+15.84% YTD 2016

Q3 2016 Performance Review:

<table>
<thead>
<tr>
<th></th>
<th>Q3 2016</th>
<th>YTD 2016</th>
<th>Annualized Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Matisse Discounted Closed-End Fund Strategy</td>
<td>+5.6%</td>
<td>+15.8%</td>
<td>+8.5%</td>
</tr>
<tr>
<td>S-Network Composite CEF Index</td>
<td>+5.1%</td>
<td>+14.5%</td>
<td>+6.3%</td>
</tr>
<tr>
<td>S&amp;P Target Risk Growth (Balanced)</td>
<td>+3.5%</td>
<td>+7.2%</td>
<td>+5.4%</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>+3.9%</td>
<td>+7.8%</td>
<td>+7.5%</td>
</tr>
</tbody>
</table>

As a firm focused on closed-end fund (CEF) portfolio management, we want to keep you up to date on current CEF market stats/developments as well as our performance. The Matisse Discounted Closed-End Fund Strategy composite returned +15.8% net for the first three quarters of 2016. The Strategy’s current average discount to NAV is 15.5%, and its current distribution yield is 5.5% (see Strategy Performance Highlights).

Q3 2016 CEF MARKET REVIEW

Our Strategy’s outperformance continued in Q3, and we think there’s plenty more gas in the tank in the form of future discount narrowing (especially among US Equity and International Equity CEFs).

CEF discounts narrowed by 24 bps in Q3, with most sectors narrowing. The average discount in the overall universe is now 4.6%.

Here in early October, discounts have widened further, with our portfolio’s average discount now closer to 16.0%.

CEF Market Performance Highlights:

<table>
<thead>
<tr>
<th></th>
<th>Q3 2016</th>
<th>YTD 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity CEFs</td>
<td>+4.0%</td>
<td>+14.0%</td>
</tr>
<tr>
<td>Taxable Bond CEFs</td>
<td>+5.7%</td>
<td>+17.6%</td>
</tr>
<tr>
<td>Muni Bond CEFs</td>
<td>-1.0%</td>
<td>+10.9%</td>
</tr>
</tbody>
</table>
DISCOUNTED CEF STRATEGY VS. EQUITY INCOME FUNDS

We were recently asked by a consulting firm if our Discounted CEF Strategy is a good replacement for Equity Income Funds. We did some research on the Equity Income Fund category and found many similarities to our strategy, but also curious differences. See table below, but overall our strategy typically experiences lower volatility, higher income, higher alpha, and a higher Sharpe ratio.

The 10-year study covered the following:

- 206 funds representing $600 B in assets that have "Equity Income” listed as their prospectus objective.
- In contrast, our strategy’s objective is "Growth and Income”.

<table>
<thead>
<tr>
<th></th>
<th>Discounted CEF Strategy Composite</th>
<th>Median for Equity Income Funds*</th>
<th>How We Compare</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-Year Annualized Return Net</td>
<td>7.6%</td>
<td>6.0%</td>
<td>Higher</td>
</tr>
<tr>
<td>Today’s Current Income</td>
<td>5.5%</td>
<td>2.0%</td>
<td>Higher</td>
</tr>
<tr>
<td>10-Year Beta</td>
<td>0.75</td>
<td>0.93</td>
<td>Less Volatile</td>
</tr>
<tr>
<td>10-Year Alpha</td>
<td>2.19%</td>
<td>-0.19%</td>
<td>More Attractive</td>
</tr>
<tr>
<td>Current # of Lookthrough Holdings</td>
<td>Thousands</td>
<td>68</td>
<td>More Diversified</td>
</tr>
<tr>
<td>10-Year R²</td>
<td>65.05</td>
<td>92.45</td>
<td>Returns less dependent on the S&amp;P 500</td>
</tr>
<tr>
<td>Current Equity Exposure</td>
<td>80%</td>
<td>96%</td>
<td>Less Equity Exposure</td>
</tr>
<tr>
<td>Net Fund Expense Ratio</td>
<td>1.25%</td>
<td>1.07%</td>
<td>Slightly Higher</td>
</tr>
<tr>
<td>10-Year Sharpe Ratio</td>
<td>0.53</td>
<td>0.44</td>
<td>More Attractive</td>
</tr>
</tbody>
</table>

*Denoted by Morningstar® as a fund whose prospectus objective is equity income. There are 206 mutual funds that fall in this category.

All data current as of 9/30/2016.

“When you purchase highly discounted securities through CEFs (essentially the same securities as the 206 funds we studied), investors typically receive higher income, lower volatility, and better returns”.

–Bryn Torkelson, President and CIO, Matisse Funds
HISTORICAL CEF DISCOUNTS

Colored dots represent current discount levels today.

Average Discount for Entire CEF Universe (since 2005)
-3.6%

Average Discount for Bond CEFs (since 2005)
-6.4%

Average Discount for Equity/Other CEFs (since 2005)
-13.3%

Average Discount for Our Portfolio (since 2005)
-15.5%

Our Portfolio

Discount to NAV
-24%
-22%
-20%
-18%
-16%
-14%
-12%
-10%
-8%
-6%
-4%
-2%
0%
2%
4%

at NAV
0%

WHAT'S HAPPENING AT MATISSE

- Our publicly traded mutual fund that employs our discounted CEF strategy has been a Morningstar® 5-star fund since July 2016.

TYPICAL ACCOUNT LOOKTHROUGH ALLOCATION 9.30.16

![Asset Allocation](image1)

**US Stocks** 49%

*Greater Europe Stocks* 11%

*Greater Asia Stocks* 18%

*Non US Americas Stocks* 4%

*Other* 3%

*Cash* 4%

*Bonds* 11%

![Equity Cap Allocation](image2)

**Giant** 32%

**Large** 26%

**Medium** 24%

**Small** 12%

**Micro** 6%

TYPICAL ACCOUNT LOOKTHROUGH ALLOCATION 9.30.16

Source: Morningstar®

TOP 10 HOLDINGS AS OF 9.30.16

Boulder Growth & Income
Alpine Global Premier Property
RMR Real Estate Income Fund
BlackRock Resources & Commdty
Central Securities Corporation
Royce Value Trust
Cohen & Steers MLP Inc&Energy Opp
General American Investors
Alpine Total Dynamic Dividend
Clough Global Opportunities

Source: Morningstar®