Green Alpha®

Green Alpha Advisors, LLC

4760 Walnut Street
Suite 106
Boulder, Colorado 80301

Telephone: 303-993-7856
Fax: 303-568-0130

Email: info@greenalphaadvisors.com

Website: www.greenalphaadvisors.com

Form ADV Part 2A: Firm Brochure

Item 1: Cover Page

Date Updated: March 24, 2014

This brochure provides information about the qualifications and business practices of Green Alpha Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 303-993-7856 or info@greenalphaadvisors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Green Alpha Advisors, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

The following items are material changes since the last update of this brochure, dated March 31, 2013.

Change of Address: During 2013 Green Alpha Advisors moved its place of business, effective October 1, 2013 Green Alpha Advisors address is: 4760 Walnut Street, Suite 106, Boulder CO 80301.

New Partners: On August 1, 2013, Mr. Robert Muir joined Green Alpha Advisors as Partner and Senior Vice President. Mr. Muir's responsibilities include market analysis, company research, portfolio construction, portfolio trading and business development. As of January 1, 2014, Ms. Meredith EW Parfet joined Green Alpha Advisors as Director of Marketing & Communications. Ms. Parfet's responsibilities include development and implementation of all marketing, distribution, brand management and public relations initiatives for the company.

Item 3: Table of Contents

Item 4: Advisory Business

A. Green Alpha Advisors was founded in July 2007. Its principal owners are:

Name	Ownership %
Jeremy W. Deems	27.70%
Garvin F. Jabusch	27.70%

B. Green Alpha Advisors offers investment advisory services to our clients in the form of separately managed accounts and one no-load mutual fund, the Shelton Green Alpha Fund (NEXTX). Our portfolios are growth equity strategies comprised of exchange-traded securities and securities traded over-the-counter. While most of our portfolio holdings are domiciled in the United States (U.S.), we do invest in foreign companies that are traded on U.S. exchanges. Green Alpha Advisors does not provide financial planning services, nor do we advise clients in the selection of investments not managed by Green Alpha Advisors.

C. Green Alpha Advisors does offer the ability to tailor our investment advisory services to clients. On a client-by-client basis, we may allow clients to impose restrictions on investing in certain securities or types of securities.

D. Green Alpha Advisors does not currently participate in any wrap fee programs.

E. Client Assets Under Management: As of February 28, 2014, we manage $20,998,462 on a discretionary basis. We do not currently manage any assets on a non-discretionary basis.

Item 5: Fees and Compensation

A. Green Alpha Advisors charges an investment management fee based on a percentage of assets under management. The following is a summary of our basic management fee schedule for each of our portfolio strategies available via separately managed accounts:

Green Alpha Next Economy Index	0.95%
Green Alpha Growth and Income Portfolio	1.50%
Green Alpha Global Enhanced Equity Income Portfolio	1.25%
Green Alpha Select Solar Portfolio	1.50%
Sierra Club Green Alpha Portfolio:	
Account size $10,000 to $49,999	1.95%
Account size $50,000 to $99,999	1.70%
Account size $100,000 and up	1.50%

Fee discounts are applied for non-profit organizations. All fees are negotiated on a client-by-client basis.

Mutual Fund: As sub-advisor to the **Shelton Green Alpha Fund (NEXTX)**, Green Alpha Advisors receives a management fee calculated at an annual rate of 0.50% of average daily net assets under management in the Fund. The fees received by Green Alpha Advisors as sub-advisor to the Shelton Green Alpha Fund, as well as fees paid to other services providers to the fund (e.g. custody, advisor, administration, transfer agent, accounting, legal, etc.), are described in detail in the registration statement and/or financial statements of the Fund. These documents are available here: http://sheltoncap.com/mutual-funds/domestic-equity/shelton-green-alpha-fund-fossil-free-investing/

B. For separately managed accounts, investment advisory fees are charged quarterly pursuant to the annual basis point fee schedule agreed upon with each client in the Investment Management Agreement. The quarterly fee for each account is equal to ¼ of the annual fee calculated by applying the basis point fee schedule to average month-end value of the account as of the close of the last trading day of the billing period (i.e. calendar quarter) or on the last trading day before the Investment Management Agreement is terminated. Quarterly fees are billed in arrears for each calendar quarter and payable within 30 days. Earned and unpaid fees are payable immediately upon termination of the Managed Account Agreement. Quarterly fees are prorated as appropriate for initial quarter and upon termination. Fees are generally deducted directly from clients' accounts unless otherwise agreed to in the Investment Management Agreement.
C. In addition to the investment advisory fees, clients incur transaction costs related to the buying and selling of securities in their accounts. These costs are charged by the custodian. See Item 12 of this brochure for more information regarding brokerage and transaction costs.
D. Clients are not required to pay any fees in advance.
E. Green Alpha Advisors' employees do not accept compensation for the sale of securities or other investment products.

Item 6: Performance-Based Fees and Side-By-Side Management

Green Alpha Advisors does not charge or accept performance-based fees.

Item 7: Types of Clients

Green Alpha Advisors provides investment advisory services to individuals, investment companies, pension and profit sharing plans, trusts, estates, non-profit organizations, and corporations. We generally require the following minimum account size for our separate accounts as follows:

Strategy Name	Minimum Account Size
Green Alpha Next Economy Index	$100,000
Green Alpha Global Equity Income Portfolio	$200,000
Green Alpha Growth and Income Portfolio	$100,000
Green Alpha Select Solar Portfolio	$100,000
Sierra Club Green Alpha Portfolio	$10,000

The **Shelton Green Alpha Fund** currently has one class with investment minimums of $1,000 for taxable accounts and $500 for IRA accounts with an automatic investment plan.

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

A. We use the term "Next Economy" frequently at Green Alpha Advisors, so the best way to introduce our investment thesis is to define the term. By 'Next Economy' we mean the economy as it must exist in the future to make human civilization function within Earth's environment. And functionally, it means that we invest in the leading companies that are providing solutions to the most critical crises confronting the environment and therefore the economy and civilization.

All products in our suite of Next Economy investment portfolios have two things in common. Each is designed to give clients an innovative option in how they would like to engage in green equity investing, and each employs a careful, rigorous research process.

In translating a vision of the Next Economy to portfolio construction, we begin with a high-level definition of what constitutes a sustainable, Next Economy firm. Next (green) Economy companies are market leaders both in adding economic efficiencies (more economic output for less material and capital inputs) and responding to the challenges presented by a warming, increasingly populous, resource-constrained world. Through technology and innovation, these companies have the potential to deliver strategic via opportunities in all economic sectors, most crucially in, but not limited to: transportation, communications, commerce, infrastructure, materials, energy, agriculture and water.

With that definition in mind, the Next Economy is further comprised of enterprises that:

1. are powered by energies and use material inputs that have not had demonstrable deleterious impacts on global economic underpinnings (macroeconomic or environmental);
2. present better-than-legacy economy opportunities to keep national and international production functions running closer to their capacities than has recently been the case, or than is likely to be the case under legacy fossil fuels economies; and

3. make extremely efficient use of resources, preferentially exploiting the huge stockpiles of already extracted resources, and minimizing extraction from primary, geological sources.

All of these conditions are crucial as they underlie the security of the basic environmental underpinnings necessary for an economy to operate: adequate resources, reasonably mitigated climate change, potable water, sufficient agricultural output, and many other critical areas of concern. Moreover, they incorporate continued economic growth and, therefore, provide a basis for society to continue with minimal environmental disruption, and to thrive economically, with increasing standards of living for the greatest numbers of individuals, potentially indefinitely.

Our portfolio construction approach, incorporating both traditional and unique asset management approaches, works like this:

1. Observe at the most macroeconomic and ecological levels objective assessments regarding the most pressing issues confronting world economies and the resource and ecological threats to them.

2. Having identified key issues, our next step is to rigorously research scientific consensus and new approaches to the technologies, ideas and business practices best positioned to successfully drive growth while aiding in mitigation of and/or adaptation to issues.

3. Of these business approaches, then, the third step ascertains which can be and are practically deployed or practiced – that is, used in the real world.

4. Then, of these working, functional, practical approaches, in the fourth step we ask which can also be aligned with economic interests such that they will attract market capital and inspire both entrepreneurs and established companies to engage. In other words, this step asks which approaches can be deployed as profitable businesses.

5. The fifth step is to identify specific companies that come as close as possible to meeting the above next economy criteria.

6. Looking at granular company-level financial data comes last for us, and is only applied to qualified next economy companies, as identified via the five-stage methodology described above. In this final stage we apply rigorous quantitative, bottom-up financial analyses to identify which stocks of these next economy companies offer the best financial positions with minimized risk, focusing on growth potential, market liquidity, and bankruptcy risks. In this stage of the investment process, we apply traditional bottom-up fundamental quant perspectives borrowed from Graham-Dodd valuation methodology.

At the company quantitative research level, we employ fundamental investment research, including proprietary valuation methods that embed environmental performance within traditional financial analysis. Our investment process is calibrated to ensure that portfolio companies exhibit sound financial management and have business models that address one or more of the economic-environmental challenges facing civilization, and are optimized for continued eco-efficiency of their ongoing operations. In this way, each company is assessed on the basis of financial, business and environmental vectors of performance. Companies selected through this process comprise the green economy, or as we call it, the Next Economy.

While our investment process attempts to limit risk of loss, investing in securities involves risk and our clients should be prepared to bear such loss.

B. Our suite of investment strategies includes the Green Alpha Next Economy Index (GANEX), the Sierra Club Green Alpha Portfolio, the Green Alpha Growth & Income Portfolio, the Green Alpha Global Equity Income Portfolio, the Green Alpha Select Solar Portfolio and the Shelton Green Alpha Fund.

The **Green Alpha Next Economy Index (GANEX)** is an index designed to reflect and benchmark the Next Economy. It exists to:

1. Define all aspects of the Next Economy; green, self-sustaining, eco-efficient, fossil fuel free
2. Demonstrate the diversity, growth, breadth and depth of the Next Economy
3. Provide a universe of Next Economy companies from which to draw for actively managed portfolios
4. Serve as a performance benchmark for sustainable active, public equity investment strategies

The GANEX is a passively managed indexed investment. Next Economy companies may be admitted into the GANEX using a modified market-cap weighting. The GANEX is rebalanced once annually. The managers may choose to add or remove select companies from the index on an inter-rebalance basis, but it is anticipated that these changes will not have a large effect on portfolio turnover. The GANEX serves as a basis for Green Alpha Advisors' actively managed portfolios. The material risk involved with the GANEX is the potential for loss of value related to public equity investing. This strategy does not involve frequent trading of securities.

The **Sierra Club Green Alpha Portfolio (SCGA)** is unique among our portfolios in that it is a blend of Green Alpha Advisors' Next Economy universe and the Sierra Club's proprietary green investment guidelines, which they have used for decades to ensure they invest in only the least environmentally detrimental companies. The intersection of these two cutting-edge green stock selection processes produces the Sierra Club Green Alpha Portfolio. The target number of securities in this strategy is between 20 and 30 companies. The primary risks involved with the SCGA Portfolio are the potential for loss of value related to public equity investing and a moderate level of transaction costs related to trading of securities. Active trading of securities can affect investment performance through increased transaction costs and taxes.

The **Green Alpha Growth & Income Portfolio (GAGIP)** is designed for growth and income oriented investors seeking lower volatility and also higher income than other Next Economy equity strategies. Stocks are selected from the Next Economy universe and generally meet two of the following three criteria; mid-cap and larger market capitalization, relatively low beta and dividend yield. Amongst stocks meeting this criteria, preference will be given to stocks exhibiting favorable growth characteristics. Under normal market conditions, GAGIP is generally composed of at least 80% global equities and at most 20% cash and cash equivalents. Like all Green Alpha strategies, GAGIP is entirely fossil fuels free. The primary risks involved with the Green Alpha Growth & Income Portfolio are the potential for loss of value related to public equity investing and a moderate level of transaction costs related to trading of securities. Active trading of securities can affect investment performance through increased transaction costs and taxes.

The **Green Alpha Global Enhanced Equity Income Portfolio (GAGEEIP)** is an actively managed strategy designed to produce a relatively high amount of current income primarily derived in the form of dividends from investing in equity securities. The GAGEEIP is co-managed by Green Alpha Advisors and Mr. Tom Konrad, PhD, CFA of Konrad Advising, LLC. Dividend income may be enhanced by the use of options strategies, primarily in the form of covered calls. The portfolio construction process encompasses elements of Green Alpha's Next Economy economic thesis, as well as Mr. Konrad's alternative energy stock approach. As with all Green Alpha strategies, GAGEEIP is totally fossil fuel free. Under normal market conditions, the portfolio will be invested in global equities including US domestic equities (common and preferred), American Depository Receipts and non-US equities (ordinaries and preferred). The primary risks involved with GAGEEIP are the potential for loss of value related to public equity investing and a moderate level of transaction costs related to trading of securities. Active trading of securities can affect investment performance through increased transaction costs and taxes.

The **Green Alpha Select Solar Portfolio (GASSP)** is an actively managed, aggressive growth strategy comprised of Green Alpha Advisors' preferred companies along the solar energy industry value chain. Launched on December 31, 2013, the GASSP is our first individual sector strategy offering. The primary risks involved with GASSP are the potential for loss of value related to public equity investing, concentration of portfolio holdings in the solar energy sector, and a moderate level of transaction costs related to trading of securities. Active trading of securities can affect investment performance through increased transaction costs and taxes.

A detailed description of the methods of analysis, investment strategy and risk of loss related to the **Shelton Green Alpha Fund (NEXTX)** is available in the fund's prospectus, available at www.sheltoncap.com.

C. Green Alpha Advisors' portfolios primarily invest in public equity securities that are traded on U.S. domiciled exchanges. The equity securities may be exchange-listed securities, securities traded over-the-counter, and includes foreign issuers whose securities trade in the U.S. in the form of American Depository Receipts (ADR). The primary risk involved with equity securities is the risk of loss of value. The Green Alpha Global Enhanced Equity Income Portfolio may invest in non-US equity securities in the form of ordinary and preferred shares traded on international exchanges.

Item 9: Disciplinary Information

A. Green Alpha Advisors, including its management persons have not been involved in any criminal or civil action in a domestic, foreign or military court.

B. Green Alpha Advisors, including its management persons have not been subject to any administrative proceeding before the SEC, or any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.

C. Green Alpha Advisors, including its management persons have not been subject to any disciplinary proceeding with a self-regulatory organization.

Item 10: Other Financial Industry Activities and Affiliations

A. Green Alpha Advisors, including its management persons are not registered as a broker-dealer or a registered representative of a broker-dealer.
B. Green Alpha Advisors, including its management persons are not registered as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
C. Green Alpha Advisors, including its management persons do not have any material arrangements with related persons.
D. Green Alpha Advisors does not recommend or select other investment advisors for our clients.

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

In our efforts to ensure that Green Alpha Advisors, LLC develops and maintains a reputation for integrity and high ethical standards, it is essential not only that Green Alpha Advisors and its employees comply with relevant federal and state securities laws, but also that we maintain high standards of personal and professional conduct. Green Alpha Advisors' Code of Ethics (the "Code") is designed to help ensure that we conduct our business consistent with these high standards. We will provide a copy of our Code to any client or prospective client upon request.

Green Alpha Advisors does not buy or sell securities for client accounts in which we have a material financial interest. Since we are committed to our investment strategies, we do however invest in the same securities that we buy and sell for our client accounts. This represents a conflict of interest. In order to mitigate this conflict of interest, our Code contains a number of rules and procedures relating to personal trading by Green Alpha Advisors officers, directors, employees and their families. In particular, no employee may buy or sell a security if the employee knows that Green Alpha Advisors, is purchasing or selling, or contemplating purchasing or selling, that same security on behalf of our clients. We closely monitor trading accounts of our employees to ensure all personal securities transactions are conducted consistent with our Code and in such a manner as to avoid any conflicts of interest. In addition, employees are encouraged to assign investment discretion on their personal accounts to Green Alpha Advisors, when appropriate. This addresses any potential conflict of interest as our employees' personal investment assets are traded in the same strategies as those of our clients.

Most importantly, Green Alpha Advisors and our employees owe a fiduciary duty to our clients that requires each of us to place the interests of our clients ahead of our own interests.

Item 12: Brokerage Practices

A. Green Alpha Advisors selects brokers to execute our trades on behalf of our clients and evaluates all brokerage services on an ongoing basis. We select brokers on the basis of parameters including execution capability, average commission rate, financial responsibility, and responsiveness to the needs of Green Alpha Advisors and our clients. Commission rate is an important consideration and we seek to identify brokers offering best execution for client accounts. Any recommendation of a broker to clients is based on discretionary authority for trade execution; we do not actually recommend custodians to our clients. Our clients have the option to choose a custodian if we can trade the client's account with more than one broker.

   1. <u>Research and Other Soft Dollar Benefits.</u> Green Alpha Advisors does not receive research or other products or services other than execution from a broker-dealer or third party in connection with client securities transactions.
   2. <u>Brokerage for Client Referrals.</u> Green Alpha Advisors does not receive client referrals from broker-dealers, and as such, is not a factor when considering broker-dealers.
   3. <u>Directed Brokerage.</u> Green Alpha Advisors does not currently permit direct brokerage.

B. When available, Green Alpha Advisors may aggregate orders for client accounts with orders for other client accounts and allocate the aggregate amount of the investment among accounts as appropriate. We aggregate orders if conditions are such that transaction costs are favorable and we can execute orders at the same prices for each of the included client accounts.

Item 13: Review of Accounts

A. Green Alpha Advisors regularly reviews our client accounts to ensure the portfolios comply with the investment strategy described in the associated Investment Management Agreement. Reviews of client accounts take place no less than quarterly and include a review of all holdings and any activity during the period, including dividends, corporate actions, and accuracy of any management fees and transaction costs. Members of the Investment Committee of Green Alpha Advisors conduct the reviews of accounts. Investment Committee members include:

   Garvin Jabusch, Co-Founder and Chief Investment Officer
   Jeremy Deems, Co-Founder, Chief Operating Officer, and Chief Financial Officer
   Robert Muir, Partner and Senior Vice President

B. Green Alpha Advisors will also review our client accounts upon client request at any time.

C. Green Alpha Advisors' clients receive monthly statements (electronic or paper) from the custodian of their account. The monthly statements of account include a summary of account activity for the period as well as a detailed listing of holdings and change in market value.

Item 14: Client Referrals and Other Compensation

Green Alpha Advisors does not compensate any person who is not an employee for client referrals.

Item 15: Custody

Green Alpha Advisors does not have custody of any client assets or securities. Our clients' assets are maintained at a qualified custodian bank and/or broker-dealer. Our separate account clients receive account statements monthly from their custodian. Clients should carefully review those statements for accuracy and notify us immediately of any issues. Our separate account clients generally authorize Green Alpha Advisors to deduct our management fees directly from their accounts. Our mutual fund clients receive account statements monthly from Shelton Capital Management.

Item 16: Investment Discretion

Green Alpha Advisors accepts discretionary authority to manage securities accounts on behalf of our clients. On a case-by-case basis, we may allow separate account clients to impose limitations on this investment authority. Separate accounts clients assign investment discretion to Green Alpha Advisors via the Investment Management Agreement executed with each client.

Item 17: Voting Client Securities

Green Alpha Advisors accepts authority and responsibility for voting client securities. Green Alpha Advisors votes in accordance with guidelines we have developed and on a security by security basis. Members of the Investment Committee vote all client proxies at their discretion, but in all cases proxies are voted in a manner consistent with the best interest of our clients, and when appropriate, to advance environmental and social issues. If a client is interested in directing our vote in a particular solicitation, we encourage our clients to contact us so we can work together to facilitate such a request. Clients may contact us in writing to obtain information about how we voted on a particular solicitation. In addition, clients may obtain a copy of our proxy voting policies and procedures upon request.

Item 18: Financial Information

A. Green Alpha Advisors does not require or solicit prepayment of any fees by our clients.
B. There are no financial conditions that are reasonably likely to impair our ability to meet contractual commitments to our clients.
C. Green Alpha Advisors has never been the subject of a bankruptcy petition.

Item 19: Requirements for State-Registered Advisors

A. The following individuals are the principal executive officers of Green Alpha Advisors:

Jeremy W. Deems: (Born 1976)
Co-Founder, Chief Financial Officer, Chief Operating Officer, Chief Compliance Officer and Member of the Investment Committee. Mr. Deems earned an MBA in Finance and a B.S in Business Administration from St. Mary's College of California. He is also a Certified Public Accountant. Prior to co-founding Green Alpha Advisors in July 2007, Mr. Deems was CFO of Forward Management, LLC, and Co-Portfolio Manager of the Sierra Club Stock Fund. He was also Treasurer of Forward Funds, a family of mutual funds. Mr. Deems currently serves as Independent Trustee and Chairman of the Audit Committee of the Reaves Utility Income Fund, Financial Investors Trust, ALPS Variable Insurance Trust and ALPS ETF Trust.

Garvin F. Jabusch: (Born 1966)
Co-Founder, Chief Investment Officer and Member of the Investment Committee. Mr. Jabusch earned an MBA in International Finance from Thunderbird School of International Management, an M.S. in Physical Anthropology from the University of Utah, and a B.S. in Anthropology from the University of Utah. Before co-founding Green Alpha Advisors in July 2007, Mr. Jabusch was Vice President and Director of Sustainable Investments as Forward Management, LLC and Co-Portfolio Manager of the Sierra Club Stock Fund. Prior to that he served as Vice President, Strategic Services at Morgan Stanley.

B. Green Alpha Advisors is solely engaged in the business of providing investment management services.
C. Green Alpha Advisors does not charge performance-based fees.
D. Not applicable.
E. Not applicable.