

# Matisse Discounted Closed-End Fund Strategy

(MDCEX)



As of November 30<sup>th</sup>, 2021

## Fund Overview

- Matisse Discounted Closed-End Fund Strategy (MDCEX) is an open-end mutual fund incorporated in the USA; managed by Matisse Capital.
- MDCEX invests into underlying closed-end funds that:
  - Trade at significant discounts to their Net Asset Value (NAV<sup>1</sup>); and
  - Pay regular periodic cash distributions.
- MDCEX provides investors with an opportunity to invest in a professionally managed portfolio of discounted closed-end funds.
  - Can invest in all publicly traded closed-end funds, with no asset class restrictions.
  - Provides exposure to both equity and fixed income asset classes.
- The investment objective of MDCEX is to produce steady quarterly cash distributions for shareholders, while also potentially growing shareholder investment principal over a longer-term investment horizon.
- With quarterly dividends and annual capital gains distributions, MDCEX may be an excellent choice for investors who want to add income-focused assets to their investment portfolio.
- Matisse primarily relies on their analysis of closed-end fund discounts to make asset and sector allocation decisions:
  - As discounts move organically, Matisse decides when to sell out of a position and replace it with a more attractive opportunity.
  - A flexible fund structure allows for tactical allocation shifts among different asset classes and investment categories, if Matisse's analysis of discounts tells them to do so.

## Fund Performance

Most Recent Month-End 11/30/2021	YTD	1-Year	3-Year Annualized	5-Year Annualized	Since Inception Annualized <sup>2</sup>
Total Return	22.50%	30.28%	11.38%	10.09%	7.85%
Fund Distributions as a % of Distribution Date NAV <sup>1</sup>	9.59%	15.69%	14.90%	10.39%	8.53%
Most Recent Quarter-End 9/30/2021	YTD	1-Year	3-Year Annualized	5-Year Annualized	Since Inception Annualized <sup>2</sup>
Total Return	19.34%	42.66%	9.27%	9.15%	7.69%
Fund Distributions as a % of Distribution Date NAV <sup>1</sup>	9.59%	15.69%	14.90%	10.39%	8.69%

## Fund Distributions

MDCEX pays out quarterly dividends and annual capital gains distributions. Note that all distributions from MDCEX are after management fees and operating expenses. The 30-Day SEC Yield for MDCEX is 3.13% (as of 9/30/2021). The Fund's recent distribution history is shown below:

### Most Recent Distributions

Distribution Date	Distribution Date NAV <sup>1</sup>	Total Distribution	Total Distribution (as a % of Distribution Date NAV <sup>1</sup> )
9/29/2021	9.10	0.1320	1.45%
7/29/2021	9.15	0.4867	5.32%
6/29/2021	9.74	0.1320	1.36%
3/30/2021	9.02	0.1320	1.46%
12/30/2020	8.33	0.5080	6.10%
9/29/2020	7.37	0.1320	1.79%
6/29/2020	7.17	0.1320	1.84%
3/30/2020	6.08	0.1320	2.17%
12/30/2019	9.97	0.6262	6.28%
9/30/2019	10.12	0.1280	1.26%
6/28/2019	10.00	0.1280	1.28%
3/29/2019	10.09	0.1280	1.27%

### Distribution History

Period	Total Distribution (as a % of Distribution Date NAV <sup>1</sup> )
2021 (as of 11/30/2021)	9.59%
2020	11.90%
2019	10.09%
2018	16.52%
2017	2.35%
2016	3.32%
2015	9.01%
2014	7.15%
2013	5.74%
2012 (partial year since inception <sup>2</sup> )	1.77%
Total since inception <sup>2</sup>	77.45%
Annualized since inception <sup>2</sup>	8.53%

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@matissecap.com](mailto:info@matissecap.com), or call Shareholder Services at 1-800-773-3863. The Total Annual Fund Operating Expense for the Fund as disclosed in the prospectus is 2.99% dated August 1, 2021. Total return measures net investment income and capital gain or loss from portfolio investments. All performance shown assumes reinvestment of dividends and capital gains distributions. There is no guarantee that the Fund will pay or continue to pay distributions.

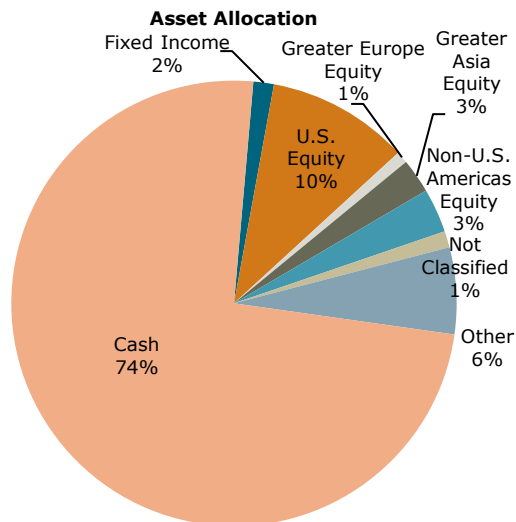
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(MDCEX)

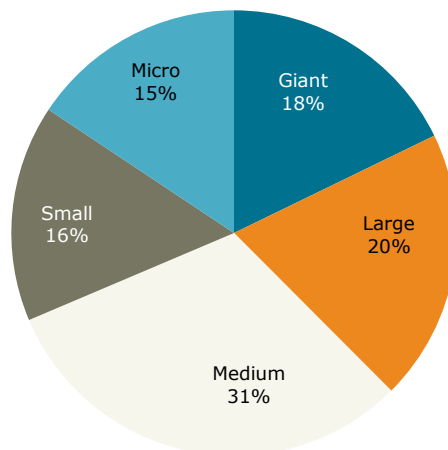


As of November 30<sup>th</sup>, 2021

## Portfolio Detail (as of 11/30/2021)



## Equity Cap Allocation



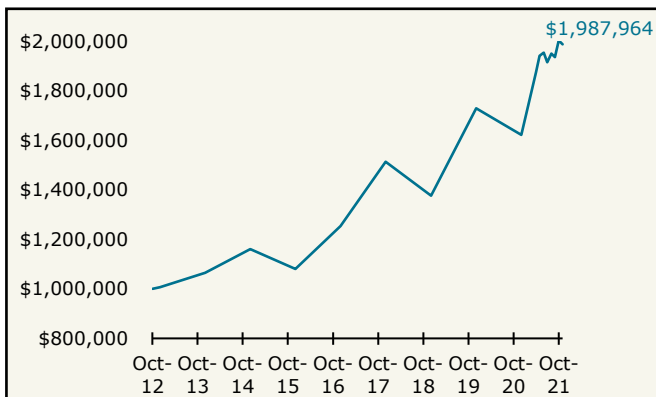
## Top Ten Holdings

Name	Ticker	% Weight
1. Fidelity® Inv MM Fds Government I	FIGXX	73.72%
2. Alerian MLP ETF	AMPL	3.85%
3. Third Point Investors USD Ord	TPOU LN	2.43%
4. Tetragon Financial Ord	TFG NA	2.42%
5. Pershing Sq Hldgs	PSH NA	2.30%
6. Highland Income Fund	HFRO	1.59%
7. Central Securities Corporation	CET	1.43%
8. NexPoint Diversified Real Estate Trust	NXDT	1.41%
9. MS India Investment	IIF	1.13%
10. Kayne Anderson MidstreamEnergy	KMF	1.04%

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

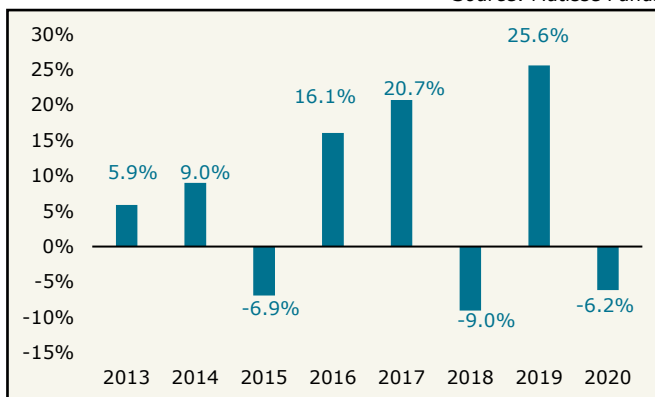
Net of fees, since inception<sup>2</sup>



## Annual Returns

Net of fees

Source: Matisse Funds



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@matissecap.com](mailto:info@matissecap.com), or call Shareholder Services at 1-800-773-3863. The Total Annual Fund Operating Expense for the Fund as disclosed in the prospectus is 2.99% dated August 1, 2021. Total return measures net investment income and capital gain or loss from portfolio investments. All performance shown assumes reinvestment of dividends and capital gains distributions. There is no guarantee that the Fund will pay or continue to pay distributions.

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As of November 30<sup>th</sup>, 2021

## Annual Fund Operating Expenses

Understanding the fees you pay in a fund of funds can be confusing, and the SEC requires that the operating expense of MDCEX includes the operating expenses of its underlying holdings.

The bottom line is that we cap our direct management fee on MDCEX at 0.99%, and the direct cash expense an investor pays is limited to a maximum of 1.25%.

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	0.22%	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	(0.00)%	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>1.21%</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	0.02%	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	1.76%	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>2.99%</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>2.99%</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 2.99% dated August 1, 2021.** 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, 2022 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 2.99% dated August 1, 2021 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 1.23% dated March 31, 2021 and only includes the direct expenses paid by shareholders from their investment.

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As of November 30<sup>th</sup>, 2021

## 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.

**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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