

MATRIX ADVISORS VALUE FUND

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February 1, 2024

Dear Fellow Shareholder:

The Matrix Advisors Value Fund was up +12.85% in the 4th quarter, ahead of the S&P 500's[®] gain of +11.69% and the Russell 1000[®] Value Index's gain of +9.47%. For the year, the Fund gained +25.21%, versus the S&P 500's[®] gain of + 26.29% and the Russell 1000[®] Value's gain of +11.41%.

Performance results in 2023 benefited from investments made in high-quality Technology and Communication Services companies when their share prices were much lower. In the 4th quarter, more stocks in a variety of sectors outside of Technology contributed to the Fund's strong results. Our holdings in Financials were up double digits across the board in Q4, responding to the solid results they have been reporting and getting a lift from improving investor sentiment as interest rates declined.

Disclosure Note:

For your information, for the period ended December 31, 2023, the Fund's average annual total returns for the one-year, five-years, ten-years and for the period from July 1, 1996, the inception of Matrix Asset Advisors' involvement with the Fund were +25.21%, +13.50%, +8.54% and +8.16%, respectively. For the same periods, the returns for the S&P 500[®] Index were +26.29%, +15.69%, +12.03% and +9.37%.

Gross Expense Ratio: 1.23%

Net Expense Ratio: 0.99%**

Performance data quoted represents past performance; past performance does not guarantee future results. The 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 of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 800-366-6223 or by visiting www.matrixadvisorsvaluefund.com. Please see the Financial Highlights in this report for the most recent expense ratio.

**The Advisor has contractually agreed to reduce fees through 10/31/24.

Investment performance reflects fee waivers in effect. In the absence of such waivers, total return would be reduced. Matrix Asset Advisors became the sub-advisor on July 1, 1996, and Advisor to the Fund on May 11, 1997. Prior to those dates, the Fund was managed by another advisor.

The Fund's Net Asset Value on 12/29/23 was \$87.70.

In 2024, we expect good but less spectacular results from last year's biggest winners and continued contributions from Financials in a less restrictive interest rate environment. We also expect greater gains from other areas of the portfolio that lagged in 2023 like Healthcare, Industrials, and Materials.

The largest sector weightings in the Fund on December 31 were in Technology, Financials, Healthcare, and Communication Services, all areas we expect to do well in 2024.

Looking ahead, we are optimistic about the Fund's positioning and prospects in 2024. The Fund's portfolio investments have strong and growing franchises and are positioned to prosper as the economy settles into historic trend line economic growth of around 2% with stable to lower interest rates. If we are right in our market outlook for the upcoming year, we expect the Fund's portfolio to build on 2023's strong results with another year of solid gains.

The attached commentary provides a thorough discussion about our 2023 results and why we think the Fund is well positioned going forward.

Matrix partners and associates are among the Fund's largest shareholders and our interests are directly aligned with yours.

We wish you all the best in 2024 and thank you for your continued support and confidence in the Fund.

Sincerely,

David A. Katz, CFA

Fund Manager

Past performance is not a guarantee of future results.

Earnings growth is not representative of the Fund's future performance.

Please refer to the Schedule of Investments in this report for details on Fund holdings.

The information provided herein represents the opinion of the Matrix Advisors Value Fund management and is not intended to be a forecast of future events, a guarantee of future results, nor investment advice.

The S&P 500® Index is a broad-based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general.

The Russell 1000® Value Index measures the performance of those Russell 1000® Index companies with lower price-to-book ratios and lower forecasted growth values.

Financials a section of the economy made up of firms and institutions that provide financial services to commercial and retail customers.

The S&P 500® Equal Weight Index (EWI) is the equal-weight version of the widely-used S&P 500. The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance.

Health Care all businesses involved in the provision and coordination of medical and related goods and services.

Information Technology businesses that sell goods and services in electronics, software, computers, artificial intelligence, and other industries related to information technology (IT).

Industrials Companies that manufacture machinery, handheld tools, and industrial products. This sector also includes aerospace and defense firms as well as companies engaged in transportation and logistics services.

Basic Materials is an industry category made up of businesses engaged in the discovery, development, and processing of raw materials.

Communication Services includes companies that sell phone and internet services via traditional landline, broadband, or wireless. The communications sector also includes companies that create and produce movies, television shows, and other content.

CPI The Consumer Price Index (CPI) consists of a family of indexes that measure price change experienced by urban consumers. Specifically, the CPI measures the average change in price over time of a market basket of consumer goods and services. The market basket includes everything from food items to automobiles to rent.

It is not possible to invest directly in an index.

Must be preceded or accompanied by a prospectus.

Mutual fund investing involves risk. Principal loss is possible. The stock of value companies can continue to be undervalued for long periods of time and not realize its expected value. The value of the Fund may decrease in response to the activities and financial prospects of an individual company. Growth stocks typically are more volatile than value stocks; however, value stocks have a lower expected growth rate in earnings and sales.

Top Ten Holdings as of December 31, 2023:

Microsoft Corporation	7.6%
Alphabet Inc. Class C.	6.6%
Apple Inc.	5.2%
Amazon.com Inc.	4.4%
Meta Platforms, Inc.	4.4%
J.P. Morgan Chase & Co.	4.3%
Goldman Sachs Group, Inc.	4.3%
Morgan Stanley	4.2%
Qualcomm	3.7%
TE Connectivity Ltd.	3.5%

Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.

The Matrix Advisors Value Fund is distributed by Quasar Distributors, LLC.

Matrix Advisors Value Fund, Inc.

Capital Markets Commentary and Quarterly Report: 4th Quarter and 2023 Annual Review

Capital Markets Highlights

In Q4 2023, U.S. stock¹ and bond² markets rallied on improving inflation data, strong economic growth, and comments from Fed Chair Powell suggesting the Fed's interest rate hiking cycle is over and the prospects for a rare economic soft landing are improving.

The quarter started poorly with a decline in October amid fears of rising interest rates, a new war in the Middle East, and some disappointing earnings reports. Then the stock and bond markets abruptly changed course in the first week of November, jumping higher after surprisingly good labor productivity³ and inflation data and the Fed's decision to leave interest rates unchanged for the second consecutive time⁴. From that turning point, the stock market never looked back and rose for the last nine weeks of the year, its longest winning streak since 2004⁵.

In Q4, the market, as measured by the S&P 500[®], was up 11.69%. It was a broad-based rally with all sectors except Energy participating. The equally weighted S&P 500 Index^{®6} was up 11.85% in the quarter, a sharp contrast to the dominance of a handful of growth stocks, the Magnificent Seven, in the first half of the year.

For the full 2023 year, the market was up 26.29%, regaining all the ground lost in the 2022 bear market and closing less than 1% below its record high in January 2022.

Market returns by sector in 2023 were almost a mirror image of the returns during the 2022 bear market. The best-performing sectors in 2023 were Technology, Communication Services, and Consumer Discretionary, all sectors that were down sharply in 2022. This year's worst-performing sectors, Utilities, and Energy, both down in 2023, were the only sectors with gains in 2022's bear market.

Fixed Income returns were positive in the 4th quarter after very modest gains or losses (depending on maturity term) in the first nine months of the year, with short to intermediate-term bonds up mid-single digits

¹ All references to the stock market are the S&P 500[®] unless otherwise noted.

² All references to the bond market are the Bloomberg Intermediate-Term Government Bond Index unless otherwise noted.

³ Reuters 11/2/23. U.S. worker productivity grew at its quickest pace in three years in the third quarter, depressing labor costs.

⁴ Fed Decision November 2, 2023

⁵ CNBC December 29, 2023.

⁶ S&P 500[®] Equal Weight Index (EWI).

for the year. The 10-year Treasury started the year yielding 3.88%, rose to 5.02% on October 23rd, and after a strong rally in November and December, finished the year where it started, at 3.88%.

U.S. economic growth surprised almost everyone by accelerating as the year progressed, from a 2+% rate in the first half of the year to 4.9% in the 3rd quarter⁷ while inflation dropped from 6.5% to 3.1%⁸. The unemployment rate remained below 4% for 22 months in a row for the first time since the 1960s.

Matrix Advisors Value Fund

The Matrix Advisors Value Fund had a strong 4th quarter, up +12.85% in the quarter, ahead of the S&P 500's[®] gain of +11.69% and the Russell 1000 Value[®] Index's gain of +9.50%. For the year, the Fund gained +25.21%, versus the S&P 500's[®] gain of +26.29% and the Russell 1000[®] Value's gain of +11.41%.

Performance results in 2023 benefited from investments made in high-quality Technology and Communication Services companies when their share prices were much lower. In the 4th quarter, more stocks in a variety of sectors outside of Technology contributed to the Fund's strong results. Our holdings in Financials were up double digits across the board in Q4, responding to the solid results they have been reporting and getting a lift from improving investor sentiment as interest rates declined.

Our 2024 Outlook

We begin the new year optimistic that the economy will show another year of growth and that inflation will continue to decline towards the Fed's 2% target. We are more positive about stocks than bonds but have a favorable view of high-quality fixed-income investments with maturities inside of 5-6 years. Our outlook for stocks in 2024 is that after a better-than-average 2023, we expect stock returns to come in closer to their long-term averages of high single digits.

Our best guess is that the Fed has engineered a soft landing, though a mild, short-lived recession is still a possibility if they keep rates too high for too long. After a strong 3rd quarter, we expect the US economy to enter a slower, sustainable growth phase, around the historic trendline of 2%. Consumer balance sheets remain in good shape, holiday spending was solid, and other indicators of consumer confidence rose in December 2023⁹ across all ages and household income levels. A healthy job market, infrastructure spending projects¹⁰, and stable to lower interest rates should help stimulate the economy and prevent a slide into recession. A pickup in housing activity¹¹ is anticipated as mortgage rates decline in 2024 and this should have a very positive impact on the broader economy.

We believe the path to lower inflation is intact. A steady stream of data confirming slowing inflation has allowed the Fed to change its narrative from a "higher for much longer" interest rate outlook to one now

7 Barron's December 30, 2023.

8 December 2022 and November 2023 CPI data. Bureau of Labor Statistics. Using the Fed's preferred measure of consumer prices, the PCE (personal consumption price index) the November inflation number was even lower at +2.6%, and on a six-month basis, core PCE increased just + 1.9%, indicating that if current trends continue the Fed essentially has reached its goal. Source: CNBC December 22, 2023.

9 Conference Board Consumer Confidence Index December 20, 2023.

10 Including the Infrastructure & Jobs Act and the CHIPS & Science Act.

11 With average rates on 30-year mortgages peaking at nearly 8% in October, home sales hit their lowest level since 2010. Axios Markets December 20, 2023.

projecting three rate cuts in 2024¹² and core inflation of 2.4% at year-end 2024¹³. The spike in inflation caused by supply chain and workforce disruptions during the pandemic is largely behind us and consumer spending habits are returning to normal. Housing costs, which are now cooling but take time to show up in Consumer Price Index data, make up 35% of the CPI and are the single most important factor standing in the way of lower reported CPI inflation. According to the CPI data, they rose 6.5% in the year through November. Without shelter, inflation in that period would have been just 1.4%¹⁴.

A positive surprise on the inflation front is that the feared spike in oil prices after the October 7 attack on Israel did not materialize. Rather, oil prices declined amid rising supply and lower-than-expected demand. At year-end, the average price for a gallon of gas was \$3.12, the lowest point of the year and down nearly 20% since prices peaked on September 18th¹⁵. This should further tamp down inflation numbers in the months ahead.

We anticipate good gains for the market in line with historic high-single-digit returns and are upbeat about the Fund's strategy. The one caveat to our upbeat outlook is that we expect market volatility throughout the year. We think the historic differential in spreads among asset classes and strategies in 2023 has set the stage for catch-up rallies and some reversals of relative sector returns in upcoming periods.

Two other factors that add to our confidence going into 2024 are Merger & Acquisition activity and new IPOs that have had something of a resurgence recently. These are both signs that business owners and managers are more confident in their businesses and the business environment overall.

We think that solid corporate fundamentals and supportive company outlooks will ultimately drive stocks higher in 2024. Since the pandemic, companies have learned to operate their business with more flexibility and efficiency. We anticipate that corporate earnings and dividends will be higher in 2024 versus 2023.

The companies in our Fund have solid financial positions, businesses that are stable and growing, with strong management teams. We believe they are well-positioned to navigate the current economic uncertainty and to provide favorable stock market returns this year.

Finally, as we have noted many times, there is always uncertainty about the future. The biggest risks we see for financial markets in 2024 are the uncertainty related to a government shutdown, the Presidential election, and geopolitical risks. Presidential election years are usually positive for the stock market, as are most years, but add more uncertainty for investors to stew over¹⁶.

We believe the formula for investment success is to look through near-term instability and stay focused on the long term. The best way to address that is to have an allocation to the stock market that is appropriate for the long term, which includes both good and bad times.

¹² Fed Minutes. WSJ 1/03/2024.

¹³ WSJ: Fed Begins Pivot Towards Lowering Rates as Inflation Declines, December 13, 2023.

¹⁴ WSJ: December 16, 2023.

¹⁵ CNBC December 29, 2023, quoting data from motorist group AAA.

¹⁶ Historical data shows markets have tended to rise in Presidential election years, with the S&P 500[®] recording positive returns in 20 of the 24 election years since 1928, or 83.3% of the time. The average return for those election years was 11.58%, according to figures from First Trust. That's well above the S&P 500 average return of 9.81% for all years since 1928. Source: Investopedia December 31, 2023. Economic and inflation trends have demonstrated a stronger relationship with market returns than election results.

Semi-Annual Review

The Fund rose by +10.39% in the last six months of 2023 compared to gains of +8.04% for the S&P 500[®] Index and +6.00% for the Russell 1000[®] Value.

During the six months, the sectors contributing the most to the Fund's return (multiplying sector weighting by performance) were Financials, Communications Services, and Technology.

The 4th Quarter and Year in Review

The Matrix Advisors Value Fund showed strong performance results in 2023. In the 4th quarter, the portfolio outperformed both the S&P 500[®] and the Russell 1000[®] Value Index. For the full year, the Fund modestly underperformed the S&P 500[®] and was nicely ahead of the Russell 1000[®] Value Index.

Performance results in 2023 benefited from investments made in high-quality Technology and Communication Services companies when their share prices were much lower. In the 4th quarter, more stocks in a variety of sectors outside of Technology contributed to the portfolio's strong results. Our holdings in Financials were up double digits across the board in Q4, responding to the solid results they have been reporting and getting a lift from improving investor sentiment as interest rates declined. It's worth noting that in the aftermath of the mini-banking crisis in March and April, our financial holdings have quietly been the Fund's top sector since May 31st and are up around 28.5% in the back half of the year.

In 2024, we expect good but less spectacular results from last year's biggest winners and continued contributions from Financials in a less restrictive interest rate environment. We also expect greater gains from other areas of the portfolio that lagged in 2023 like Healthcare, Industrials, and Materials.

In the 4th quarter, we opportunistically added to positions in L3 Harris Technologies, Morgan Stanley, and Zimmer Biomet.

The largest sector weightings in the Matrix Advisors Value Fund portfolio as of December 31 were in Technology, Financials, Healthcare, and Communication Services, all areas we expect to do well in 2024.

Looking ahead, even after the Fund's robust gains in 2023, we are optimistic about the portfolio's positioning and prospects in 2024. The Fund's companies have strong and growing franchises and are positioned to prosper as the economy settles into historic trend line economic growth of around 2% with stable to lower interest rates. If we are right in our market outlook for the upcoming year, we expect the Fund to build on 2023's strong results with another year of solid gains.

Tax Mitigation

We were very active in our tax mitigation activities in the Fund's 2023 fiscal year with a goal of offsetting gains with losses when it made economic and investment sense. These actions allowed us to significantly reduce the capital gains realized in the Fund while maintaining the integrity of the portfolio, allowing it to fully participate in a market rebound.

We thank you for the trust you have placed in us and send our best wishes for a happy, healthy, peaceful, and prosperous 2024.