

# Matisse Discounted Closed-End Fund Strategy

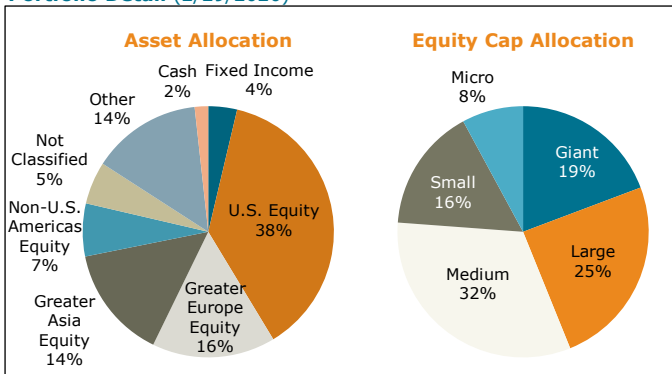
(MDCEX)

Matisse

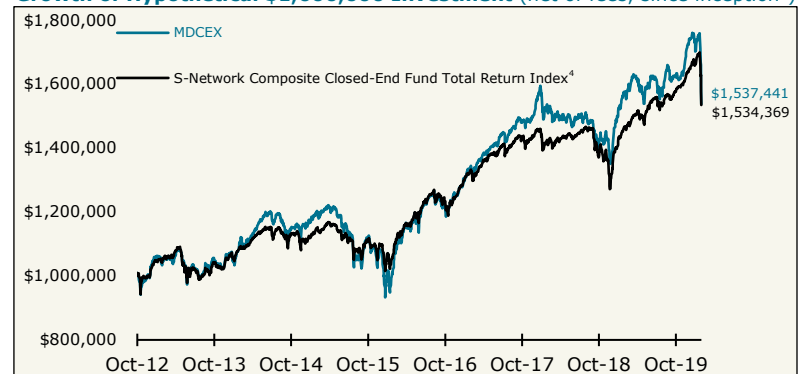
As of February 29<sup>th</sup>, 2020

- 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 (2/29/2020)



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



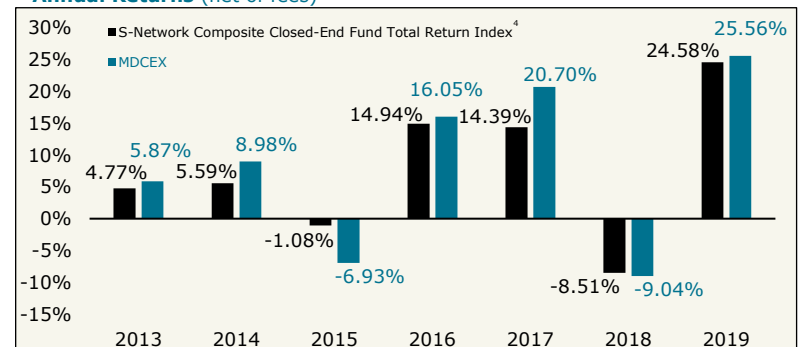
Source: Matisse Funds

**Top Ten Holdings**

	% Weight
1. NexPoint Strategic Opportunities Fund	10.01%
2. Pershing Sq Hldgs	9.34%
3. RMR Real Estate Income Fund	8.97%
4. Dividend and Income Fund	7.99%
5. GDL Fund	4.65%
6. Third Point Offshore USD Ord	4.38%
7. MS India Investment	4.09%
8. Highland Income Fund	3.66%
9. Taiwan Fund	3.49%
10. Templeton Dragon Fund	3.43%

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 2/29/2020	YTD	1-Year	3-Year	5-Year	Since Inception <sup>2</sup>
MDCEX	-11.09%	-2.05%	4.87%	5.10%	6.04%
S&P 500® Index <sup>3</sup>	-3.27%	14.09%	11.82%	10.38%	13.73%
S-Network Composite Closed-End Fund Total Return Index <sup>4</sup>	-6.74%	4.63%	4.90%	5.94%	6.01%
Most Recent Quarter-End 12/31/2019	YTD	1-Year	3-Year	5-Year	Since Inception <sup>2</sup>
MDCEX	25.56%	25.56%	11.29%	8.29%	7.94%
S&P 500® Index <sup>3</sup>	31.49%	31.49%	15.27%	11.70%	14.60%
S-Network Composite Closed-End Fund Total Return Index <sup>4</sup>	24.58%	24.58%	9.24%	8.19%	7.19%

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

Since Inception <sup>2</sup>	MDCEX	S&P 500® Index <sup>3</sup>
Standard Deviation	9.35%	13.03%
Alpha	-1.18%	--
Beta	0.58	1.00
R <sup>2</sup>	0.64	1.00
Sharpe Ratio	0.51	0.90

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)

As of February 29<sup>th</sup>, 2020

## Fund Information

	Ticker	CUSIP	Load Type	Inception	Minimum Initial Investment	Minimum IRA Initial Investment	Redemption Fee	Advisor Management Fee*
<b>I Class</b>	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 Total Annual Fund Operating Expense for the Fund as disclosed in the prospectus is 3.35% dated August 1, 2019.** 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. The Advisor has entered into an expense limitation agreement with the Fund under which it has agreed to waive or reduce its fees and to assume other expenses of the Fund, if necessary, in an amount that limits the Fund's annual operating expenses (exclusive of (i) any 12b-1 fees; (ii) any front-end or contingent deferred loads; (iii) brokerage fees and commissions, (iv) acquired fund fees and expenses; (v) fees and expenses associated with investments in other collective investment vehicles or derivative instruments (including, for example, option and swap fees and expenses); (vi) borrowing costs (such as interest and dividend expense on securities sold short); (vii) taxes; and (viii) extraordinary expenses, such as litigation expenses (which may include indemnification of Fund officers and Trustees and contractual indemnification of Fund service providers (other than the Advisor)) to not more than 1.25% of the average daily net assets of the Fund. The Expense Limitation Agreement runs through July 31, 2020 and may be terminated by the Board of Trustees of the Fund 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 to 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 prospectus is 3.18% dated August 1, 2019 and is required to include expenses incurred indirectly by the Fund through its investments in closed-end funds and other investment companies. The Net Expense Ratio for the Fund as disclosed in the annual report is 1.38% dated March 31, 2019 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: Closed-End Fund Risk, Control of Portfolio Funds Risk, Cybersecurity Risk, Foreign Securities Risk, Fund of Funds Risk, Investment Advisor Risk, Leverage Risk, Management Style Risk, Market Risk, Money Market Mutual Fund Risk, and Quantitative Model 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 at 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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## Investor Services

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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.**

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