

# Matisse Discounted Closed-End Fund Strategy

(MDCEX)

Matisse

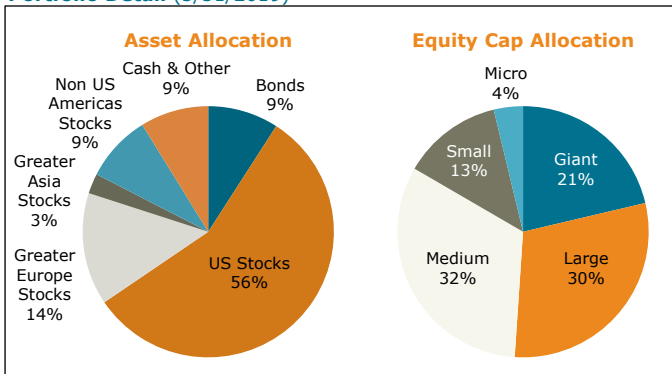
As of May 31<sup>st</sup>, 2019

**Fund Objective** Matisse Discounted Closed-End Fund Strategy (MDCEX) is an open-end mutual fund incorporated in the USA. The Fund seeks to provide investors with total return consisting of long-term capital appreciation and income.

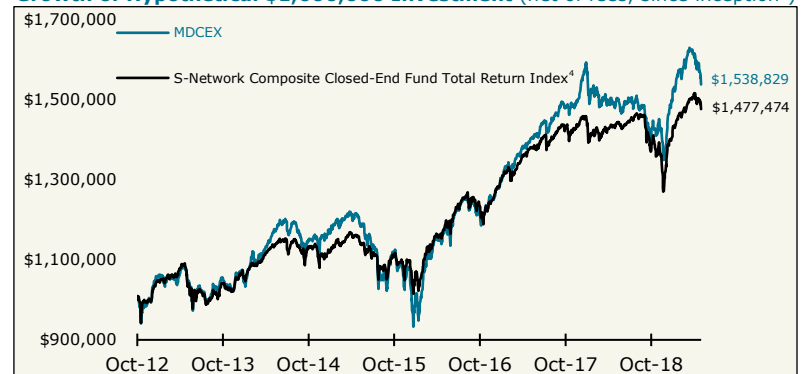
**Fund Outlook** Matisse Funds views closed-end funds as a unique opportunity where an investor can purchase a diversified fund and potentially generate additional returns through a change in the relationship between a closed-end funds' market price and its Net Asset Value (NAV)<sup>1</sup>.

- Fund Strategy**
1. Invests in closed-end funds that invest in both equity and fixed income securities.
  2. Opportunistic trading strategy that attempts to take advantage of both short-term and long-term changes in a fund's discount or premium to its NAV<sup>1</sup>.
  3. Uses both a proprietary quantitative screening process and qualitative analysis.

## Portfolio Detail (5/31/2019)



## Growth of Hypothetical \$1,000,000 Investment (net of fees, since inception<sup>2</sup>)



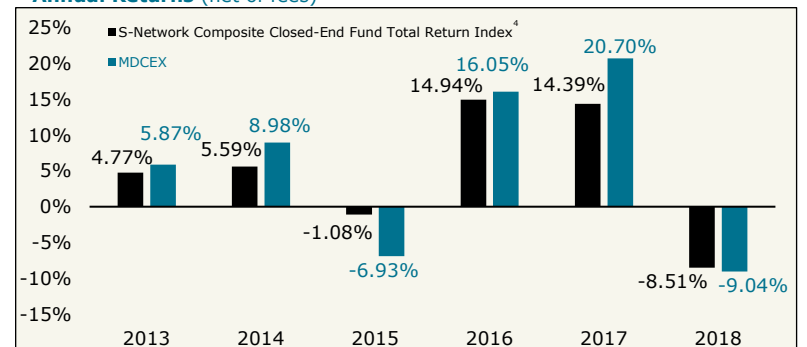
Source: Matisse Funds

**Top Ten Holdings**

|   | % Weight |
|---|----------|
| 1. RMR Real Estate Income Fund              | 9.89%    |
| 2. GDL Fund                                 | 8.84%    |
| 3. Pershing Sq Hldgs                        | 8.29%    |
| 4. NexPoint Strategic Opportunities Fund    | 7.73%    |
| 5. Dividend and Income Fund                 | 7.73%    |
| 6. Eagle Growth & Income Opportunities Fund | 6.48%    |
| 7. Mexico Fund                              | 5.42%    |
| 8. Gabelli Global Small & Mid Cap Value Tru | 4.41%    |
| 9. ClearBridge MLP and Midstream TR         | 4.32%    |
| 10. Salient Midstream & MLP                 | 3.95%    |

Current and future holdings are subject to change. Asset Allocation, Equity Cap Allocation, and Top Ten Holdings numbers were obtained and are available through Morningstar. Asset Allocation and Equity Allocation pie chart data may not sum to 100% due to rounding.

## Annual Returns (net of fees)



Source: Matisse Funds

## Fund Performance Comparison

| Most Recent Month-End 5/31/2019                                     | YTD    | 1-Year | 3-Year | 5-Year | Since Inception <sup>2</sup> |
|---|--------|--------|--------|--------|------------------------------|
| MDCEX   | 11.74% | 3.54%  | 9.65%  | 5.68%  | 6.77%                        |
| S&P 500® Index <sup>3</sup>   | 10.73% | 3.78%  | 11.72% | 9.66%  | 13.01%                       |
| S-Network Composite Closed-End Fund Total Return Index <sup>4</sup> | 11.87% | 2.95%  | 7.91%  | 5.35%  | 6.11%                        |
| Most Recent Month-End 3/31/2019                                     | YTD    | 1-Year | 3-Year | 5-Year | Since Inception <sup>2</sup> |
| MDCEX   | 16.11% | 6.63%  | 12.42% | 7.63%  | 7.59%                        |
| S&P 500® Index <sup>3</sup>   | 13.65% | 9.50%  | 13.51% | 10.91% | 13.83%                       |
| S-Network Composite Closed-End Fund Total Return Index <sup>4</sup> | 11.91% | 4.40%  | 9.07%  | 6.19%  | 6.28%                        |

## Risk/Return Measures<sup>5</sup>

| Since Inception <sup>2</sup> | MDCEX  | S&P 500® Index <sup>3</sup> |
|------------------------------|--------|-----------------------------|
| Standard Deviation           | 9.21%  | 12.89%                      |
| Alpha                        | -0.50% | --                          |
| Beta                         | 0.57   | 1.00                        |
| R <sup>2</sup>               | 0.64   | 1.00                        |
| Sharpe Ratio                 | 0.49   | 0.83                        |

Returns longer than one year are annualized. The performance information quoted represents past performance, which is not a guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For performance current to most recent month-end, please send a request to [info@matissefunds.com](mailto:info@matissefunds.com), or call Shareholder Services at 1-800-773-3863.

# Matisse Discounted Closed-End Fund Strategy

(MDCEX)

Matisse

As of May 31<sup>st</sup>, 2019

## Fund Information

| I Class | Ticker | CUSIP     | Load Type | Inception  | Minimum Initial Investment | Minimum IRA Initial Investment | Redemption Fee | Advisor Management Fee* |
|---------|--------|-----------|-----------|------------|----------------------------|--------------------------------|----------------|-------------------------|
|         | MDCEX  | 85520V434 | No Load   | 10/31/2012 | \$1,000                    | \$1,000                        | None           | 0.99%                   |

\*The Advisor receives a monthly management fee equal to an annual rate of 0.99% of the Fund's net assets. The Advisor has entered into an Expense Limitation Agreement with the Trust, pursuant to which the Advisor has agreed to waive or limit its fees and to assume other expenses so that the total annual operating expenses of the Fund (exclusive of acquired fund fees and expenses, interest, taxes, brokerage fees and commissions, and extraordinary expenses) is limited to 1.25%. The Expense Limitation Agreement runs through July 31, 2019 and may be terminated by the Board at any time.

**The Total Annual Fund Operating Expense for the Fund as disclosed in the prospectus is 2.69% dated August 1, 2018.** The Total Annual Fund Operating Expense is required to include expenses incurred indirectly by the Fund through its investments in closed-end funds and other investment companies. Effective July 23, 2015, the Advisor has entered into an Expense Limitation Agreement with the Fund that limits the Fund's annual operating expenses to 1.25%, exclusive of distribution and/or service (12b-1) fees, brokerage fees and commissions, taxes, interest and borrowing costs, and acquired fund fees and expenses. Expenses may exceed this 1.25% to the extent that the Fund incurs those excluded expenses. The Expense Limitation Agreement runs through July 31, 2019 and may be terminated by the Board at any time. "Acquired Fund Fees and Expenses" include expenses incurred indirectly by the Fund through its investments in closed-end funds and other investment companies, do not affect a Fund's actual operating costs, and therefore are not included in the Fund's financial statements, which provide a clearer picture of a Fund's actual operating costs. The Advisor cannot recoup from the Fund any amounts paid by the Advisor under the Expense Limitation Agreement. However, net annual operating expenses for the Fund may exceed those contemplated by the waiver due to expenses that are not waived under the Expense Limitation Agreement.

The Net Expense Ratio for the Fund as disclosed in the annual report is 1.25% dated March 31, 2018 and only includes the direct expenses paid by shareholders from their investment.

## Disclosures

**An investment in the Fund is subject to investment risks, including the possible loss of some or all of the principal amount invested. There can be no assurance that the Fund will be successful in meeting its investment objective. Generally, the Fund will be subject to the following additional risks: Fund of Funds Risk, Control of Portfolio Funds Risk, Closed-End Fund Risk, Money Market Mutual Fund Risk, Market Risk, Management Style Risk, Quantitative Model Risk, Foreign Securities Risk, Portfolio Turnover Risk, Leverage Risk, Investment Advisor Risk, and Operating Risk. More information about these risks and other risks can be found in the Fund's prospectus.**

**The Matisse Discounted Closed-End Fund Strategy is distributed by Capital Investment Group, Inc., Member FINRA/SIPC, 100 E Six Forks Road, Suite 200, Raleigh, NC 27609. There is no affiliation between Deschutes Portfolio Strategies, LLC, including its principals, and Capital Investment Group, Inc.**

<sup>1</sup>The price as which a closed-end fund trades often varies from its NAV. A fund is said to be trading at a discount when its market price is below its NAV. Alternatively, a fund is said to be trading at a premium when its market price is above its NAV.

<sup>2</sup>Inception date for MDCEX was 10/31/2012.

<sup>3</sup>S&P 500® Index: (registered trademark of The McGraw-Hill Companies, Inc.) is an unmanaged index of 500 common stocks primarily traded on the New York Stock Exchange, weighted by market capitalization. Index performance includes the reinvestment of dividends and capital gains.

<sup>4</sup>S-Network Composite Closed-End Fund Total Return Index: This fund index is designed to serve as a benchmark for closed-end funds listed in the US that principally engage in asset management processes seeking to produce taxable annual yield. The index employs a modified net assets weighting methodology designed to assure accurate investment exposure across the various style segments that together comprise the taxable yield sector of the closed-end fund market.

<sup>5</sup>Alpha, Beta, R<sup>2</sup>, Standard Deviation, and Sharpe Ratio are since inception statistics benchmarked against the S&P 500® Index (based on daily total returns). **Alpha** is a measure of performance on a risk-adjusted basis, where the excess return of a fund relative to the return of the benchmark index is a fund's alpha. **Beta** reflects the sensitivity of a fund's return to fluctuations in the market index, where a beta of 0.5 reflects half of the market's volatility (as represented by the fund's primary benchmark), while a beta of 2.0 reflects twice the volatility. **R<sup>2</sup>** represents the percentage of a fund's movements that can be explained by movements in a benchmark index. **Standard Deviation** is a measure of the dispersion of a set of data from its mean. For a fund, it is a measure of the volatility of a fund's returns, and is used by investors as a gauge for expected volatility. **Sharpe Ratio** is calculated by subtracting the current 90-day T-Bill rate from the rate of return of the portfolio and dividing the result by the standard deviation of the portfolio returns. It is a measure of risk-adjusted performance.

## Fund Advisor

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503-210-3000

[www.matissefunds.com](http://www.matissefunds.com)

## Investor Services

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Rocky Mount, NC 27803

1-800-773-3863

[shareholders@ncfunds.com](mailto:shareholders@ncfunds.com)

**An investor should consider the investment objectives, risks, and charges and expenses of the Fund carefully before investing. The prospectus contains this and other information about the Fund. A copy of the prospectus is available at [www.ncfunds.com](http://www.ncfunds.com) or by calling Shareholder Services at 1-800-773-3863. The prospectus should be read carefully before investing.**

**NOT FDIC INSURED  
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