MATRIX ADVISORS VALUE FUND

10 Bank Street, Suite 590 • White Plains, NY 10606 • Tel. (212) 486-2004 • Fax (212) 486-1822

October 24, 2018

Dear Fellow Shareholder:

The Matrix Advisors Value Fund posted a gain of +7.15% in the third quarter, outperforming the Russell 1000 Value Indexes return +5.70% while modestly trailing the more growth/tech weighted S&P 500 Index's return of +7.71%. For the year to date through September 30th, the Fund was up +5.31% versus a gain of +3.92% for the Russell 1000 Value Index and 10.56% for the S&P 500 benchmark.

Disclosure Note:

For your information, for the period ended September 30, 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 12.02%, 9.65%, 8.12% and 7.90%, respectively. For the same periods the returns for the S&P 500 Index were 17.91%, 13.95%, 11.97% and 8.82%.

Gross Expense Ratio: 1.17%
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 10/31/19.

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 9/30/18 was $75.41.

After a difficult start to the year the Fund rallied nicely in Q3 with strong performance from the Technology, Health Care and Industrial sectors. Our slight Q3 underperformance versus the S&P 500 was attributable to poor returns from our investments in the Energy and Consumer Discretionary sectors as well as weaker returns from our Financial sector stocks.

The portfolio's holdings showed very strong operating performance with more than 80% of the companies beating earnings expectations, in the most recent quarter.

During the quarter, we started new positions in eBay and Facebook.

eBay has created one of the world's largest online markets for finding great value and unique selection. The company has three operating platforms, marketplace (80% of revenues), StubHub ticket resales (11%) and classified ads (9%). The company operates in a very competitive but growing industry. The shares declined following its report of revenue growth below analysts' expectations. We think this has created an attractive entry point. The company is expected to grow earnings at a double-digit rate but the shares trade at a discount to the market multiple.

Facebook (FB) has been in the news for all the wrong reasons. The company has become the poster child for concerns about user privacy and its role in Russia's meddling in the last presidential election. The shares declined more than 20% following disappointing earnings and commentary from management that expenses will rise sharply to improve user security and monitor content. We think the obvious challenges the company faces, including a lower growth rate, are factored into the discounted stock price.

We sold our position in ConocoPhillips (COP), trimmed the position in American Express (AXP) and modestly scaled back some of our better performing stocks as the positions had become oversized due to their large gains.

Since the quarter's end the stock market has sold off sharply, its first real pull back since February and March. Investors are nervous about an escalation in trade tensions with China and higher interest rates. We think the strength in the economy and corporate earnings is likely to limit the market's decline and expect it to be followed by continued upward progress.

The attached commentary provides a thorough discussion on what drove our Q3 2018 returns and why we think the Fund is well positioned going forward to capitalize on a shift from Growth to Value.

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 provide favorable investment returns in the years to come. We thank you for your investment 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® 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.

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.

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, 2018

J. P. Morgan Chase & Co.	4.55%
Microsoft Corporation	4.43%
Alphabet Inc. Class C	4.27%
Qualcomm	3.96%
Gilead Sciences Inc.	3.94%
Cisco Systems Inc	3.94%
Wells Fargo and Company	3.83%
Eaton Corp. PLC F	3.66%
Occidental Petroleum	3.55%
Thermo Fisher Scientific	3.53%

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.

Capital Markets Commentary and Quarterly Report: 3rd Quarter 2018

The stock market[1] posted its best quarter of the year in Q3. Investor optimism was boosted by good economic data and healthy earnings reports. Lower corporate taxes, gains in consumer spending and business investment, an unemployment rate below 4% and the highest consumer confidence in 18 years, all contributed to a growing sense that the long economic expansion has room to run. The most recent GDP number (Q2) showed growth of 4.2%, the highest growth rate in almost four years (Q3 2014).

Critically, the stock market's gains also reflect the belief that the administration's confrontational rhetoric regarding resetting trade agreements is a negotiating tactic rather than a serious threat to derail the global economy. On this score, as the quarter ended, a reworked NAFTA agreement appears to have been successfully negotiated, after much huffing and puffing.

The best performing market sectors in the quarter were Healthcare, Technology and Industrials. Energy was a notable lagging sector, despite a further rise in the price of oil.

The Matrix Advisors Value Fund (MAVFX) had strong absolute returns in the quarter and outperformed the Russell 1000 Value Index while modestly trailing the more growth/tech weighted S&P 500 Index. After a poor first half, the strong third quarter leaves the Fund nicely positive for the year, ahead of the Russell 1000 Value Index, but behind the S&P 500 Index.

During the quarter the Federal Reserve raised interest rates another 0.25% and indicated they were likely to continue raising rates this year and next, reflecting solid economic growth, expectations of higher inflation and a desire to end the post-recession period of extraordinary low interest rates.

Last quarter was the first time since the Great Recession that companies started calling out the impact of higher commodity, transportation and wage costs. Most recently, at the beginning of October, Amazon said it would increase its minimum wage to $15 per hour in November. This follows earlier announcements about higher wages from the mega retailers Walmart and Target. In response to higher costs, a growing number of consumer products companies, including Procter & Gamble, Colgate, Kimberly-Clark and Coca-Cola, have recently announced they will be raising prices. This is a reversal of their previous strategy to absorb costs and keep prices low to compete with online retail.

Treasury yields rose across the yield curve. As of this writing, a few days after the quarter's end, the 10-year U.S. Treasury note yield has jumped to its highest level since July 2011 on new reports of more job growth than expected and an index of service industry activity reaching its highest level on record.

Oil prices (Brent crude) rose by 4.1% during the third quarter, to $82.72 a barrel, the highest level in nearly four years. Brent crude is up 24% for the year (through 9/30/18) on the belief that a strong economy will keep demand high while supply is constrained by limits on near-term production growth and U.S. sanctions against Iranian oil.

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

We expect continued stock market volatility (which is normal) to be magnified by rising interest rates, the administration's ongoing trade disputes with China and the uncertainty surrounding the mid-term elections.

As we have been saying all year, there are always valid reasons and concerns that explain the market's volatility but excluding a disastrous result in trade negotiations with China (which is in no one's interest but cannot be dismissed), we believe they are manageable. For 10 years, this bull market has been climbing the proverbial wall of worry and we believe the odds favor it continuing to do so. Even though the market is up significantly over the decade, earnings, dividends and cash flows have seen equally sharp increases and as a result, the market still sells at a reasonable valuation relative to this higher earnings base.

Currently, the U.S. economy and corporate earnings are very strong and "most major developed and emerging market economies [are] firmly in expansion mode"[2]

The biggest risks we see to the equity market, outside of a blow-up related to trade, are uncertainty due to the mid-term elections, increasingly difficult earnings comparisons in the upcoming year and significantly higher interest rates.

Fund Portfolio and Outlook

The Fund's portfolio holdings continue to show very strong company operating performance with growing earnings and cash flows, rising dividends and favorable outlooks. 83% of the companies in our portfolio beat earnings expectations. While this number was not as strong as last quarter, much of the difference can be explained by earnings below expectations from our Energy holdings. This was primarily due to unusual items such as refinery maintenance downtime and pipeline outages. The portfolio's current business trends and its outlook are very healthy.

The portfolio's best performing sectors during the third quarter were Technology, Health Care and Industrials. The biggest detractors were in Energy and Financials, two sectors that we think are very attractive due to the disconnect between their strong near-term prospects and valuations.

In the case of Energy, the price of oil is up by more than 20% this year but the sector returned just 7.5%. Over the past 21 months, the West Texas oil price (WTI) is up 36% and Brent (the global benchmark) is up over 45% while energy stocks are up in the mid-single digits. These very modest gains have occurred in a healthy stock market. Furthermore, well run Energy companies have lowered their break-even points to less than $50 per barrel from the mid-$70s a few years back. Current Energy share valuations only make sense if today's oil price of more than $70 a barrel is ephemeral and headed back to the $50 range or below. We think that's unlikely, given current demand and constraints on production growth, and expect energy stocks to undergo a revaluation higher in upcoming periods.

The breakdown in the price/value equation for Financials is equally compelling, with the sector up just 0.1% for the year, despite consensus earnings growth estimates of more than 16% for 2018, followed by another year of close to 10% earnings growth in 2019. Financial companies are among the greatest beneficiaries of a

[2] JP Morgan - Economic & Market Update Q4 2018.

strong economy, higher interest rates, less regulation, and the new lower corporate tax rate. They are buying back their shares and raising their dividends by significant amounts (in the case of JP Morgan by more than 40%!).

Yet, the Financial sector has the lowest valuation of all market sectors and trades at a significant discount to its own historic valuation. In June, JPMorgan CEO Jamie Dimon said we are in a “golden age of banking”, noting the industry’s strong and consistent financial returns, higher customer satisfaction scores and lessening regulatory issues. The company’s CFO Marianne Lake added that new technologies are driving structural growth as customers embrace digital and mobile channels.

We think that the Financial and Energy sectors are likely to meaningfully add to positive portfolio results for the next 12-18 months.

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

As noted in previous letters this year, we remain positive on the outlook for the economy, corporate profits and dividend growth. The tax law passed at the end of last year provided additional stimulus to the economy. We expect the pace of economic growth to slow from its current elevated rate, but we think the economy will add to its record 10th year of expansion absent a policy blunder on trade.

We think volatility in the stock market is here to stay for a while. Some volatility is normal. The current political environment, both in the U.S. and internationally, is creating some extra uncertainty. While the volatility can create anxiety, it’s a normal part of investing, and stocks can and often do move higher in uncertain times.

The overall market is trading at 16.8x estimated forward earnings, modestly above the 16.1x twenty-five-year average[3], but below the 18.2x number at the beginning of the year due to the higher earnings denominator. Our portfolio is trading well below the market’s multiple and selling at a very attractive P/E.

The biggest risks we see in the equity market remain a flare-up in geopolitical tensions including confrontations over trade policies. In addition, the mid-term elections in November have the potential to slowdown the president’s pro-business agenda. Finally, while we think interest rate increases and inflation will be manageable, the market could be periodically spooked that the economy is running too hot or that inflation is more worrisome than many had expected.

We look for the market to show positive returns for the balance of the year, providing another year of solid gains. After the recent strong rally, there can always be a short-term pull-back. As we go to press, the stock market is in the midst of a decline which we expect will be short lived. We view this as a buying opportunity and expect it to be followed by continued upward progress. We remain cautious about fixed income investments, preferring high quality and short to intermediate term maturities.

[3] Source: FactSet, Russell Investment Group, Standard & Poor’s, FRB, Robert Shiller, Thomson Reuters, J.P. Morgan Asset Management.

3rd Quarter Portfolio Review

As noted earlier, the greatest contributors to the Fund's results in the quarter were our holdings in Technology, Health Care and Industrials. The biggest detractors were in Energy and Financials, two sectors that we think are very attractive due to the current disconnect between their strong near-term prospects and valuations.

During the quarter, we started new positions in eBay and Facebook.

eBay has created one of the world's largest online markets for finding great value and unique selection. The company has three operating platforms, marketplace (80% of revenues), StubHub ticket resales (11%) and classified ads (9%). The company operates in a very competitive but growing industry. The shares declined following its report of revenue growth below analysts' expectations. We think this has created an attractive entry point. The company is expected to grow earnings at a double-digit rate but the shares trade at a discount to the market multiple.

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We added to positions in CBS, Comcast, Gilead Sciences, Schlumberger, State Street and Symantec and Viacom.

We sold our position in ConocoPhillips (COP) and trimmed the position in American Express (AXP). Both stocks have been very strong performers this year. COP reached our price target, and AXP is also approaching our target and was used as a source of funds to add to State Street. As mentioned above, we like the Financial sector, and within this very attractive group, we think these two companies represent compelling buys.

During the quarter we modestly scaled back some of our best performing stocks as the positions had become oversized due to their large gains. In each of these cases, we continue to be upbeat about their prospects, but wanted to manage risk by reducing their overweights relative to our typical position size. We were even more active in our balanced accounts in these scale backs as our equity's strong gains for the quarter and past few years have resulted in many balanced portfolios trading at or above the upper end of our targeted bands. So, we rightsized these holdings to get back to our desired equity exposure.

We are optimistic about how the portfolio is positioned for the near and medium term. We think several sectors that have underperformed this year like Energy and Financials are likely to meaningfully add to positive portfolio results for the next 12-18 months while we expect our other sectors that are performing well like Healthcare, Technology and the newly created Communication Services to continue their upward trajectories.

As we have mentioned in the past, we constantly review our holdings to make sure we are optimally positioned in stocks that we think are most timely and have compelling risk/reward propositions. When we identify situations where we think there are more timely or attractive options, we will continue to upgrade the portfolio.

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We hope you are enjoying the holiday season and thank you all for confidence and trust. Please contact us if you have any questions at 800 366 6223 or 212 486 2004.

Best regards.