| Above 750M - .02%                 | Above 750M - .03%     |

As compensation for administrative duties not covered by the management agreement, Shelton Capital Management 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 Management. The fee rates are 0.10% on the first \$500 million,

Edgar Filing: SCM Trust - Form N-CSR

SCM Trust      Notes to Financial Statements (Continued)      December  
31, 2017

0.08% on the next \$500 million, and 0.06% on combined assets over \$1 billion. For the period of May 1, 2017 to July 28, 2017 and the year ended April 30, 2017, BNY Mellon was the administrator for the International Select Fund. For the period of July 29, 2017 to December 31, 2017, Shelton Capital Management accrued \$28,766 for administration fees. Administration fees are disclosed on the Statement of Operations.

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. Teresa Axelson formerly served as CCO of the Trust under similar arrangements through March 2017.

The SCM Trust adopted a Distribution Plan (the “Plan”), as amended July 29, 2017, pursuant to Rule 12b-1 under the Investment Company Act of 1940, whereby the Investor Shares of each Fund pays RFS Partners, an affiliate of Shelton Capital Management, for expenses that relate to the promotion and distribution of shares. Under the Plan, the Investor Shares of the Funds will pay RFS Partners 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 period May 1, 2016 to March 17, 2017, Foreside Funds Distributors LLC provided principal underwriting services for the public offering of the former Class A Shares and Class C Shares of the Tactical Credit Fund; \$33,151 total Class A 12b-1 fees were paid during this period. For the period of May 1, 2017 to July 28, 2017, Foreside Funds Distributors LLC provided principal underwriting services to for public offering of the Class A Shares of the International Select Fund; \$2,639 total Class A 12b-1 fees were paid during this period. Pursuant to the Foreside Funds Distributors LLC plan, the Funds compensate the Underwriter for direct and indirect costs and expenses incurred in connection with advertising, marketing and other distribution services in an amount not to exceed 0.25% on an annualized basis of the average daily net assets of the Funds’ Class A Shares and Class C Shares.

For the July 29, 2017 to December 31, 2017 period, RFS Partners acted as the Funds’ principal underwriter in a continuous public offering of the Institutional and Investor shares of the International Select Fund.

For the year or period ended December 31, 2017, the following were paid to RFS Partners:

| Fund  | Class<br>Investor<br>12b-1<br>Fees |
|---|------------------------------------|
| BDC Income Fund                                     | \$ 35,827                          |
| Real Estate Income Fund                             | 29,611                             |
| Tactical Credit Fund (Formerly Class A Shares)      | 19,828                             |
| International Select Fund (Formerly Class A Shares) | 4,081                              |

For the year ended April 30, 2017, the following were paid by each Fund of the Trust:

| Fund                                | 12b-1<br>Fees |
|-------------------------------------|---------------|
| Tactical Credit Fund Class A Shares | \$ 38,102     |
| Tactical Credit Fund Class C Shares | 12,086        |

International Select Fund Class A Shares 15,348

## NOTE 3 - PURCHASES AND SALES OF SECURITIES

Purchases and sales of securities other than short-term instruments for the period ended December 31, 2017 were as follows:

| Fund                      | Purchases   | Sales       |
|---------------------------|-------------|-------------|
| Greater China Fund        | \$2,011,357 | \$2,584,658 |
| BDC Income Fund           | 17,768,149  | 17,118,299  |
| Real Estate Income Fund   | 4,602,125   | 9,871,861   |
| Tactical Credit Fund      | 59,328,399  | 68,082,626  |
| International Select Fund | 9,459,633   | 13,582,465  |

## 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 year ended December 31, 2017, permanent differences resulting from different book and tax accounting for expiration of capital loss carryforwards, PFIC Reclasses and treatment of foreign currency gains have been reclassified. The reclassifications were as follows:

|                           | Increase<br>(Decrease) | Increase<br>(Decrease)<br>Undistributed<br>Net<br>Investment<br>Income (Loss) | Increase<br>(Decrease)<br>Accumulated<br>Gain (Loss) |
|---------------------------|------------------------|---|--|
| 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   |

Edgar Filing: SCM Trust - Form N-CSR

SCM Trust Notes to Financial Statements (Continued) December 31, 2017

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

|                           | Undistributed Ordinary Income | Undistributed Long-Term Capital Gain | Capital Loss Carry Forwards | Unrealized Appreciation (Depreciation) | Post October and Other Losses | Total Distributable Earnings |
|---------------------------|-------------------------------|--------------------------------------|-----------------------------|--|-------------------------------|------------------------------|
| 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)                 |

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

Elective Deferrals:

The Funds have not elected to defer capital losses recognized during the period November 1, 2017- December 31, 2017.

The Real Estate Income Fund and International Select Fund have 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:

|                                       | Greater China Fund | BDC Income Fund | Real Estate Income Fund* | Tactical Credit Fund | International Select Fund |
|---------------------------------------|--------------------|-----------------|--------------------------|----------------------|---------------------------|
| Expiring 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 an annual limitation of \$37,999 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:

| Fund | Year | Return of Capital | Ordinary Income | Long-Term Capital Gains <sup>(a)</sup> | Total Distributions |
|------|------|-------------------|-----------------|--|---------------------|
|------|------|-------------------|-----------------|--|---------------------|

Edgar Filing: SCM Trust - Form N-CSR

|                           |                                  |         |            |           |            |
|---------------------------|----------------------------------|---------|------------|-----------|------------|
| 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  |
|                           | 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, 2016                   | —       | 1,630,748  | —         | 1,630,748  |
|                           | 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, 2016                   | —       | 5,610,353  | —         | 5,610,353  |
|                           | 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.

NOTE 5 – REORGANIZATIONS

On July 14, 2017, the shareholders of the International Select Fund approved the agreement and plan of reorganization providing for the transfer of assets and assumption of liabilities of such funds by the International Select Fund shell. The reorganization was effective as of the close of business on July 28, 2017. The following table illustrates the specifics of the Fund's reorganization:

| Pre-Reorganization<br>Fund Net<br>Assets | Shares<br>issued to<br>Shareholders |                               | International<br>Fund<br>Net Assets | Combined<br>Net Assets | Tax Status<br>of Transfer |
|--|-------------------------------------|-------------------------------|-------------------------------------|------------------------|---------------------------|
|  | International<br>Select Fund        | International<br>Select Shell |                                     |                        |                           |
| \$ 45,550,734                            | 2,333,659                           | \$ —                          | \$ 45,550,734 <sup>(a)</sup>        |                        | Non-taxable               |

(a) Includes undistributed net investment income, accumulated realized losses and unrealized appreciation in the amounts of \$235,356, \$61,630,095 and \$10,776,849 respectively.

Edgar Filing: SCM Trust - Form N-CSR

SCM Trust Notes to Financial Statements (Continued) December 31, 2017

As of close of business on July 28, 2017, the classes were converted at the following rates:

| Pre-Merger Class                  | Pre-Merger |      |           | Post-Merger  |       |  |
|-----------------------------------|------------|------|-----------|--------------|-------|--|
|                                   | NAV        | Rate | Shares    | Dollars      | NAV   | Post Merger Class  |
| International Select Fund Class A | 19.50      | 1    | 213,948   | \$4,171,487  | 19.50 | Shelton International Select Equity Fund Investor Class      |
| International Select Fund Class I | 19.52      | 1    | 2,119,711 | \$41,379,247 | 19.52 | Shelton International Select Equity Fund Institutional Class |

On February 22, 2017, the shareholders of the Tactical Credit Fund approved the agreement and plan of reorganization providing for the transfer of assets and assumption of liabilities of such funds by the Tactical Credit Fund shell. The reorganization was effective as of the close of business on March 17, 2017. The following table illustrates the specifics of the Fund's reorganization:

| Pre-Reorganization Fund Net Assets | Shares issued to Tactical Credit Fund Shareholders of Tactical Credit Fund | Tactical Credit Shell Fund Net Assets | Combined Net Assets         | Tax Status of Transfer |
|------------------------------------|--|---------------------------------------|-----------------------------|------------------------|
| \$ 36,963,194                      | 3,492,932  | \$ —                                  | \$36,963,194 <sup>(a)</sup> | Non-taxable            |

<sup>(a)</sup> Includes undistributed net investment income, accumulated realized losses and unrealized appreciation in the amounts of \$387,984, \$2,179,299 and \$1,377,741 respectively.

As of close of business on March 17, 2017, the classes were converted at the following rates:

| Pre-Merger Class                    | Pre-Merger |             |           | Post-Merger   |       |   |
|-------------------------------------|------------|-------------|-----------|---------------|-------|---|
|                                     | NAV        | Rate        | Shares    | Dollars       | NAV   | Post Merger Class                                       |
| Tactical Credit Fund Class A Shares | 10.58      | 1           | 1,566,704 | \$ 16,568,594 | 10.58 | Shelton Tactical Credit Fund Investor Class Shares      |
| Tactical Credit Fund Class C Shares | 10.53      | .99573 to 1 | 165,472   | 1,751,497     | 10.58 | Shelton Tactical Credit Fund Investor Class Shares      |
| Tactical Credit Fund Class I Shares | 10.59      | 1           | 1,760,756 | 18,643,103    | 10.59 | Shelton Tactical Credit Fund Institutional Class Shares |

On October 21, 2016, the shareholders of the AR Capital BDC Income Fund, the AR Capital Global Real Estate Income Fund and the AR Capital Real Estate Income Fund approved the agreement and plan of reorganization providing for the transfer of assets and assumption of liabilities of such funds by the Shelton BDC Income Fund and the Shelton Real Estate Income Fund, respectively. The reorganization was effective as of the close of business on November 4, 2016. The following tables illustrate the specifics of each Fund's reorganization:

Combined

Edgar Filing: SCM Trust - Form N-CSR

| AR Capital<br>BDC<br>Income<br>Fund<br>Net Assets | Shares issued<br>to<br>Shareholders<br>of AR<br>Capital BDC<br>Income Fund | Shelton<br>BDC<br>Income<br>Fund<br>Net<br>Assets | Net Assets    | Tax Status<br>of Transfer |
|---|--|---|---------------|---------------------------|
| \$14,780,538                                      | 1,668,286  | \$  | —\$14,780,538 | Non-taxable               |

(1) Includes accumulated realized gains and unrealized appreciation in the amounts of \$332,361 and \$223,360 respectively.

| AR Capital<br>Global<br>Real Estate<br>Income<br>Fund<br>Net Assets | Shares issued<br>to<br>Shareholders<br>of AR<br>Capital<br>Global Real<br>Estate<br>Income Fund | Shelton<br>Real<br>Estate<br>Income<br>Fund<br>Net<br>Assets | Combined<br>Net Assets | Tax Status<br>of Transfer |
|---|---|--|------------------------|---------------------------|
| \$2,467,461   | 278,928   | \$   | —\$16,524,350          | Non-taxable               |

(1) Includes accumulated realized gain and unrealized depreciation in the amounts of \$120,779 and \$(177,489) respectively.

| AR Capital<br>Real Estate<br>Income<br>Fund<br>Net Assets | Shares issued<br>to<br>Shareholders<br>of AR<br>Capital Real<br>Estate<br>Income Fund | Shelton<br>Real<br>Estate<br>Income<br>Fund<br>Net<br>Assets | Combined<br>Net Assets | Tax Status<br>of Transfer |
|---|---|--|------------------------|---------------------------|
| \$14,056,889  | 1,588,861   | \$   | —\$16,524,350          | Non-taxable               |

(1) Includes accumulated realized gains and unrealized appreciation in the amounts of \$1,178,287 and \$480,458 respectively.

Edgar Filing: SCM Trust - Form N-CSR

SCM Trust Notes to Financial Statements (Continued) December 31, 2017

As of close of business on November 4, 2016, the classes were converted at the following rates:

| Pre-Merger Class                                 | Pre-Merger |             |           | Post-Merger |      |   |
|--|------------|-------------|-----------|-------------|------|---|
|  | NAV        | Rate        | Shares    | Dollars     | NAV  | Post Merger Class                                   |
| ARC Global Real Estate Income Fund Class A       | 8.37       | .9456 to 1  | 159,382   | 1,410,528   | 8.85 | Shelton Real Estate Income Fund Investor Class      |
| ARC Global Real Estate Income Fund Class C       | 8.37       | .9454 to 1  | 66,649    | 589,847     | 8.85 | Shelton Real Estate Income Fund Investor Class      |
| ARC Global Real Estate Income Fund Advisor Class | 8.38       | .949 to 1   | 52,898    | 467,085     | 8.83 | Shelton Real Estate Income Fund Institutional Class |
| ARC Real Estate Income Fund Class A              | 8.85       | 1           | 995,315   | 8,805,282   | 8.85 | Shelton Real Estate Income Fund Investor Class      |
| ARC Real Estate Income Fund Class C              | 8.80       | .9944 to 1  | 536,418   | 4,747,297   | 8.85 | Shelton Real Estate Income Fund Investor Class      |
| ARC Real Estate Income Fund Advisor Class        | 8.83       | 1           | 57,128    | 504,310     | 8.83 | Shelton Real Estate Income Fund Institutional Class |
| ARC BDC Income Fund Class A                      | 8.86       | 1           | 1,139,403 | 10,099,544  | 8.86 | Shelton BDC Income Fund Investor Class              |
| ARC BDC Income Fund Class C                      | 8.84       | .99774 to 1 | 486,190   | 4,307,647   | 8.86 | Shelton BDC Income Fund Investor Class              |
| ARC BDC Income Fund Advisor Class                | 8.74       | 1           | 42,694    | 373,348     | 8.74 | Shelton BDC Income Fund Institutional Class         |

Assuming the acquisition had been completed on April 1, 2016, the beginning of the annual reporting period, of the Shelton Real Estate Income Fund's pro forma results of operations for the period ended December 31, 2016 are as follows:

|  | Shelton Real Estate Income Fund |
|--|---------------------------------|
| Net Investment Income                                | \$412,918                       |
| Net gain on Investments                              | 164,093                         |
| Net increase in net assets resulting from operations | 577,011                         |

Because the combined investment portfolios have been managed as a single integrated portfolio since the acquisition was completed, it is not practicable to separate the amounts of revenue and earnings of the former AR Capital Global Real Estate Income Fund that have been included in the Shelton Real Estate Income Fund's statement of operations since November 4, 2016.

Note 6 – SUBSEQUENT EVENTS

In preparing the financial statements as of December 31, 2017, 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.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees  
of SCM Trust

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Shelton Greater China Fund, Shelton BDC Income Fund, Shelton Real Estate Income Fund, Shelton Tactical Credit Fund, and Shelton International Select Equity Fund (the “Funds”), each a series of SCM Trust (the “Trust”), including the schedule of investments, as of December 31, 2017, and the related statements of operations, statements of changes in net assets, and financial highlights for periods indicated within the financial statements, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Funds as of December 31, 2017, the results of their operations, the changes in their net assets, and their financial highlights for the periods indicated above, in conformity with accounting principles generally accepted in the United States of America.

With respect to the Shelton BDC Income Fund Shelton, the statement of changes in net assets for the year ended March 31, 2016, and the financial highlights for the year ended March 31, 2016 and for the period April 22, 2014 (commencement of operations) to March 31, 2015, were audited by other auditors, and in their opinion dated May 31, 2016, they expressed an unqualified opinion on said financial statements. With respect to the Shelton Real Estate Income Fund, the statement of changes in net assets for the year ended March 31, 2016, and the financial highlights for each of the two years in the period ended March 31, 2016 and for the period June 7, 2013 (commencement of operations) to March 31, 2014, were audited by other auditors, and in their opinion dated May 31, 2016, they expressed an unqualified opinion on said financial statements. With respect to the Shelton Tactical Credit Fund, the statement of changes in net assets for the year ended April 30, 2016 and the financial highlights for the year ended April 30, 2016 and for the period December 16, 2014 (commencement of operations) to April 30, 2015, were audited by other auditors, and in their opinion dated July 1, 2016, they expressed an unqualified opinion on said financial statements. With respect to the Shelton International Select Equity Fund, the statement of changes in net assets for the year ended April 30, 2016 and the financial highlights for each of the four years in the period ended April 30, 2016 were audited by other auditors, and in their report dated June 28, 2016, they expressed an unqualified opinion on said financial statements.

Basis for Opinion

These financial statements are the responsibility of the Funds’ management. Our responsibility is to express an opinion on the Funds’ financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We have served as the auditor of one or more of the funds in the Trust since 2011.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Funds are not required to have, nor were we engaged to perform, an audit of the Funds’ internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Funds’ internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included

examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2017 by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania  
March 1, 2018

SCM Trust Additional Information December 31, 2017

#### Fund Holdings

The Fund holdings shown in this report are as of December 31, 2017. Holdings are subject to change at any time, so holdings shown in the report may not reflect current Fund holdings. The Fund files complete schedules of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's 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 Policy

The Fund's Statement of Additional Information ("SAI") containing a description of the policies and procedures that the SCM Trust uses to determine how to vote proxies relating to portfolio securities, along with the Fund's proxy voting record relating to portfolio securities held during the 12-month period ended 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).

#### About this Report

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 Fund's 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 Fund.

Edgar Filing: SCM Trust - Form N-CSR

Board of Trustees and Executive Officers

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:

| Name              | Address   | Year of Birth | Position Held with the Trust        | Length of Time Served |
|-------------------|---|---------------|-------------------------------------|-----------------------|
| 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, 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.   |
| 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.

THIS PAGE INTENTIONALLY LEFT BLANK

---

THIS PAGE INTENTIONALLY LEFT BLANK

---

THIS PAGE INTENTIONALLY LEFT BLANK

---



ITEM 2. CODE OF ETHICS.

(a) The Registrant has adopted a code of ethics that applies to its principal executive officers and principal financial and accounting officer.

(c) Not applicable

(d) Not applicable

(e) Not applicable

(f) A copy of its code of ethics that applies to its principal executive officer and principal financial and accounting officer. A copy of the code of ethics is available upon request, at no charge, at 1(800) 955-9988.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

(a)(1) As of the end of the Reporting Period, Registrant does not have a named audit committee financial expert serving on its audit committee.

(a)(2) Not applicable

(a)(3) Since April 2011, no single independent trustee meets the criteria of "audit committee financial expert". The Board has determined that the collective skills of the audit committee members are sufficient to satisfy the requirements.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

(a)-(d)

The following table presents the aggregate fees billed to the registrant for fiscal years ended December 31, 2015 and December 31, 2016 for professional services rendered for the audit of the annual financial statements or services provided by the accountant in connection with statutory and regulatory filings or engagements for each of the fiscal years.

|                    | 12/31/16  | 12/31/17  |
|--------------------|-----------|-----------|
| Audit Fees         | \$ 50,000 | \$ 71,000 |
| Audit-Related Fees | 0         | 0         |
| Tax Fees *         | 8,500     | 15,000    |
| All Other Fees     | 0         | 0         |
| Total              | \$ 58,500 | \$ 86,000 |

\*Tax Fees consist of the aggregate fees billed for professional services rendered to the registrant by the principal accountant for tax compliance, tax advice, and tax planning and specifically include fees for review or preparation of U.S. federal, state, local and excise tax returns; U.S. federal, state and local tax planning, advice and assistance regarding statutory, regulatory or administrative developments, and tax advice regarding tax qualification.

(e)(1) In accordance with the Audit Committee Charter, the Audit Committee shall pre-approve the engagement of the auditor, including the fees to be paid to the auditor, to provide any audit or non-audit services to the registrant and any non-audit services to the registrant's investment adviser or any entity controlling, controlled by or under common control with the investment adviser that provides on-going services to the registrant if the engagement relates directly to the operations and financial reporting of the registrant. The Chairman of the Audit Committee may pre-approve certain services to be provided by the auditor to the registrant. All such delegated pre-approvals shall be presented to the Audit Committee no later than the next Audit Committee meeting.

(e) All of the services provided to the Registrant described in paragraphs (b)-(d) of Item 4 were pre-approved by the audit committee.

(f) N/A

(g)

## Edgar Filing: SCM Trust - Form N-CSR

The aggregate non-audit fees billed by the registrant's accountant for services rendered to the registrant and to the registrant's investment adviser and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant, for each of the fiscal years ended December 31, 2016 and December 31, 2017 are \$0 and \$0, respectively.

(h)N/A

### ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

The registrant has a separately-designated standing audit committee, established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The members are: Kevin T. Kogler (Chairman), Stephen H. Sutro, and Marco L. Quazzo.

### 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. Registrant converted from a closed-end to an open-end management investment company in October 2011.

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

Not applicable. Registrant converted from a closed-end to an open-end management investment company in October 2011.

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

Registrant has converted from a closed-end to an open-end management investment company in October 2011.

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.

- (a) 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 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)).
- (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. DISCLOSURE OF SECURITIES LENDING ACTIVITIES FOR CLOSED-ENDED MANAGEMENT INVESTMENT COMPANIES

Not applicable. Registrant converted from a closed-end to an open-end management investment company in October 2011.

ITEM 13. EXHIBITS.

- (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").
- (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.

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.

SCM Trust

By/s/ Stephen C. Rogers  
Stephen C. Rogers, Chairman  
Date: March 9, 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: March 9, 2018

By/s/ William P. Mock  
William P. Mock, Treasurer  
Date: March 9, 2018