3rd Quarter 2020 Fund Commentary

Matisse Discounted Closed-End Fund Strategy (MDCEX)

September 30th, 2020

Investment 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.

Most Recent Quarter-End Performance (as of September 30th, 2020)	YTD	1-Year	3-Year	5-Year	Since Inception[1]
MDCEX	-21.49%	-17.46%	-2.54%	5.63%	3.94%
S-Network Composite Closed-End Fund Total Return Index[2]	-7.03%	-2.27%	2.28%	7.67%	5.51%
S&P 500® Index[3]	5.57%	15.15%	12.28%	14.15%	13.90%

The Total Annual Fund Operating Expense for the Fund as disclosed in the prospectus is 3.48% dated August 1, 2020. For a detailed description of Fund expenses, please see the Annual Fund Operating Expenses table on page 8. 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, or call Shareholder Services at 1-800-773-3863.

Management Outlook

MDCEX has returned 25.0% over the past two quarters, but the Fund is still down a disappointing -21.5% year-to-date through quarter-end. Right now, we believe there are record bargains available for investors in the closed-end fund market (see historical discount charts on page 4). Given our year-to-date performance, some of our investors may be wondering "why should I stay in the Fund?" To start, finding the type of yield that MDCEX can generate (7.86% 30-day SEC yield as of quarter-end) with daily liquidity is nearly impossible in today's market.

As our investors know, closed-end funds are valued for their ability to generate steady cash distribution income. While no level of income is guaranteed, the average closed-end fund's average annual cash payout over the past 20 years has been approx. 7%. These cash distributions (like dividends on common stock), are usually paid monthly or quarterly, and may be classified as income, capital gains, or return of capital. MDCEX's portfolio consists of a diversified pool of closed-end funds. We receive these cash distributions, and in turn pay out a quarterly cash distribution similar in size to what we receive. As with the underlying closed-end funds, a distribution from MDCEX may be classified as income, capital gains, or return of capital. And although we do intend to make regular cash distributions, there can be no guarantee. Given current depressed prices for closed-end funds, and our own resulting (and hopefully temporarily) depressed NAV[4], our current 30-day SEC yield amounts to 7.86%.

The table below shows the current yield of MDCEX compared to a few other popular investment alternatives as of quarter-end. Even if our distributions drop some as a percentage, a brief inspection should demonstrate that closed-end fund cash distributions compare favorably to many other investment alternatives today. An investor should note, of course, that as a global balanced Fund, our volatility/risk is higher than some of the other investments listed in the table.

	10-Year US Treasury	Nasdaq 100	S&P 500® Index[3]	JNK	MDCEX
Current Yield	0.69%	0.79%	1.75%	5.23%	7.86%

Note that with the 10-year US treasury currently yielding 0.69%, it would take over 100 years to double an initial investment.

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Management Outlook

If you look under the hood, the average discount to NAV[4] of the underlying holdings in MDCEX is 22.8% as of quarter-end. This is the single largest month-end average discount to NAV[4] for MDCEX since its inception[1]. In other words, the average holding within MDCEX trades at 77.2 cents on the dollar. If you liquidated out of MDCEX today, you'd essentially be selling an underlying portfolio that's priced 22.8% below its NAV[4] (on average) and foregoing 7.86% in yield.

Record discount widening in closed-end funds has been the primary reason for the Fund's underperformance in 2020. MDCEX has returned 25.0% over the past two quarters despite its weighted average discount to NAV[4] widening from 20.4% (as of 3/31/2020) to now 22.8%. When closed-end funds went through a similar period of discount widening (4th quarter 2008), our separately managed accounts (that employed the same strategy as MDCEX) returned more than 100% for investors over the subsequent 3-years.

Our management team is very optimistic as we look forward over these next 12 to 24 months, given today's record discount levels in closed-end funds. Going forward, we believe the Fund is well positioned and could benefit from some combination of the following sources:

1. Significant discount narrowing
2. Excess income from cash distributions
3. Recovery of beaten-down NAVs[4]
4. Possible open-endings or liquidations of closed-end funds
5. A reversal of the Growth/Value, US/Foreign, and Large Cap/Small Cap dynamics
6. An environment with an abundance of discount capture and trading opportunities

We believe that one important advantage for closed-end funds, in general (as we consider the overall outlook for the Fund) is today's extremely low level of interest rates. Back in 2008, the 10-year US treasury yield never fell below 2.00%. As of quarter-end, the 10-year US treasury yield was 0.69%. More importantly, the Fed has committed itself to zero rates for the foreseeable future, even stating explicitly that they will allow inflation to run above two percent "for a time" (should that ever come to pass). In our view, the structural advantages of closed-end funds (easy and cheap borrowing paired with high and largely sustainable cash distributions) will eventually be found by an increasing number of investors who ignore closed-end funds now. Investors desire yield, and closed-end funds may eventually become a mainstream and common option to satisfy investor's income needs. If this trend is realized, then discounts could ultimately narrow for secular reasons for years to come. In our opinion, it makes today's record discount levels that much more exciting.

On a final note, tax-loss selling is typically prevalent in the fourth quarter, and this could contribute to further widening of closed-end fund discounts until year-end. Our research shows that closed-end fund performance is typically better after tax-loss selling season.

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Current Market Environment

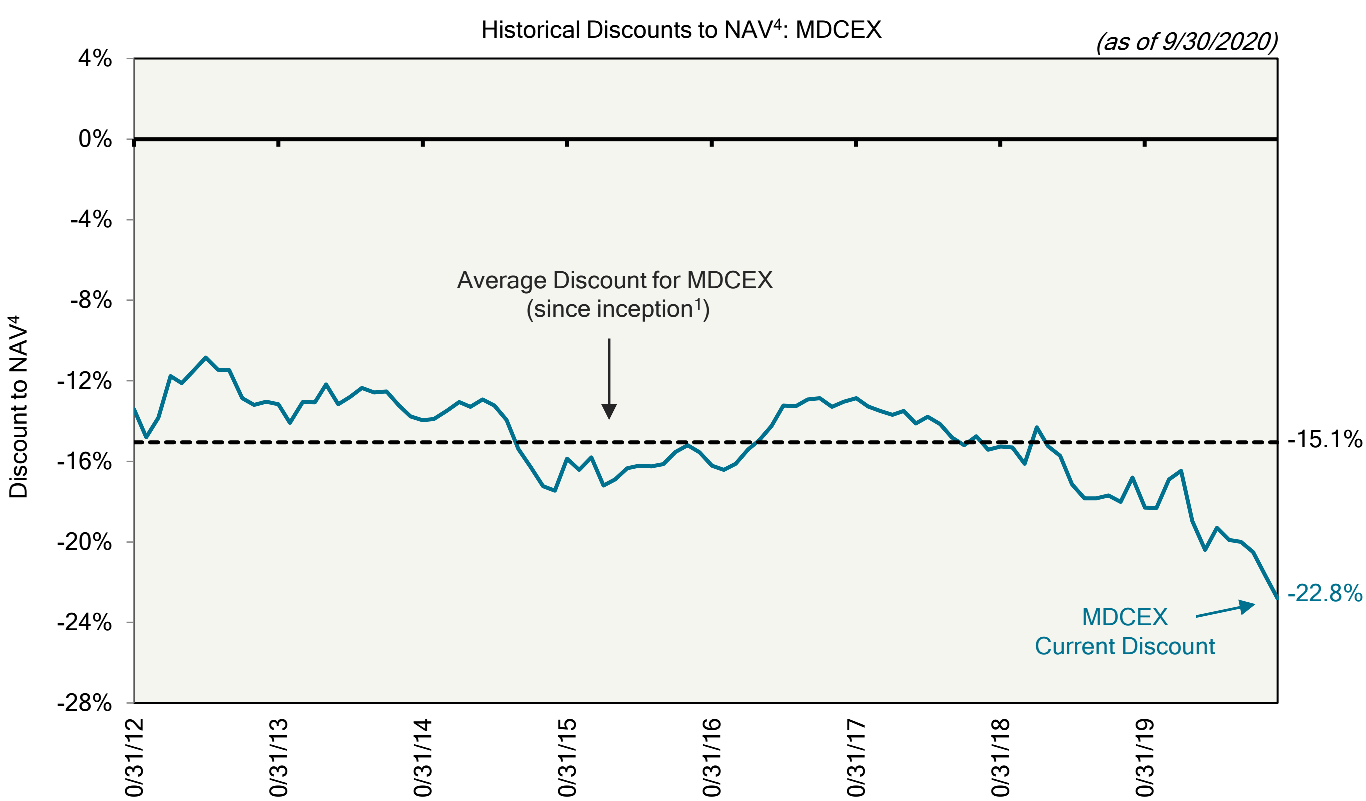
As of September 30th, 2020, discounts on all closed-end funds stood at 8.7% on average. During the quarter, the average discount in the entire universe of closed-end funds widened by approximately 52 basis points. The most recent quarter-end average discount of 8.7% is wider than the average discount level on March 31st, 2020 (when it was 8.6%).

Generally speaking, highly discounted closed-end funds (those in the bottom quintile of discounts) widened more than the broad closed-end fund market. The discounts on highly discounted closed-end funds widened by an average of 132 basis points during the quarter, while all other closed-end fund discounts widened by approximately 38 basis points on average. Discount widening, all else equal, serves as a headwind for closed-end fund investors.

Discounts on MLP[5] closed-end funds widened by more than 6 percentage points during the quarter. As of quarter-end, the average discount on all MLP[5] closed-end funds stood at over 26.0%, which is significantly wider than the long-term average discount on MLP[5] closed-end funds. In our opinion, MLP[5] closed-end funds are currently the most attractive closed-end fund sector as a group, statistically speaking based on current average discounts compared to long-term average discounts.

Other notable highlights in the closed-end fund market are International Equity closed-end funds and US Equity closed-end funds. International Equity closed-end funds current average discount is 14.6% (compared to a trailing 10-year average discount of 8.6%). US Equity closed-end funds current average discount is 13.7% (compared to a trailing 10-year average discount of 6.3%).

In our professional opinion, the current market environment in closed-end funds is favorable for closed-end fund investors, and we could see significant discount narrowing over the next 12 to 24 months.



Source: Matisse Capital

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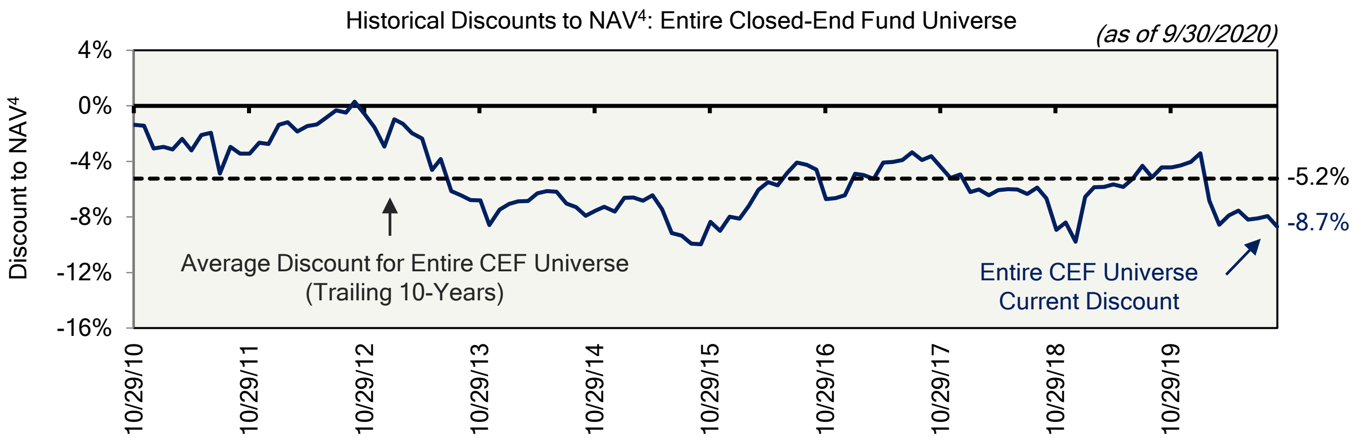
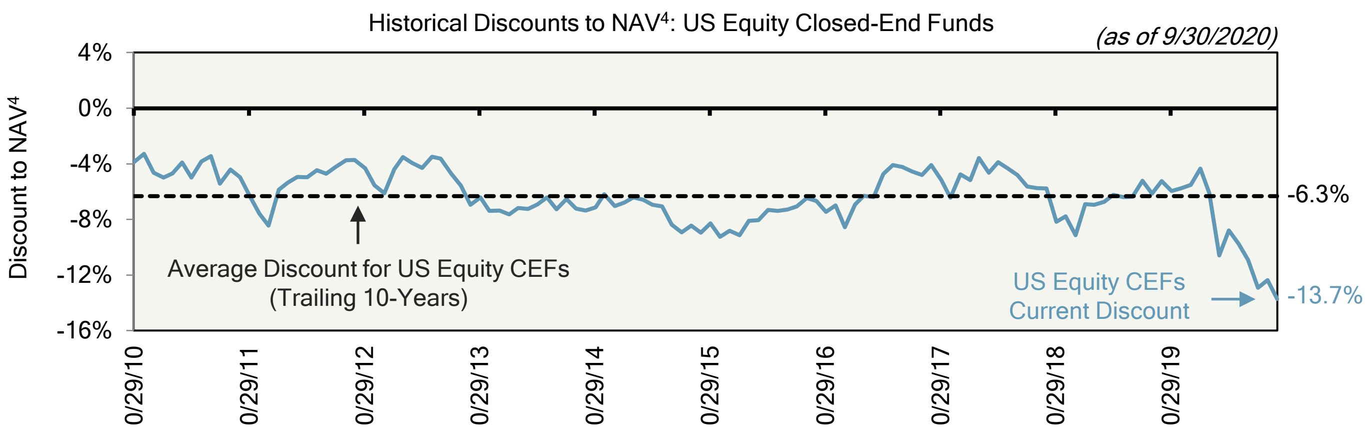
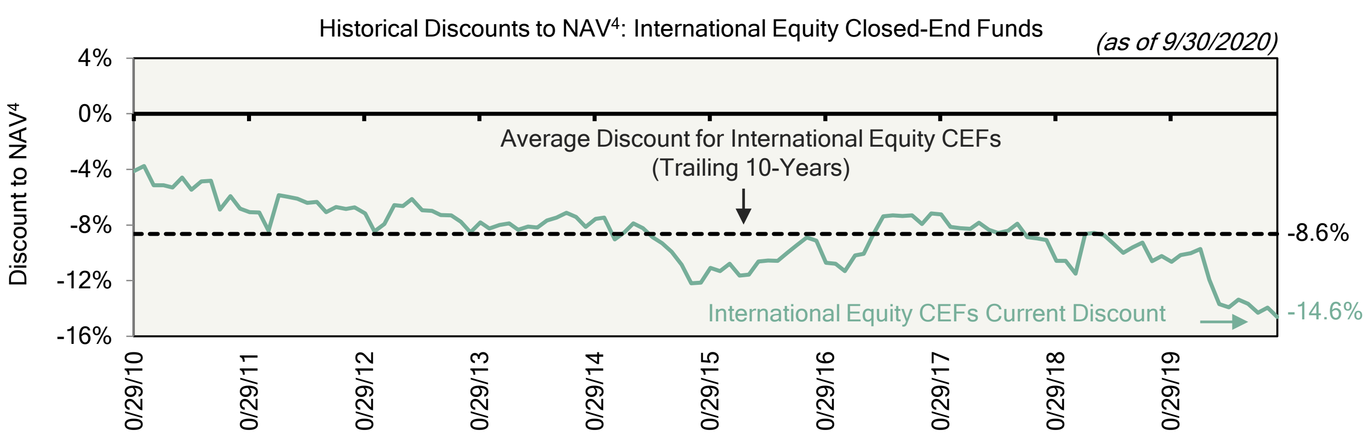
Matisse Discounted Closed-End Fund Strategy (MDCEX)

Current Market Environment







Source: Matisse Capital

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Matisse Discounted Closed-End Fund Strategy (MDCEX)

Performance Contributors and Detractors

Top Contributor #1
Pershing Square Holdings (PSH NA) contributed 128 basis points to our third quarter return. It began the quarter at a 31.9% discount and ended the quarter at a 30.3% discount. The underlying NAV[4] of this position appreciated 14% during the quarter. Discount narrowing combined with the underlying NAV[4] movement resulted in a gain of 17% during the quarter. PSH NA was an 8% position in MDCEX to start the quarter, and it now represents just under 9% of MDCEX as of quarter-end (our largest holding). Pershing Square is buying back shares and pays a dividend, and we believe the discount may narrow substantially. PSH NA has traded at an 18% discount since its launch in 2014.

In addition, there is potential underappreciated NAV[4] upside in the form of Pershing Square's recently issued SPAC, Pershing Square Tontine Holdings (PSTH). PSTH is the largest SPAC issued this year (at $5 billion), and it effectively expands Bill Ackman's reach into the not-yet-public market. PSH has a large position in PSTH, with the right to increase the position if a deal is consummated, along with standard warrants. This optionality is currently reflected in PSH's NAV[4] at a nominal value, giving PSH investors potential upside if Ackman can find an attractive target (and the IPO market stays robust), along with minimal downside if not.

Top Contributor #2
Third Point Investors (TPOU LN) contributed 80 basis points to our third quarter return. It began the quarter at a 26.1% discount and ended the quarter at a 23.2% discount. The underlying NAV[4] of this position appreciated 13% during the quarter. Discount narrowing combined with the underlying NAV[4] movement resulted in a gain of 17% during the quarter. TPOU LN was a 5% position in MDCEX to start the quarter, and it remains a 5% position in MDCEX as of quarter-end. Third Point is buying back shares, we've noticed more institutional and discount-focused investors have been purchasing shares recently, and we believe the discount may narrow substantially. TPOU LN has traded at a 16% discount since its launch in 2007. Also notable, chairman Steve Bates (who began in 2019) instituted the share buyback and promised to come back to shareholders with revised proposals to address TPOU LN's large discount to NAV[4] within 3 years.

Top Detractor #1
NexPoint Strategic Opportunities Fund (NHF) detracted 55 basis points from our third quarter return. This came after contributing 106 basis points to our return in the second quarter. NHF began the quarter at a 40.1% discount to NAV[4] and ended the quarter at a 49.2% discount. The underlying NAV[4] of this position depreciated 1% during the quarter. Discount widening combined with the underlying NAV[4] movement resulted in a loss of 15% during the quarter. NHF was a 4% position in MDCEX to start the quarter, and due to underlying NAV[4] depreciation, it is now about a 3% position as of quarter-end. In April, NexPoint announced a program to repurchase 10% of its shares, and it offers a 14% yield at current prices. In June, the fund announced plans to convert to a Diversified REIT, which we believe could result in the unlocking of its substantial value. Back in 2015, NHF spun off a REIT from its portfolio (ticker: NXRT) which has more than doubled, so there is some basis for optimism.

Top Detractor #2
RMR Mortgage Trust (RMRM) detracted 30 basis points from our third quarter return. RMRM began the quarter at a 30.7% discount to NAV[4] and ended the quarter at a 46.2% discount. The underlying NAV[4] of this position appreciated 1% during the quarter. Discount widening combined with the underlying NAV[4] movement resulted in a loss of 21% during the quarter. RMRM was a 1.5% position in MDCEX to start the quarter and is now about a 1.1% position as of quarter-end. Like NHF above, we believe a possible REIT conversion (to a Mortgage REIT in this case) could ultimately benefit RMRM's trading price relative to its NAV[4]. Since RMRM is invested primarily in publicly traded REITs today, its transition to a Mortgage REIT could allow it to purchase and originate property-backed mortgages on attractive "COVID terms".

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Notable Portfolio Changes

Our largest new position during the quarter was Tetragon Financial Group (TFG NA), a London and Amsterdam-listed closed-end fund. The fund primarily invests in asset managers and the strategies they run, where it typically takes majority ownership in a small firm. TFG NA also has some direct investments in CLOs, real estate, equities, infrastructure and private equity. Co-founders Reade Griffith, Paddy Dear, and their team identify asset classes with the potential for 10-15% ROE, find managers in those areas with demonstrated success (often small teams leaving larger firms and looking for seed capital), and then negotiate terms and structure for investing in both the strategies and the managers themselves. The fund can therefore benefit not only from the appreciation of underlying assets, but also from the management or performance fees stemming from those managers' success in gathering external assets under management. Since its initial public offering in 2007, Tetragon has achieved a double-digit annualized at-NAV[4]-return. It pays a regular dividend, buys back shares opportunistically, and is over 30% owned by its employees.

We purchased TFG NA in late August when it was trading at a 63% discount to NAV[4]. The NAV[4] is somewhat subjective, given about 30% of it is the carrying value of Tetragon's equity stakes in its constituent investment teams. In our analysis, this carrying value is reasonable, at about 9x EBITDA (counting only fees on the $27 billion of the managers' $28 billion AUM that comes from entities other than Tetragon). The median EBITDA multiple among publicly traded asset managers today is approximately 9x (and the S&P 500[3] trades at 16x). Eaton Vance was just bought out (announced) at 15x, and Tetragon itself has sold a few of its internally-grown asset managers in the past at higher multiples. There are still risks (primarily liquidity and the loss or failure of one or more of the underlying teams), but we feel Tetragon offers upside (both NAV[4] and discount) at a risk level measurably lower than stocks.

Our two largest outright closed-end fund sales during the quarter were Brookfield Real Assets Income Fund (RA) and Adams Natural Resources Fund (PEO). We purchased RA during March and April at an average 25% discount to NAV[4] and then sold in late July and early August at an average 13% discount. The primary reason for the sale of RA was to swap out the position for another, more attractive opportunity. PEO was purchased in March and April at an average 16% discount to NAV[4] and then sold in September at a single-digit discount. Similarly, the primary reason for the sale of PEO was to swap out the position for another, more attractive opportunity. Most of our shares were sold back to the fund company, which tendered for shares at a 5% discount to NAV[4] in response to activist pressure. In addition, we sold our position in PCEF (which is an ETF of closed-end funds). We purchased PCEF in March and April and then sold in August.

Fund Advisor

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Fund Information

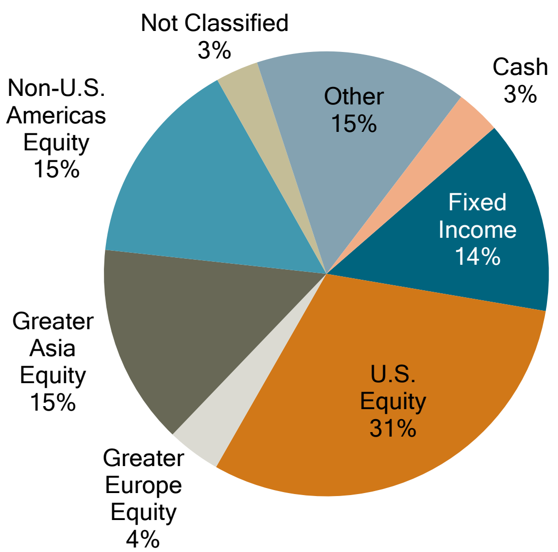
Objective Matisse Discounted Closed-End Fund Strategy (MDCEX) is an open-end mutual fund incorporated in the USA. The Fund seeks to provide investors with total return consisting of long-term capital appreciation and income.

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)[4].

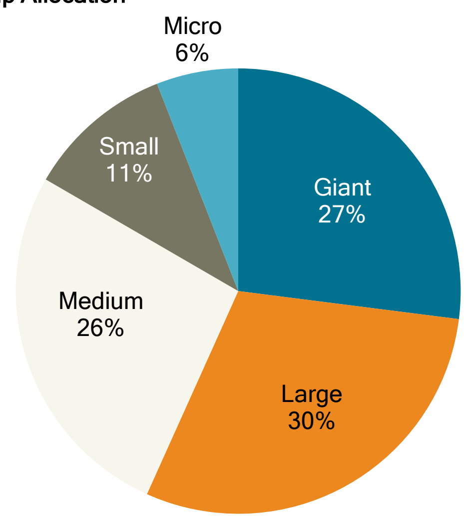
Strategy

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[4].
3. Uses both a proprietary quantitative screening process and qualitative analysis.

Asset Allocation



Equity Cap Allocation



Top Ten Holdings

		% Weight
1.	Pershing Sq Hldgs	9.02%
2.	Third Point Investors USD Ord	5.51%
3.	MS China A Share	4.86%
4.	Adams Diversified Equity Fund	4.42%
5.	Highland Income Fund	3.82%
6.	Tetragon Financial Ord	3.67%
7.	Central Securities Corporation	3.53%
8.	MS Emerging Markets Domestic	3.46%
9.	NexPoint Strategic Opportunities Fund	3.07%
10.	ASA Gold and Precious Metals	3.03%

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.

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Annual Fund Operating Expenses

Expense	MDCEX	Expense Description
Advisor Management Fees	0.99%	The Advisor (Matisse Capital) receives a monthly management fee equal to a maximum of 0.99% of the Fund's net assets.
Distribution and/or Service (12b-1) Fees	None	Fees paid out of the Fund to cover the costs of distribution (marketing and selling shares of the Fund). The Fund has no fees related to distribution and/or service (12b-1).
Other Expenses	0.54%	Expenses related to the operation of the Fund, including professional fees, administration fees, registration and filing expenses, Fund accounting fees, transfer agent fees, custody fees, shareholder fulfillment expenses, compliance fees, trustee fees and meeting expenses, miscellaneous expenses, security pricing fees, and insurance fees. The Advisor (Matisse Capital) does not collect any of these fees.
Less Fee Waiver and/or Expense Limitation	(0.29)%	The total amount of Advisor Management Fees, Distribution and/or Service (12b-1) Fees, and Other Expenses cannot exceed 1.25%, per the Fund's Expense Limitation Agreement. These expenses are direct cash expenses to an investor in the Fund. Any fees above 1.25% are waived and credited back.
Cash Expense Limit	**1.24%**	The total direct cash expense to an investor in the Fund. The cash expense limit is capped at 1.25%, per the Fund's Expense Limitation Agreement.
Interest Expense on Borrowings	0.13%	Interest expense incurred by the Fund on amounts borrowed. The Advisor (Matisse Capital) does not collect any of these fees. Interest expense is charged directly to the Fund based upon actual amounts borrowed by the Fund.
Acquired Fund Fees and Expenses	1.82%	The operating expenses of the Fund's underlying investments in closed-end funds and other investment companies. These fees are not a cash expense of the Fund. The Advisor (Matisse Capital) does not collect any of these fees. Acquired Fund Fees and Expenses 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 operating expenses in this fee table will not correlate to the expense ratio in the Fund's financial statements, once available, because the financial statements include only the direct operating expenses incurred by the Fund.
Total Annual Fund Operating Expenses	**3.48%**	The Fund's costs as a percentage of the Fund's total assets, before any fee waiver and/or expense limitation. The Total Annual Fund Operating Expense is required to include Acquired Fund Fees and Expenses. The Advisor (Matisse Capital) receives a monthly management fee equal to a maximum of 0.99% of the Fund's net assets.
Net Annual Fund Operating Expenses	**3.19%**	The Fund's costs as a percentage of the Fund's total assets, after any fee waiver and/or expense limitation. The Net Annual Fund Operating Expense is required to include Acquired Fund Fees and Expenses. The Advisor (Matisse Capital) receives a monthly management fee equal to a maximum of 0.99% of the Fund's net assets.

The Total Annual Fund Operating Expense for the Fund as disclosed in the prospectus is 3.48% dated August 1, 2020. 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, 2021 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 3.19% dated August 1, 2020 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 1.37% dated March 31, 2020 and only includes the direct expenses paid by shareholders from their investment.

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	Ticker	CUSIP	Load Type	Inception[1]	Redemption Fee
I Class	MDCEX	85520V434	No Load	10/31/2012	None

Important 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, Fund of Funds Risk, Control of Portfolio Funds Risk, Fixed Income Securities Risk, COVID-19 Risk and Other Infectious Illnesses Risk, Cybersecurity Risk, Equity Securities Risk, Foreign Securities Risk, ADR Risk, General Investment Risk, Investment Advisor Risk, Quantitative Model Risk, Leverage Risk, Loans Risk, Management Style Risk, Market Risk, Money Market Mutual Fund Risk, and Portfolio Turnover 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 Matisse Capital, including its principals, and Capital Investment Group, Inc.

[1]Inception date for MDCEX was 10/31/2012.

[2]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.

[3]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.

[4]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.

[5]A Master Limited Partnership (MLP) is a business venture that exists in the form of a publicly traded limited partnership. MLPs are required to distribute all available cash to investors, and are prominently used in capital-intensive businesses, such as the energy sector.

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 or by calling Shareholder Services at 1-800-773-3863. The prospectus should be read carefully before investing.

NOT FDIC INSURED
NO BANK GUARANTEE
MAY LOSE VALUE

The commentary contains information about closed-end funds and related financial markets. The information is not advice, and should not be treated as such. Any reference to a specific fund or security does not constitute a recommendation to buy, sell, hold, or directly invest in the fund or its securities. It should not be assumed that investment decisions made in the future will be profitable or will equal the performance of the funds or securities discussed in this commentary. Past performance does not guarantee future results, which may vary. The value of investments and the income derived from investments will fluctuate and can go down as well as up. A loss of principal may occur.

Matisse Capital is the investment advisor to the Matisse Discounted Closed-End Fund Strategy (MDCEX). This commentary does not constitute an offer to sell or a solicitation of an offer to buy shares of the Funds in any jurisdiction in which such offer, solicitation, purchase or sale would be unlawful under the securities laws of such jurisdiction.