MATRIX ADVISORS VALUE FUND

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August 1, 2022

Dear Fellow Shareholder:

The Matrix Advisors Value Fund was down -16.04% in the second quarter compared to the S&P 500 Index's decline of -16.10%.

For the first six months of the year, the Fund was down -20.12% versus a decline of -19.96% for the S&P 500 Index.

Disclosure Note:
For your information, for the period ended June 30, 2022, 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 -14.61%, 8.11%, 10.22% and 7.73%, respectively. For the same periods the returns for the S&P 500 Index were -10.62%, 11.31%, 12.96% and 8.86%.

Gross Expense Ratio: 1.21%
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. Please see the Financial Highlights in this report for the most recent expense ratio.

**The Advisor has contractually agreed to reduce fees through 10/31/22.

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 6/30/22 was $73.48.

For the fiscal year (7/1/21 - 6/30/22), the Fund was down -14.61% versus the S&P 500 Index's decline of -10.62%. A det-ailed discussion of performance is provided in the following commentary.

After our very strong 2021, and a relatively good start to the year, the Matrix Advisors Value Fund sold off during Q2 in a market that continued to penalize last year's best performers, of which we had many. In Q2, the Fund's portfolio performed in line with the S&P 500 Index. For the year-to-date, through June 30, 2022, the Fund modestly trailed the S&P 500 down -20.12% compared to down -19.96% for the Index.

Consumer Staples was the only portfolio sector with positive performance in the quarter. The sectors that negatively impacted the Fund's performance the most in the quarter were the Technology and Communication Services sectors.

We were very active during this period of market volatility. We started a new position in Booking Holdings, Inc (BKNG) a leading global online travel company, and added to positions in Meta Platforms, Inc (META) (the new name for Facebook), PayPal Holdings, Inc (PYPL), Truist Financial Corp. (TFC), and Zimmer Biomet Holdings Inc (ZBH).

Favorable price movements provided the opportunity to sell the Fund's positions in Coca-Cola Co. (KO) and Kellogg Company (K). We also sold the position in Embecta Corp. (EMBC), which we received as a spin-off from Becton Dickenson and Co. (BDX) and made a strategic swap out of State Street Corp. (SST) into Bank of NY Mellon Corp. (BK) seeking to upgrade the quality of the portfolio in the custody bank area with a better-managed, more shareholder-oriented company.

At the end of the second quarter, the largest sector weightings in the Fund's portfolio were in Technology, Communication Services, Financials, and Health Care. Technology and Communications Services have been two of the worst-performing market sectors this year. We believe the names the Fund holds in these sectors offer exceptional appreciation potential, their businesses are very profitable, and the valuations are historically low. Financial stocks have sold off even though the current environment of rising interest rates, loan growth, and good credit quality, should be very beneficial to their results. Finally, we believe the Fund's Health Care investments provide relative stability with good upside potential.

We believe the Fund's portfolio is well-positioned for upcoming periods as the businesses are operating at a very high level with strong earnings and cash flows, yet it sells at a very attractive valuation. As of June 30, 2022, the Fund portfolio's 2023 estimated P/E multiple was 12.6 times earnings compared to the S&P 500 Index's estimated P/E multiple of 15.0 times earnings[1].

Matrix partners and associates are among the Fund's largest shareholders and our interests are directly aligned with yours. We thank you for your continued support and confidence in the Fund.

Sincerely,

David A. Katz, CFA
Fund Manager

[1] Source: Bloomberg

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. Fund holdings are subject to change at any time and are not recommendations to buy or sell any security.

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.

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.

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.

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

Matrix Advisors Value Fund, Inc.
Capital Markets Commentary and Quarterly Report:
2nd Quarter 2022 and Annual Review

In Q2, 2022, the U.S. stock market[2] entered a bear market, falling by 16.10% in the quarter and breaching the down 20% threshold from its recent high. After declining 4.6% in Q1, the market continued its slide in April, stabilized in May, and then moved sharply lower in June after a higher-than-expected inflation number.

It was the worst quarter for the stock market since March 2020 and the worst first six months start to the year since 1970. No market sector was spared in the decline. On a relative basis, the Consumer Staples, Utilities, Energy, and Health Care sectors held up the best, all down mid-single digits, with Consumer Discretionary, Communications Services, and Technology showing the largest declines of 20% or more.

It was also another tough quarter for fixed income investments with interest rates rising across the yield curve.

Oil prices were volatile in the quarter, running up to over $120 a barrel in early June but ending the quarter only modestly higher from March 31. Concerns over oil's impact on inflation, something the Fed cannot control, weighed heavily on both the stock market and fixed income prices during the quarter.

Market Outlook

At the risk of sounding Pollyannaish, we think the economy is in better shape than the latest consumer confidence numbers indicate and that the stock market will likely end the year far better than its mid-year levels. As the market sell-off accelerated in June we have become more optimistic about the prospects for stocks for the next 6 to 12 months. Stock and bond prices have come down a lot and the recent economic data, while showing signs of slowing, looks OK to us. We think the Fed is getting what it is hoping for: some moderation in the economy's growth that should bring supply and demand into better balance while still showing good job numbers and modest economic growth. If this continues to play out, the rate of inflation should start to decline without causing a severe recession (a soft landing). As evidence of the decline in inflation builds, we think the Fed may surprise investors later in the year by slowing or pausing its rate increases, giving a lift to stock prices.

Though growth in the economy is slowing (and hitting companies that benefitted disproportionately from the Covid economy, particularly hard) recent earnings calls in late June from three large companies representing a broad cross-section of the economy with real-time economic data, Accenture PLC (ACN), FedEx Corp. (FDX),

[2] All references to the U.S. stock market are the S&P 500 Index unless otherwise noted.

and Paychex, Inc. (PAYX) all reported good results and expressed confidence in their businesses outlooks[3]. Many super-regional banks conveyed a similar message in their June analyst meetings.

Below are excerpts from the ACN, FDX, and PAYX calls:

> From Accenture on June 23: *"We see continued strong demand going into the next quarter with another strong bookings quarter and another strong revenue quarter."*
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> From FedEx's earnings call, on June 23: *"Let me take a moment to discuss 2023. We anticipate consumers will keep spending and their spending will continue tilting toward services from goods. We expect more consumers to return to stores. Our fiscal '23 forecast assumes a normalized economic environment."*
>
> From Paychex, on June 29: *"Macroeconomic trends have been positive this year but with inflation at the 40-year high, there are concerns for the potential of a recession in the near future. We continue to monitor key leading indicators for any signs of a change in the macroeconomic environment but have not seen any signs of deterioration at this time. Typically, the first signs of a macroeconomic recession would be a decline in employment levels at existing clients, an uptick in non-processing clients, or a slowdown in sales activities. These indicators continue to trend in a positive direction. Job growth at U.S. small businesses remained strong."*

We believe a recession, if we have one, may be mild. Technically, we may already be in one. The old but still common definition was two consecutive quarters of negative Gross Domestic Product (GDP). However, as reflected in the comments from ACN, FDX, and PAYX, even with all the current headwinds, the underpinnings of the U.S. economy are still healthy. Consumer and business spending, while moderating, remains positive. Unemployment is near historic lows and individual and business balance sheets remain solid with credit quality exceptionally high.

Economies here and around the world have reopened and are shifting into a different gear from a stay-at-home Covid world to a more normal demand for services economy. As long as jobs are plentiful, and people have the income to save and spend, we believe that consumer behavior will be more supportive of a good economy than recent sentiment indicators suggest. Further, in recent business updates, many money-center and regional banks all noted that consumer balance sheets currently have more cash and are stronger than their pre-Covid levels. Credit card data shows pent-up consumer demand for activities curtailed during Covid with a strong pick-up in traffic at restaurants, entertainment, sporting events, and travel.

Inflation is a significant near-term problem, but we believe that it is a cyclical problem created by extraordinary fiscal and monetary stimulus during Covid, logistics problems, also a byproduct of the Covid economy, and then inflamed by the war in Ukraine. The Fed's recent policy actions to increase interest rates and reduce the money supply, coupled with an improving Covid-related labor market and logistics issues, will likely result in lower inflation rates by fall if not sooner. There are already signs that inflation may have peaked while employment

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[3] Accenture is a professional services company specializing in information technology services and consulting with over 700,000 employees. Federal Express provides daily package deliveries for businesses and consumers around the world. Paychex's business is human resource, payroll, and benefits outsourcing services for small- to medium-sized businesses. The company has more than 100 offices serving approximately 670,000 payroll clients in the U.S. and Europe. These three companies provide good insights into the economy because they see real-time economic data.

remains strong. Retailers, like Walmart and Target, with too much inventory in kitchen appliances, televisions outdoor furniture, and apparel are reducing prices.

Economically sensitive commodities like copper, steel, and lumber are well off their highs and housing price increases are slowing in response to the sharp rise in mortgage rates. Rental prices showed their first slowdown and, in some cases, declined in the past month. Supply chain disruptions are also an issue, but likely will be peaking before year-end. Gasoline and food prices are still high, held up by supply constraints, mostly caused by the war in Ukraine. If and when that war ends, food and energy prices should decline dramatically. Finally, the U.S. dollar has been very strong versus other currencies which lower the cost of imported goods for U.S. consumers, putting downward pressure on inflation. The powerful secular forces that kept inflation low for so many years, including global competition and rapid technological advancements, will inevitably reassert their gravitational downward pressure on inflation.

The U.S. economy is a very powerful engine of economic growth. Recessions[4] are a normal part of the business cycle, usually short-lived and followed by strong market recoveries. During the post-World War II period, a typical recession lasts about six to 12 months, although some were longer, and one was shorter (the most recent one after Covid lasted two months)[5]. If we have a recession, we expect it to be on the shorter and shallower end of historic norms as we do not see the excesses in the economy that usually accompany or cause deeper, long-lasting problems.

We think the chances are good that the economic picture may look much sunnier six months from now and the stock market, as it has done historically, will likely rise well before it becomes obvious that inflation is coming down and the worst fears about the economy prove to be exaggerated. The timing of the next advance is unpredictable and sticking with an investment plan and not overreacting to current events or short-term market moves is critical to long-term success.

A lot is being made in the business press about poor consumer sentiment. The inference is that poor consumer sentiment and poor stock market performance are positively correlated. A study of the actual relationship strongly suggests that this is not the case and in fact, there is an inverse relationship and low consumer confidence is often followed by very favorable investment returns.

JPMorgan chief strategist David Kelly notes in their quarterly guide to the markets that The University of Michigan Index of Consumer Sentiment [6]stretching back over the past 50 years has eight distinct peaks and troughs. On average, buying at a confidence peak yielded a return of 4.1% in the following 12 months while buying at a trough returned 24.9%.[7] While we would not look at this history as a forecast for the upcoming year, it does suggest that investors should not be overly concerned about negative consumer confidence headlines.

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[4] Recessions as defined by the National Bureau of Economic Research.

[5] Mark Zandi, Chief Economist at Moody's Analytics CNBC interview on June 24, 2022.

[6] The University of Michigan Consumer Sentiment Index is a consumer confidence index published monthly by the University of Michigan. The index is normalized to have a value of 100 in the first quarter of 1966. Each month at least 500 telephone interviews are conducted of a contiguous United States sample.

[7] JP Morgan Guide to the Markets June 30, 2022

We do not know when the next bull market will start but it will inevitably begin while the majority of investors are bearish, worrying about another leg down in prices. Our valuation work on our Fund's investment strategy has reached levels that historically have been very bullish for the market in general and our Fund's portfolio strategy in particular.

Being invested in the early stages of a market rally is critical to good long-term investment results. In the last 40 years, for example, the best 10 days (out of more than 10,000) accounted for almost two-thirds of the stock market return for the entire period. In the last 20 years, the best 10 days accounted for 75% of the market's returns. Remarkably, the market tends to make its largest one-day jumps precisely when volatility is high, and the market is in chaos[8].

Half of the S&P 500 Index's strongest days in the last 20 years occurred during a bear market. Another 34% of the market's best days took place in the first two months of a bull market - before it was clear a bull market had begun[9].

From 1930-2021, there have only been five 1st half-year market declines of 15% or more. In 5 out of 5 times, the second half of the year provided a positive return, ranging from a low of 6% to more than 50%[10] with the majority of the outcomes around 15% or better.

In summary, we believe that the consensus is too negative about the U.S. economic outlook, inflation, and the stock market. In the near term, it is clear to us that there is a slowdown in parts of the economy that have been hot, but with a healthy job market, we believe there is a good chance that the Fed will succeed in bringing down inflation while the economy muddles through a period of slower growth before reaccelerating. A resolution to the war in Ukraine would also be very bullish for equities, although nothing seems likely in the near-term.

While we are very aware of the reasons investors are bearish, we are finding many good investment ideas in high-quality companies and historically that has provided outsized returns in subsequent periods. We expect the current downside volatility to subside as the year progresses and the stock market to end the year well above its current level.

The major risks we see for the U.S. equity market are 1) the war in Ukraine spins out of control and becomes more global, and 2) we are misreading the economy and things get much worse than we currently foresee. We are hopeful that neither of these will play out.

Fund Annual Fiscal Year Review

For the fiscal year (7/1/21– 6/30/22), the Fund was down -14.61% versus the S&P 500 Index's decline of -10.62%. After a very strong absolute and relative 2021 fiscal year, the Fund was adversely impacted in the last six months by a market that penalized last year's leaders of which we had many.

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[8] Forbes 5/5/22

[9] Source: Ned Davis Research, 12/21. The time period referenced is 12/16/01-12/15/21.

[10] Source: First Trust and Bloomberg as of 6/30/2022.

Performance returns for the Fund were most negatively impacted by the Fund's holdings in the Communications Services, Financials, and Technology sectors, all sectors which we believe have great appreciation potential. The Fund's best performing sectors over the past 12 months were Consumer Staples, Health Care, and Energy, all modestly positive in a very difficult period. The Fund's largest sector weightings on June 30, 2022, are Technology, Communication Services, Financials, and Health Care. We believe the Fund is well-positioned for upcoming periods as the businesses are operating at a very high level with strong earnings and cash flows, yet it sells at a very attractive valuation. As of June 30, 2022, the Fund's portfolio's 2023 estimated P/E multiple was 12.6 times earnings compared to the S&P 500 Index's estimated P/E multiple of 15.0 times earnings[11].We are optimistic about the Fund's prospects in the coming year.

2nd Quarter and YTD Review and Outlook

After our very strong 2021, and a relatively good start to the year, the Matrix Advisors Value Fund sold off during Q2 in a market that continued to penalize last year's best performers, of which we had many. In Q2, the portfolio modestly outperformed in line with the S&P 500 Index. For the year-to-date, through June 30, 2022 the relative performance of the Fund was very slightly behind the S&P 500 Index down -20.12% versus down -19.96% for the Index.

Consumer Staples was the only Fund portfolio sector with positive performance in the quarter. The greatest detractors of performance were the Fund's holdings in the Technology and Communication Services sectors.

We were very active during this period of market volatility, selling and scaling out of positions into price strength and starting new positions or filling out existing holdings during selloffs. We also engaged in select trades aimed at upgrading the quality and upside of the portfolio.

We started a new position in Booking Holdings, Inc. (BKNG) a leading global online travel company. Booking has the largest market share in the online travel agency business through its Bookings.com, Priceline.com, Agoda, Kayak, OpenTable, Rentalcars, and Etraveli franchises. Before Covid, BKNG was growing at a double-digit rate with earnings reaching $102 per share in 2019. The company's business was hit hard during Covid but remained profitable. As global economies emerge from Covid, the travel business and Bookings have recovered quickly but the stock has been a casualty of the NASDAQ sell-off. The company has a strong balance sheet and shareholder-oriented management. We think the share price decline provided a good entry point for this high-quality company in an industry with strong growth prospects.

We took advantage of price declines in the quarter to build out positions in Meta Platforms inc. (META) (the new name for Facebook), PayPal Holdings Inc. (PYPL), Truist Financial Corp. (TFC), and Zimmer Biomet Holdings Inc. (ZBH).

Favorable price movements provided the opportunity to sell the Fund's positions in Coca-Cola Co. (KO) and Kellogg Company (K) into price strength. We also sold the position in Embecta Corp. (EMBC), which we received as a spin-off from Becton Dickenson and Co. (BDX) and made a strategic swap out of State Street Corp. (SST) into Bank of NY Mellon Corp. (BK) seeking to upgrade the quality of the portfolio in the custody bank area with a better-managed, more shareholder-oriented company.

[11] Source: Bloomberg

At the end of the second quarter, the largest sector weightings in the Fund's portfolio were in Technology, Communication Services, Financials, and Health Care. Technology and Communications Services have been two of the worst-performing market sectors this year. We believe the names we own in these sectors offer exceptional appreciation potential, their businesses are very profitable, and the valuations are historically low. Financial stocks have sold off even though the current environment of rising interest rates, loan growth, and good credit quality, should be very beneficial to their results. Finally, we believe in the Fund's Health Care investments provide relative stability with good upside potential.

We believe the Fund is well-positioned for upcoming periods as the businesses are operating at a very high level with strong earnings and cash flows, yet it sells at a very attractive valuation. As of June 30, 2022, the Fund's portfolio 2023 estimated P/E multiple was 12.6 times earnings compared to the S&P 500 Index estimated P/E multiple of 15.0 times earnings[12].

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Thank you for your continued confidence in the Matrix team.

After a difficult first half of 2022, we are confident that the Fund is well-positioned to fully participate in the better environment we expect as the year unfolds. If you have any questions about any parts of this commentary, please do not hesitate to call.

Stay well. Best regards.

[12] Source: Bloomberg