MATRIX ADVISORS VALUE FUND

10 Bank Street • White Plains, NY 10606 • Tel. (212) 486-2004 • Fax (212) 486-1822

December 8, 2017

Dear Fellow Shareholder:

The Matrix Advisors Value Fund posted a gain of +3.34% in the third quarter compared to the S&P 500 Index's return of +4.48%. For the year to date through September 30th, the Fund was up 7.20% versus a gain of 14.24% for the S&P 500 Index. The Fund continues to make progress in the fourth quarter and at the time of publication was up +12.00% year-to-date (12/31/16 - 11/30/17).

The Fund's Net Asset Value on 9/30/17 was $69.08.

Disclosure Note:

For your information, for the period ended September 30, 2017, 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 12.84%, 12.06%, 4.06% and 7.71%, respectively. For the same periods the returns for the S&P 500 Index were 18.61%, 14.22%, 7.44% and 8.41%.

Gross Expense Ratio: 1.19%
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 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.

**The Advisor has contractually agreed to reduce fees through 10/31/18.

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.

Though the Fund continues to lag the S&P 500's return for the year, we are encouraged by its outperformance since the end of May and are optimistic about its absolute and relative return prospects for the balance of the year.

For the nine months, the portfolio was hurt by our holdings in the Consumer Discretionary, Industrials and Energy sectors. These laggards were partially offset by strong gains in Technology, Healthcare and Financials.

The best performing sectors in the quarter were Energy, Health Care, Technology and Financials. The two sectors detracting from performance in the quarter were Industrials and Consumer Discretionary.

During the quarter, we started positions in Mondelez and WPP. We sold the small position in Brighthouse Financial that we received as a spin-off from MetLife and reinvested the proceeds back in MetLife.

Looking forward, we expect much better trends in the areas of the portfolio that have underperformed. Business results for our portfolio companies are strong, with our holdings beating analyst expectations at a pace well above the S&P 500 Index for the first three quarters of the year.

Our relative results have been hurt by the market's bet on Growth and specifically Growth/Technology. There are signs in Q3 results that market leadership is beginning to shift to more economically sensitive areas like Financials, Industrials and Energy, all sectors that should benefit our portfolio's results. Even with strong gains in 2016 followed by healthy increases in the first nine months of the year, we believe the portfolio still sells at an attractive 16.2 times 2017 estimated earnings versus 19.2 times for the S&P 500 as of 9/30/17.

The attached commentary provides a thorough discussion on what drove our 3rd Quarter, 2017 returns 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 believe the current portfolio should be positioned to return to favorable investment returns in the years to come. We 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.

Diversification does not guarantee a profit or protect from loss in a declining market.

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

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&P500 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® Growth Index measures the performance of those Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values.

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.

Price to earnings (P/E) ratio is a common tool for comparing the prices of different common stocks and is calculated by dividing the current market price of a stock by the earnings per share.

Dividend yield refers to a stock's annual dividend payments to shareholders, expressed as a percentage of the stock's current price.

The term spread represents the average price-to-book ratio of Value stocks versus Growth stocks.

Dividends are not guaranteed and a company can discontinue paying them at any time.

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.

Top Ten Holdings as of September 30, 2017

J. P. Morgan Chase & Co………….....	4.70%
Wells Fargo and Company………..…	4.27%
Microsoft Corporation……………….	4.12%
Eaton Corp. PLC F…………………..	3.75%
CVS Health Corp…………………….	3.74%
Cisco Systems Inc……………………	3.74%
TE Connectivity Ltd…………………	3.64%
Alphabet Inc. Class C………………..	3.63%
Gilead Sciences Inc…………………..	3.55%
Abbvie Inc……………………………	3.52%

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: 3rd Quarter 2017 and Annual Review

The stock market posted solid gains in the third quarter, with the S&P 500 Index rising by +4.48%. For the first nine months of the year, the index was up +14.24%. The market's rise was driven by solid economic data and improving corporate profit reports.

Market leadership continued to come from the Technology sector but broadened out later in the quarter to include sectors that had lagged badly in the first six months of the year, including Energy, Financials and Telecom. All S&P 500 sectors showed positive returns in the quarter, with the notable exception of Consumer Staples, which includes a number of large food companies that reported disappointing results.

In the last month of the quarter, stocks were buoyed by optimism around the prospects for tax-reform and comments from the Federal Reserve expressing confidence in the economy's steadily rising trajectory. Interest rates rose sharply from their early September lows, after the Federal Reserve announced that it would continue along the path of gradually raising rates and begin reducing its bond purchasing program. Even with this uptick, rates ended the quarter only modestly higher than their 6/30 levels, with longer rates still below their year-end levels.

The Matrix Advisors Value Fund delivered solid results but behind the S&P 500. Though the portfolio continues to lag the S&P 500's return for the year, we are encouraged by its outperformance since the end of May and are optimistic about its absolute and relative return prospects for the balance of the year.

Technology was the best performing market sector in Q3 followed by Energy, Materials, Telecom and Financials. The worst performing market sector was Consumer Staples.

For the first nine months of the year, the best performing market sectors were Technology, Healthcare, Materials, Industrials and Financials. Energy and Telecom were the only sectors showing a negative return year-to-date.

The economic data during the quarter provided a picture of strengthening global economic momentum. The U.S. unemployment rate remains below 4.5% and manufacturing activity in September reached a thirteen-year high. In the Eurozone, business and consumer confidence reached its highest level since June 2007. China's manufacturing index reached a five year high in September and in Japan, business confidence is at a 10-year high.

Oil prices (West Texas Intermediate or WTI) rose 12.2% in the quarter on strong demand, data that U.S. production growth has flattened out over the last five months and OPEC showing a continued commitment to managing output to support prices. According to the *Wall Street Journal*, the number of oil rigs in the U.S. fell by six during the quarter compared to a gain of 94 rigs during the second quarter.

The 10-year Treasury yield rose to 2.33% at September 30 from 2.31% at June 30. Earlier in September, the 10-year Treasury rate declined to 2.04%, the lowest level since the November 2016 presidential election, as tensions increased over North Korea's nuclear program. The quarter over quarter rise in the 10-year Treasury rate was the first this year, yet it remains well below the 2016 year end close of 2.45%.

Fund Portfolio and Outlook

For most of the year the market has favored Growth over Value, particularly Growth Technology. In the first half of the year, "the Russell 1000 Growth Index outperformed its Value counterpart by 10 percentage points, the widest spread over that period since 2009" (WSJ 8/15/17) and four Growth stocks (Amazon, Apple, Alphabet and Facebook) accounted for one third of the S&P 500's mid-year return (WSJ 7/16/17). This started to reverse in June, but reverted toward favoring Growth again in the 3rd quarter. This advantage however slowed as the quarter progressed, and by September we started to see a pickup in Value and some chinks in the armor of a lot of the highest-flying Growth stocks. A return to Value would dramatically improve the prospects for our Fund's returns.

Looking forward, we are very upbeat about our Fund's prospects. Our investments are reporting earnings and revenues in-line or better than expected. We believe that the portfolio strategy holds companies that are well positioned for the economic environment we foresee over the next 12-18 months.

In Q3, we saw a shift back into some sectors that had been significant underperformers in the first half of the year, including Financials and Energy.

Financials benefited from better economic growth, a less adversarial regulatory environment and rising short-term interest rates, which increases their earnings. Energy companies have started to move higher on evidence that supply and demand are beginning to move towards balance and the possibility that there are limits to U.S. shale oil production that cannot make up for OPEC production restraints and increasing demand. Importantly, we believe these trends are early, with many skeptics. Prices for our companies in these sectors remain reasonable, and any change in sentiment could lead to significant upside.

The backdrop for continued earnings growth remains favorable with S&P 500 companies expected to show earnings growth of 9.8% in 2017 compared to last year, according to FactSet. Some early estimates for S&P 500 earnings in 2018 are at 10%, before the benefits of possible corporate tax reform.

While we expect a pickup in volatility and a pullback is always possible after a strong period in the market, we believe that outside of an unfavorable geopolitical event, the fundamentals are in place for a continued expansion in the U.S. economy which should lead to continued earnings growth and a constructive equity market.

After a slow start to the year, our Fund started to pick up in the 3rd quarter. For the nine months, the portfolio was hurt by our holdings in the Consumer Discretionary, Industrials and Energy sectors. These laggards were partially offset by strong gains in Technology, Healthcare and Financials.

The best performing sectors in the quarter were Energy, Health Care, Technology and Financials. The best performing names in the Energy sector were Chevron, Conoco Phillips, and Devon. In Healthcare, AbbVie and Gilead were up double digits. Technology was led by Cisco and Microsoft, and Financials by Morgan Stanley, American Express and State Street.

The two sectors detracting from performance in the quarter were Industrials (GE, Johnson Controls and United Technologies) and Consumer Discretionary (Harley Davidson and Viacom).

We believe business trends for our portfolio companies are strong, with our holdings beating analyst expectations at a pace well above the market for the first three quarters of the year.

Last quarter, 82.9% of our holdings exceeded consensus earnings expectations vs 74.3% for the S&P 500, with revenues exceeding expectations for 74.3% of our companies compared to the S&P 500's 57.1%.

Portfolio laggards for the year-to-date include BB&T, Capital One, Devon Energy, Occidental, Schlumberger, Harley Davidson, Viacom, Qualcomm, GE and Johnson Controls.

This was largely offset by strong gains in AbbVie, Gilead, Thermo Fisher, Zimmer, Alphabet, Apple, Cisco, Microsoft, Symantec, Eaton, TE Connectivity, American Express, Chubb, JP Morgan, Morgan Stanley and State Street.

During the quarter, we started positions in Mondelez and WPP, and added to positions in MetLife and Qualcomm.

Mondelez (MDLZ) is a leading packaged foods company with close to 75% of its revenues outside the United States. Its largest product lines are biscuits, chocolates, gums and candies. Among its well-known brands are Cadbury, Milka, Oreo, Nabisco and Trident. The stock has been under pressure in sympathy with other packaged food companies that have lowered earnings expectations. We believe the company's products and international orientation give it an advantaged position for much better growth compared to its peers. The company has a strong balance sheet, trades at a discount to its historic valuation, provides a solid dividend and we believe is an attractive acquisition for another food company seeking access to faster growing products and markets. Our fair value target price is $52.

WPP (WPPGY) is the largest advertising firm in the world. Its shares declined after lowering earnings guidance due to cut-backs from U.S. based consumer goods companies and over concerns about how it will fare as traditional advertising (television) declines relative to digital advertising (Facebook, Google & Amazon). The company makes a good case that the decline in packaged goods advertising is cyclical and that clients need them to manage their digital advertising. The shares trade at a very attractive multiple of 12 times earnings with a dividend yield of 4%. Our fair value target price is $125.

We sold the small position in Brighthouse Financial that we received as a spin-off from MetLife and reinvested the proceeds back in MetLife, as noted above. We also trimmed the position in State Street as it approached our price objective.

Looking forward, we expect much better trends in the areas of the portfolio that have underperformed. Our relative results have been hurt by the market's bet on Growth and specifically Growth/Technology. There are signs in Q3 results that market leadership is beginning to shift to more economically sensitive areas like Financials, Industrials and Energy, all sectors that should benefit our portfolio's results. We are as upbeat about the portfolio prospects and our relative outlook as we have been in a decade.

Even with strong gains in 2016 followed by healthy increases in first nine months of the year, we believe the portfolio still sells an attractive 16.2 times 2017 estimated earnings versus 19.2 times for the S&P 500 as of 9/30/17.

*   *   *

We are truly grateful for your confidence and trust, and are committed to keeping it, and earning it, every day and in everything that we do for you.

We moved to our new office in White Plains at the end of October. All phone numbers and emails will remain the same. Please call any of us at (212) 486-2004 or (800) 366-6223 with any questions.

Best regards.