MATRIX ADVISORS VALUE FUND

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May 10, 2018

Dear Fellow Shareholder:

The Matrix Advisors Value Fund declined by -3.03% and lagged the S&P 500's return of -0.76% for the first quarter, 2018. While these results were disappointing, we believe they should be short lived and that our results should bounce back relatively quickly as the combination of rising dividends, strong earnings and cash flows and attractive valuations should set a positive tone for the portfolio.

Disclosure Note:

For your information, for the period ended March 31, 2018, 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 7.07%, 10.42%, 5.83% and 7.68%, respectively. For the same periods the returns for the S&P 500 Index were 13.99%, 13.31%, 9.49% and 8.49%.

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 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.

**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.

The Fund's Net Asset Value on 3/31/18 was $69.44.

The attached commentary provides a thorough discussion on what drove our 1st Quarter, 2018 returns and why we think the Fund is well positioned going forward.

As we discuss below, we were frustrated and disappointed by the Fund's results in the quarter given how well the business fundamentals of our investments are doing. Most of the Fund's holdings have exceeded analyst's estimates and are providing optimistic outlooks for the future. We think the quarter's results are an aberration and that the Fund's results should bounce back as the year unfolds. There were few areas to hide during the markets decline which encompassed all styles. Value (the Russell 1000 Value Index) lagged the S&P 500 Index and Growth (the Russell 1000 Growth Index), during the correction.

We expect more volatility this year but think the market is poised to move higher as the year progresses. Our optimism is based on expectations for continued economic growth providing a tailwind for accelerating earnings and dividends.

Within the Fund we expect strong returns from our major sector exposures in Financials, Technology, Industrials and Energy, all beneficiaries of an improving economy. We also expect that our more defensive sectors like Consumer Staples and Healthcare should provide better downside protection in the next market downdraft. Companies in these defensive sectors are now trading at very attractive multiples of earnings with high dividend yields.

The risks we see to the stock market are from international conflict, including confrontations over trade policy.

Matrix partners and associates are among the Fund's largest shareholders and our interests are directly aligned with yours. We believe the current portfolio is positioned to provide 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.

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. You cannot invest directly in an index.

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.

Cash flow is the net amount of cash and cash-equivalents moving into and out of a business.

Forward earnings are an estimate of a next period's earnings of a company.

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 March 31, 2018

J. P. Morgan Chase & Co…….	4.57%
Microsoft Corporation……...	4.39%
Wells Fargo and Company……	4.08%
Cisco Systems Inc.……	4.00%
Alphabet Inc. Class C……	3.94%
TE Connectivity, Inc…….	3.87%
Eaton Corp. PLC F……	3.83%
Gilead Sciences Inc.……..	3.59%
Qualcomm…….	3.58%
Schlumberger Ltd.…….	3.57%

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

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Matrix Advisors Value Fund, Inc.
Capital Markets Commentary and Quarterly Report:
1st Quarter 2018 Review

Volatility returned to the stock market in Q1. After a strong rally in January lifted the S&P 500 to a record high, the index retreated in February and March, ending the quarter with a small loss. The benchmark's return would have been worse if not for the strength in Technology shares, and even those began to buckle in the last weeks of the quarter.

The gains in January were driven by optimism over expected benefits from the new tax law, good earnings reports and strong economic numbers. The pullback that followed was attributed to rising interest rates, fears that trade tariffs might escalate to a trade war, and questions about the business models and valuations of some of the market's highly valued technology companies, after news that user data at Facebook had been misused, prompting calls for more regulation in the sector.

We believe all the reasons cited above for the market's decline should be manageable. The most worrisome is the possibility of a trade war, but we are hopeful that the tough talk about tariffs is just a negotiating tactic, rather than the administration's desired outcome.

In our year-end letter, we wrote about the likelihood of a significant increase in market volatility following a year of unusual calm. Volatility can be unsettling but is a normal part of investing. Stocks rise over time, including during volatile periods, and market pull-backs create opportunity. Despite the weak start to the year, we are optimistic about the stock market's prospects for the balance of 2018. We think the economy will continue to show good momentum and that corporate earnings and dividends should increase at a faster rate than last year.

We only need to look back to 2016 to be reminded of how quickly psychology can change from despair to enthusiasm. In Q1 2016, the stock market (S&P 500 Index)[1] got off to its worst start in history, down by more than 10% in early February, before staging a dramatic turnaround and finishing the year up nearly 12%. And it turned out to be a very good year for the Fund as well.

At the end of Q1, we find ourselves behind the S&P 500 benchmark, but very optimistic about the prospects for our Fund. Our optimism is based on the significant discounts to our estimates of fair value for our Fund's holdings and their strong business results and outlooks.

After a long period of lopsided outperformance from the Technology sector, we think a change in leadership may be in the air, an inevitable pause in over-the-top investor enthusiasm,

[1] For the purposes of this commentary all references to the stock market's performance pertain to the S&P 500 Index.

as the market acknowledges limits to rapid growth along with growing concerns about privacy and monopoly-like market power.

But aside from a relatively small group of high-flying Technology companies, we think the stock market offers very attractive investment opportunities today across many sectors. The economy remains healthy and we anticipate good portfolio returns from here.

During the first quarter, only two of the S&P 500's eleven sectors posted a positive return, Technology and Consumer Discretionary (led by Amazon and Netflix). The worst performing sectors were Telecom, Consumer Staples and Energy, surprising on all three counts. Telecom and Consumer Staples are high yielding defensive sectors. On paper, Energy should have had a good quarter with the price of oil up by more than 7% and more than 20% in the past 15 months, while the group declined by more than 6% and 20% over those time periods. Growth strategies out-performed Value in the quarter, but as noted earlier, we think the winds are shifting towards Value, as some of the most highly valued Technology companies' business models are getting closer scrutiny from customers and regulators.

During the quarter the Federal Reserve raised the Federal Funds Rate by 0.25% and signaled that more interest rate hikes are in the cards this year. In a press conference following the interest rate hike, new Federal Reserve Chairman Jerome Powell noted that the economic outlook had strengthened and predicted that inflation will move up closer to the Fed's 2% target. The two-year Treasury yield rose to 2.27% from 1.88% at year-end. The 10-year Treasury yield moved up to 2.74% from 2.41% and the 30-year Treasury yield increased to 2.97% from 2.74%. Oil was up 7.48% as supply and demand moved closer to balance.

Market Outlook

As noted earlier, the Fund lagged the S&P 500 Index. We are frustrated and disappointed by the results considering the high quality of our investments and how well their businesses are performing. To give you a sense of this, in our Fund, 80% of the companies beat earnings expectations in the year end quarter versus 73% for the S&P 500 and 77% of our companies beat the Street's consensus revenue expectations versus 66% for the S&P 500. In addition, their 2018 outlooks were generally upbeat with many having significant cash flow and earnings benefits from the new tax law. As we write this commentary, the portfolio continues to show solid first quarter operating results and is again beating on the earnings and revenues versus expectations at a rate that is ahead of the S&P 500's progress.

We believe that the Fund is well positioned for the economic environment we foresee in the year ahead and should benefit from strong business fundamentals, growing earnings and cash flow, and very attractive valuations.

We remain positive on the outlook for the economy, corporate profits and dividend growth. Consumer and business confidence is strong, and the latest jobs data was very positive with the unemployment rate at 4.1% and included encouraging numbers on rising wages and

labor participation. Factory orders are near their highest level in a decade, and the latest GDP growth numbers were revised up to 2.9%.

The return of volatility in the stock market is creating anxiety and, we think, opportunity. Some of the volatility is just a return to normal market fluctuations, and some is caused by the daily drama in Washington. We have an administration that likes to stir the pot and is determined to reset trade relationships. So far, the negotiating pattern has been to lead with extreme proposals and then walk them back and declare victory. The concern is that this negotiating strategy might inadvertently escalate to a trade war. We don't think that is a high probability outcome, but the market is taking President Trump's public statements at face value and reacting accordingly.

After two months of decline, the cable TV business shows about the stock market are predictably bringing on one bearish strategist after another, reinforcing the current negative sentiment and probably scaring many investors. To be fair, when the market is rallying, the coverage flips to highlighting market cheerleaders. In January, when the market was going up every day, one CNBC morning host was openly mocking guests who he didn't think were bullish enough.

Our advice is to tune out the noise in either case. We talk to companies about their businesses all the time, and for the great majority, business is good.

The overall market is trading at 16.4x estimated forward earnings (down from 18.2x at year-end), which is about in-line with the 20-year average of 16.0x[2]. Our Fund is trading at a lower multiple and has a higher dividend yield. The Fund's portfolio is also trading at an above average discount to our estimate of fair value, which historically has been a bullish indicator.

The biggest risks we see in the equity market are from a flare-up in geopolitical tensions including confrontations over trade policies. The mid-term elections this fall have the potential to slowdown the president's pro-business agenda. We expect inflation and interest rates to rise in 2018, possibly faster than currently expected.

We think that JP Morgan's CEO Jamie Dimon summed up the investment climate well at his company's investor day in late February. After giving a very upbeat outlook for his company and the global economy, he said the biggest risk he saw is bad public policy. He highlighted Brexit, but a trade war would have far greater consequences.

We anticipate that the market should rebound strongly over the balance of the year and provide another year of solid gains.

[2] Source: FactSet, Russell Investment Group, Standard & Poor's, J.P. Morgan Asset Management.

Fund Performance:

1st Quarter Review

The Matrix Advisors Value Fund declined in the quarter and underperformed the S&P 500 benchmark. The Fund's return was in line with the Russell 1000 Value Index. As discussed earlier, we strongly believe that the portfolio is well positioned to deliver strong absolute and relative returns over the balance of the year.

The greatest contributors to the Fund's results in the quarter were our holdings in Technology and Healthcare. The biggest detractors were Consumer Discretionary, Consumer Staples and Energy. The Fund's weak returns this quarter do not reflect the underlying fundamental strength of its holdings. As discussed above, during the most recent earnings season, 80% of the portfolio's holdings beat the earnings estimates.

During the quarter, we started new positions in Goldman Sachs and Symantec. Goldman Sachs is a premier global financial firm with market leading positions in trading and investment banking. Last year's record low market volatility was a very poor environment for trading businesses, and the firm's results suffered. We think the company will be a prime beneficiary of a return to normal market volatility, while its investment banking business continues to show strong results.

Symantec is a position we are returning to after the shares declined following our profitable sale last May at significantly higher prices. The company has a leading position in cybersecurity, selling products and services to consumers and enterprises, both rapidly growing markets. The company significantly upgraded its management team and its product set in 2016 with the purchase of Blue Coat.

We also added to our position in CBS.

We sold our position in WPP to provide funds for the new investment in Goldman Sachs and trimmed our positions in Harley-Davidson and State Street.

Looking ahead, we think the portfolio is well positioned to deliver solid results.

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Thank you for your continued confidence in the fund. Please know that everyone here is working hard to reward your trust. Please contact us with any questions or comments. Best regards.