

# Matisse Discounted Closed-End Fund Strategy

(MDCEX)



As of December 31<sup>st</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

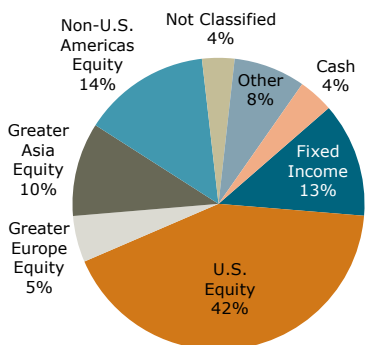
Matisse Funds views closed-end funds as a unique opportunity where an investor can purchase a diversified fund and potentially generate additional returns through a change in the relationship between a closed-end funds' market price and its Net Asset Value (NAV)<sup>1</sup>.

## Fund Strategy

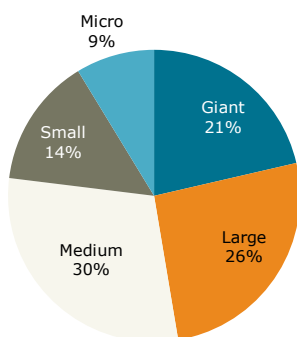
1. Invests in closed-end funds that invest in both equity and fixed income securities.
2. Opportunistic trading strategy that attempts to take advantage of both short-term and long-term changes in a fund's discount or premium to its NAV<sup>1</sup>.
3. Uses both a proprietary quantitative screening process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

## Portfolio Detail (as of 12/31/2020)

### Asset Allocation



### Equity Cap Allocation



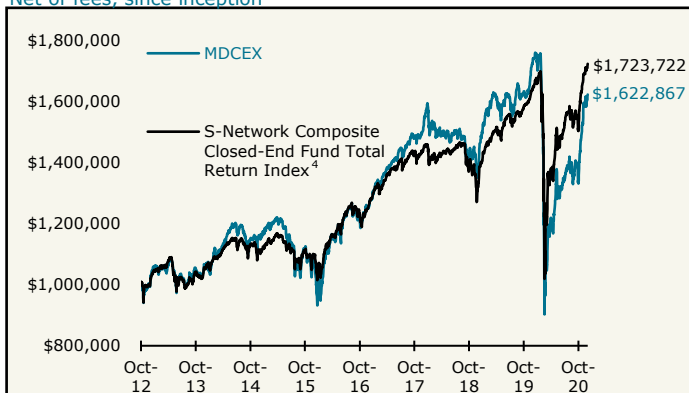
### Top Ten Holdings

	% Weight
1. Pershing Sq Hldgs	8.75%
2. Third Point Investors USD Ord	5.17%
3. NexPoint Strategic Opportunities Fund	4.56%
4. Highland Income Fund	4.48%
5. MS China A Share	3.86%
6. Adams Diversified Equity Fund	3.58%
7. Tetragon Financial Ord	3.09%
8. Central Securities Corporation	3.02%
9. MS Emerging Markets Domestic	2.97%
10. Calamos L/S Equity & Dynamic Inc Trust	2.46%

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.

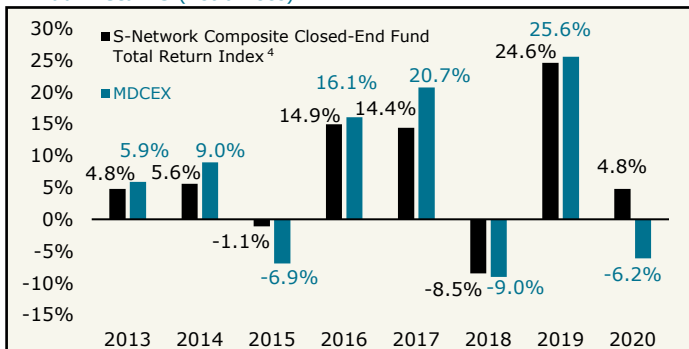
## Growth of Hypothetical \$1,000,000 Investment

Net of fees, since inception<sup>2</sup>



## Annual Returns (net of fees)

Source: Matisse Funds



Source: Matisse Funds

## Fund Performance Comparison

Most Recent Month-End 12/31/2020	YTD	1-Year	3-Year	5-Year	Since Inception <sup>2</sup>
MDCEX	-6.15%	-6.15%	2.34%	8.47%	6.10%
S&P 500® Index <sup>3</sup>	18.40%	18.40%	14.18%	15.22%	15.05%
S-Network Composite Closed-End Fund Total Return Index <sup>4</sup>	4.77%	4.77%	6.09%	9.44%	6.89%
Most Recent Quarter-End 12/31/2020	YTD	1-Year	3-Year	5-Year	Since Inception <sup>2</sup>
MDCEX	-6.15%	-6.15%	2.34%	8.47%	6.10%
S&P 500® Index <sup>3</sup>	18.40%	18.40%	14.18%	15.22%	15.05%
S-Network Composite Closed-End Fund Total Return Index <sup>4</sup>	4.77%	4.77%	6.09%	9.44%	6.89%

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

Since Inception <sup>2</sup>	MDCEX	S&P 500® Index <sup>3</sup>
Standard Deviation	14.56%	17.03%
Alpha	-3.05%	--
Beta	0.65	1.00
R <sup>2</sup>	0.58	1.00
Sharpe Ratio	0.41	0.88

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.

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(MDCEX)



As of December 31<sup>st</sup>, 2020

## 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	<u>(0.29)%</u>	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.
<b>Cash Expense Limit</b>	<b>1.24%</b>	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	<u>1.82%</u>	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.
<b>Total Annual Fund Operating Expenses</b>	<b>3.48%</b>	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.
<b>Net Annual Fund Operating Expenses</b>	<b>3.19%</b>	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.

# Matisse Discounted Closed-End Fund Strategy

(MDCEX)

Matisse  
FUNDS

As of December 31<sup>st</sup>, 2020

## Fund Information

	Ticker	CUSIP	Load Type	Inception	Redemption Fee
<b>I Class</b>	MDCEX	85520V434	No Load	10/31/2012	None

## 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 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.

**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  
NO BANK GUARANTEE  
MAY LOSE VALUE**

## Fund Advisor

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Lake Oswego, OR 97035

503-210-3000

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## Investor Services

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1-800-773-3863

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

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