

SHELTON GREATER CHINA FUND
Form N-Q
November 29, 2011

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

FORM N-Q
QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-05617

Shelton Greater China Fund

(Exact name of registrant as specified in charter)

44 Montgomery Street, Suite 2100
San Francisco, California 94104-4708

(Address of principal executive offices) (Zip code)

Brown Brothers Harriman & Co.
40 Water Street
Boston, MA 02109-3604
(Name and address of agent for service)

Registrant's telephone number, including area code: 1-955-9988

Date of fiscal year end: December 31
Date of reporting period: September 30, 2011

ITEM 1. SCHEDULE OF INVESTMENTS

SHELTON GREATER CHINA FUND
Schedule of Investments as of September 30, 2011 (Unaudited)

| | Shares | U.S. Dollar Value |
|-----------------------|--------|----------------------|
| COMMON STOCK (92.51%) | | |

Edgar Filing: SHELTON GREATER CHINA FUND - Form N-Q

| | | |
|--|-----------|------------|
| Basic Materials (7.61%) | | |
| Chemicals (5.58%) | | |
| Formosa Chemicals & Fibre Corp..... | 250,897 | \$ 655,058 |
| Formosa Plastics Corp..... | 730,271 | 1,956,939 |
| Nan Ya Plastics Corp..... | 400,968 | 871,955 |
| | | 3,483,952 |
| Iron/Steel (0.97%) | | |
| China Steel Corp..... | 615,025 | 603,163 |
| Mining (1.06%) | | |
| Zhaojin Mining Industry Co., Ltd..... | 400,000 | 665,366 |
| Total Basic Materials..... | | 4,752,481 |
| Communications (18.36%) | | |
| Internet (1.35%) | | |
| Tencent Holdings Ltd..... | 40,000 | 840,949 |
| Telecommunications (17.01%) | | |
| China Mobile Ltd..... | 450,000 | 4,455,989 |
| China Telecom Corp. Ltd..... | 3,000,000 | 1,905,996 |
| China Unicom Hong Kong Ltd..... | 500,000 | 1,043,485 |
| Chunghwa Telecom Co., Ltd..... | 500,000 | 1,664,589 |
| HTC Corp..... | 52,561 | 1,180,933 |
| Taiwan Mobile Co., Ltd..... | 150,000 | 368,506 |
| | | 10,619,498 |
| Total Communications..... | | 11,460,447 |
| Consumer Cyclical (8.41%) | | |
| Auto Parts & Equipment (0.06%) | | |
| Tong Yang Industry Co., Ltd..... | 42,000 | 38,779 |
| Lodging (1.24%) | | |
| Formosa International Hotels Corp..... | 8,217 | 113,466 |
| * | 200,000 | 478,489 |

Edgar Filing: SHELTON GREATER CHINA FUND - Form N-Q

| | | |
|---|-----------|------------------|
| Sands China Ltd..... | | |
| SJM Holdings Ltd..... | 100,000 | 181,487 |
| | | 773,442 |
| Retail (7.11%) | | |
| Far Eastern Department Stores Co., Ltd..... | 200,048 | 263,774 |
| Giordano International Ltd..... | 500,000 | 331,143 |
| Golden Eagle Retail Group Ltd..... | 300,000 | 619,160 |
| GOME Electrical Appliances Holding Ltd..... | 1,000,000 | 237,447 |
| Luk Fook Holdings International Ltd..... | 60,000 | 178,663 |
| President Chain Store Corp..... | 200,445 | 1,140,685 |
| Sa Sa International Holdings Ltd..... | 300,000 | 180,588 |
| *Shanghai Pharmaceuticals Holding Co., Ltd..... | 400,000 | 860,458 |
| *Sun Art Retail Group Ltd..... | 600,000 | 626,861 |
| | | 4,438,779 |
| Total Consumer Cyclical..... | | 5,251,000 |
| Consumer Non-cyclical (6.11%) | | |
| Beverages (0.28%) | | |
| Silver Base Group Holdings Ltd..... | 200,000 | 178,150 |
| Food (3.39%) | | |
| China Mengniu Dairy Co., Ltd..... | 350,000 | 1,069,155 |
| Standard Foods Corp..... | 280,500 | 772,828 |
| Want Want China Holdings, Ltd..... | 300,000 | 271,460 |
| | | 2,113,443 |
| Healthcare (1.38%) | | |
| St Shine Optical Co., Ltd..... | 70,000 | 860,995 |
| Pharmaceuticals (1.06%) | | |
| Sinopharm Group Co., Ltd..... | 250,000 | 661,002 |
| Total Consumer Non-cyclical..... | | 3,813,590 |

Edgar Filing: SHELTON GREATER CHINA FUND - Form N-Q

| | | |
|---|-----------|-----------|
| Diversified (1.21%) | | |
| Holding Companies (1.21%) | | |
| Dah Chong Hong Holdings Ltd..... | 150,000 | 155,753 |
| Hutchison Whampoa Ltd..... | 80,000 | 600,164 |
| | | 755,917 |
| Total Diversified..... | | 755,917 |
| Energy (10.22%) | | |
| Coal (2.55%) | | |
| China Shenhua Energy Co., Ltd..... | 400,000 | 1,591,539 |
| Oil & Gas (7.67%) | | |
| China Petroleum & Chemical Corp..... | 1,500,000 | 1,478,591 |
| CNOOC Ltd..... | 600,000 | 998,049 |
| Kunlun Energy Co., Ltd..... | 500,000 | 699,507 |
| PetroChina Co., Ltd..... | 1,300,000 | 1,610,150 |
| | | 4,786,297 |
| Total Energy..... | | 6,377,836 |
| Financial (15.46%) | | |
| Bank (5.15%) | | |
| BOC Hong Kong Holdings Ltd..... | 350,000 | 756,495 |
| Chang Hwa Commercial Bank..... | 1,545,000 | 891,892 |
| Hang Seng Bank Ltd..... | 50,000 | 589,768 |
| Industrial & Commercial Bank of China..... | 2,000,000 | 980,593 |
| | | 3,218,748 |
| Diversified Financial Services (3.13%) | | |
| Chinatrust Financial Holding Co., Ltd..... | 571,965 | 341,438 |
| Fubon Financial Holding Co., Ltd..... | 256,224 | 269,771 |
| Hong Kong Exchanges & Clearing Ltd..... | 70,000 | 1,032,319 |
| *Yuanta Financial Holding Co., Ltd..... | 606,691 | 308,440 |
| | | 1,951,968 |
| Insurance (3.82%) | | |

Edgar Filing: SHELTON GREATER CHINA FUND - Form N-Q

| | | |
|--|---------|-----------|
| AIA Group | 400,000 | 1,150,015 |
| Ltd..... | | |
| Cathay Financial Holding Co., | 408,561 | 471,705 |
| Ltd..... | | |
| China Life Insurance Co., | 270,000 | 654,970 |
| Ltd..... | | |
| PICC Property & Casualty Co., | 100,000 | 108,456 |
| Ltd..... | | |
| | | 2,385,146 |
| Real Estate (3.36%) | | |
| Hang Lung Properties | 50,000 | 151,774 |
| Ltd..... | | |
| Hysan Development Co., | 50,000 | 151,132 |
| Ltd..... | | |
| Link | 200,000 | 632,765 |
| REIT..... | | |
| Sun Hung Kai Properties | 100,000 | 1,160,925 |
| Ltd..... | | |
| | | 2,096,596 |
| Total Financial..... | | 9,652,458 |
| Industrial (7.07%) | | |
| Building Materials (0.28%) | | |
| Anhui Conch Cement Co., | 50,000 | 138,618 |
| Ltd..... | | |
| Asia Cement | 8,000 | 8,384 |
| Corp..... | | |
| Taiwan Glass Industrial | 24,399 | 28,330 |
| Corp..... | | |
| | | 175,332 |
| Electronics (4.73%) | | |
| Hon Hai Precision Industry Co., | 470,399 | 1,067,686 |
| Ltd..... | | |
| Radiant Opto-Electronics | 100,000 | 286,014 |
| Corp..... | | |
| Silitech Technology | 400,500 | 982,597 |
| Corp..... | | |
| Taiwan Surface Mounting Technology Co., Ltd..... | 300,000 | 615,980 |
| | | 2,952,277 |
| Engineering & Construction (1.68%) | | |
| Cheung Kong Infrastructure Holdings Ltd..... | 160,000 | 940,548 |
| China State Construction International Holdings Ltd..... | 200,000 | 106,530 |
| | | 1,047,078 |
| Miscellaneous Manufacturers (0.38%) | | |
| Largan Precision Co., | 10,000 | 235,174 |
| Ltd..... | | |

Edgar Filing: SHELTON GREATER CHINA FUND - Form N-Q

| | | |
|--|-----------|------------|
| Total Industrial..... | | 4,409,861 |
| Technology (11.29%) | | |
| Computers (0.49%) | | |
| Asustek Computer Inc..... | 40,000 | 303,070 |
| Semiconductors (10.50%) | | |
| Advanced Semiconductor Engineering Inc..... | 500,000 | 434,597 |
| Chipbond Technology Corp..... | 1,206,000 | 1,107,584 |
| MediaTek Inc..... | 100,044 | 1,107,480 |
| Taiwan Semiconductor Manufacturing Co., Ltd..... | 1,700,284 | 3,903,827 |
| | | 6,553,488 |
| Software (0.30%) | | |
| Kingdee International Software Group Co., Ltd..... | 500,000 | 189,958 |
| Total Technology..... | | 7,046,516 |
| Utilities (6.77%) | | |
| Electric (3.16%) | | |
| CLP Holdings Ltd..... | 150,000 | 1,355,376 |
| Power Assets Holdings Ltd..... | 80,000 | 618,133 |
| | | 1,973,509 |
| Gas (3.61%) | | |
| Beijing Enterprises Holdings Ltd..... | 80,000 | 407,639 |
| ENN Energy Holdings Ltd..... | 250,000 | 823,044 |
| Hong Kong & China Gas Co., Ltd..... | 450,000 | 1,021,152 |
| | | 2,251,835 |
| Total Utilities..... | | 4,225,344 |
| TOTAL COMMON STOCK (COST \$61,541,758)..... | | 57,745,450 |
| SHORT TERM SECURITIES (0.59%) | | |
| Time Deposit (0.59%) | | |
| Wells Fargo - Grand Cayman, 0.03%, Due 10/03/11..... | | 368,259 |
| TOTAL SHORT-TERM SECURITIES (COST \$368,259) | | 368,259 |
| TOTAL INVESTMENTS IN SECURITIES AT FAIR VALUE | | |

Edgar Filing: SHELTON GREATER CHINA FUND - Form N-Q

| | |
|-------------------------------|---------------|
| (COST \$61,910,017)**..... | 58,113,709 |
| OTHER NET ASSETS (6.90%)..... | 4,310,083 |
| NET ASSETS..... | \$ 62,423,792 |

* Non-income producing security.

** Aggregate cost for federal income tax purpose is \$64,828,234.

At September 30, 2011, unrealized appreciation (depreciation) of securities is as follows:

| | |
|-----------------------------|----------------|
| Unrealized appreciation | \$ 2,887,237 |
| Unrealized depreciation | (9,601,762) |
| Net unrealized depreciation | \$ (6,714,525) |

Fair Value Measurements and Disclosures -

The Fund utilizes 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 September 30, 2011 using fair value hierarchy:

| At September 30, 2011 | Level 1(b) | Level 2(b) | Level 3 | Total |
|----------------------------|------------|------------|---------|-------|
| Investments, in securities | | | | |

Edgar Filing: SHELTON GREATER CHINA FUND - Form N-Q

| | | | | | |
|---------------------------------|----|------------|------|------------|---------------|
| Common stocks (a) | \$ | 57,376,944 | \$ - | \$ 368,506 | \$ 57,745,450 |
| Short term securities | | 368,259 | - | - | 368,259 |
| Total investments in securities | \$ | 57,745,203 | \$ - | \$ 368,506 | \$ 58,113,709 |

(a) For a detailed breakout of common stocks by major industry classification, please refer to the Schedule of Investments.

(b) There were no significant transfers in or out of Level 1 and Level 2 during the period ended September 30, 2011.

The following is a reconciliation of investments as of September 30, 2011 in which significant unobservable inputs (Level 3) were used in determining value:

| | Common stocks |
|-----------------------------------|------------------|
| Fair value measurements (Level 3) | |
| Balance as of December 31, 2010 | \$ - |
| Transfer into Level 3(c) | 367,325 |
| Transfer out of Level 3 | - |
| Change in unrealized appreciation | 1,181 |
| Total realized gain (loss) | - |
| Purchases and issuances | - |
| Sales and settlement | - |
| Balance as of September 30, 2011 | \$ 368,506 |

The total change in unrealized depreciation for the period December 31, 2010 to September 30, 2011 attributable to Level 3 investments still held at September 30, 2011 was: \$ (29,383)

(c) Transfer from Level 1 to Level 3 because of lack of observable market data due to security's temporarily halting trading prior to September 30, 2011.

As of September 30, 2011, the amounts shown by the Fund as being Level 3 securities that were measured at fair value amounted to 0.59% of net assets.

In May 2011, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) No. 2011-04 “Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards (“IFRS”)”. ASU 2011-04 includes common requirements for measurement of and disclosure about fair value between U.S. GAAP and IFRS. ASU 2011-04 will require reporting entities to disclose the following information for fair value measurements categorized within Level 3 of the fair value hierarchy; quantitative information about the unobservable inputs used in the fair value measurement, the valuation processes used by the reporting entity, and a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs and the interrelationships between those unobservable inputs. In addition, ASU 2011-04 will require reporting entities to make disclosures about amounts and reasons for all transfers in and out of Level 1 and Level 2 fair value measurements. The new and revised disclosures are effective for interim and annual reporting periods beginning after December 15, 2011. At this time, management is evaluating the implications of ASU 2011-04 and its impact on the financial statements.

ITEM 2. CONTROLS AND PROCEDURES.

(a) The registrant’s principal executive officer and principal financial officer 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 “Act”) (17 CFR 270.30a-3(c))) are effective as of a date within 90 days of the filing date of this report based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the Act (17 CFR 270.30a-3(b)) and Rule 13a-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 significant changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d)) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

Certifications pursuant to Rule 30a-2(a) under the Act are filed as Exhibits Ex.99.906 to this Form N-Q.

SIGNATURES

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

Shelton Greater China Fund

By: /s/ Stephen C. Rogers
Name: Stephen C. Rogers
Title: Chief Executive Officer (Principal Executive Officer)
Date: November 28, 2011

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
Name: Stephen C. Rogers
Title: Chief Executive Officer (Principal Executive Officer)
Date: November 28, 2011

By: /s/ William P. Mock

Name: William P. Mock

Title: Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Date: November 28, 2011