MATRIX ADVISORS DIVIDEND FUND

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

November 1, 2024

Dear Fellow Shareholder:

The Matrix Advisors Dividend Fund rose +11.62% in Q3 2024 and was up +16.82% for the nine months through September 30. The Fund outperformed the Technology-heavy S&P 500® gain of +5.89% and the Russell 1000® Value Index's return of +9.43% in the quarter. Year-to-date (YTD) through September 30, the Fund lagged the S&P500® gain of +22.08% and modestly outperformed the Russell 1000® Value Index's return of +16.68%.

The Fund's performance in the quarter was led by stocks in the Financials, Healthcare, Utilities, and Consumer Discretionary sectors. For the nine months through September 30, shares in the Financials, Technology, and Utilities sectors generated most of the portfolio's gains.

<u>Disclosure Note</u>:

For your information, for the period ended September 30, 2024, the Fund's average annual total returns for the one and five year and for the periods from October 13, 2016, the inception of Matrix Asset Advisors' involvement with the Fund was +30.80%, +9.90% and +10.25%, respectively. For the same periods, the return for the S&P 500® Index was +36.55%, +15.98% and +15.30%. For the same periods, the return for the Russell 1000® Value Index was +27.76%. +10.69% and +10.48%.

Gross Expense Ratio: 1.23%
Net Expense Ratio: 0.90%**

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 10/31/24.

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 9/30/24 was $33.37.

In the third quarter, we added a position in Nestlé, a Swiss based packaged food company with strong market shares in baby food, coffee, chocolate, beverages, prepared dishes, and pet food. The company's major brands include Nestlé, Kit Kat, Toll House, Stouffer's, Gerber, Haagen Daz, and Perrier. Nestlé has a long history of earnings growth and has increased its dividend each year for the past 30 years.

We also opportunistically added to positions in Qualcomm, Starbucks, and Union Pacific. Of note we had scaled back on Qualcomm in the second quarter at much higher prices and started to rebuild the position in the third quarter when its stock price pulled back.

We sold our position in Duke Energy after it reached our price objective. Our increased exposure to Utilities over the past year proved to be very timely. We trimmed holdings in J.P. Morgan Chase and AbbVie when their positions became oversized due to price appreciation or neared our price objectives.

Solid business performance has allowed the companies in the Fund's portfolio to reward shareholders with higher dividends. In the third quarter, three of the Fund's portfolio holdings raised their dividends by an average of 6.1%.

In our view, the Fund's portfolio is attractively priced, with an average P/E multiple of 16.6x 2025 earnings on September 30, compared to the S&P 500's 20.9x. We believe this valuation gap is too wide given that our Fund's dividend-focused stocks have demonstrated their lower volatility and strong income generation in both challenging and good market environments.

Due to the current market environment, we expect the portfolio to continue adding to its gains over the next year and seek to provide downside risk mitigation during periods of market declines.

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

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 Dividend 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.

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

Mega cap is a designation for the largest companies in the investment universe as measured by market capitalization.

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.

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

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

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).

Consumer Discretionary is an economic sector classification of non-essential consumer goods and services.

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.

Utilities The utilities sector is an industrial category of stocks, consisting of companies that provide basic everyday amenities, including natural gas, electricity, water, and power.

Federal Reserve is the central banking system of the United States. It was created on December 23, 1913, with the enactment of the Federal Reserve Act, after a series of financial panics led to the desire for central control of the monetary system in order to alleviate financial crises.

Valuations are the process of determining the worth of an asset or company.

Yield Curve a curve on a graph in which the yield of fixed-interest securities is plotted against the length of time they have to run to maturity.

Artificial Intelligence the ability of a digital computer or computer-controlled robot to perform tasks commonly associated with intelligent beings.

Small-Cap public companies whose total market value, or market capitalization, is about $300 million to $2 billion.

Mid-Cap companies with a market capitalization (or value) between $2 billion and $10 billion.

Value Strategy investment strategy that involves picking stocks that appear to be trading for less than their intrinsic or book value.

Growth Strategy *is a collection of business initiatives that seek the maximization of a company's value within a period*.

Inflation a sustained increase in the general level of prices for goods and services

Sector SPDR ETFs are tradable ETFs that closely follow the performance of the benchmark S&P 500 or sectors within the index. Sector ETFs invest in the stocks and securities of a specific sector, typically identified in the fund title.

Large Cap stocks of large-cap companies are projected to grow faster than other large-cap stocks. Stocks in the top 70% of the capitalization of the U.S. equity market are defined as large cap.

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.

Dividend Strategy investment strategy of only buying stocks that issue dividends thus creating a reoccurring income stream.

GDP (Gross domestic product) is a monetary measure of the market value of all the final goods and services produced and sold in a specific time period by countries. Due to its complex and subjective nature this measure is often revised before being considered a reliable indicator.

Unemployment Rate represents the number of unemployed people as a percentage of the labor force.

Balance Sheets a statement of the assets, liabilities and capital of a business or other organization at a particular point in time, detailing the balance of income and expenditure over the preceding period.

Fixed Income types of investment security that pay investors fixed interest or dividend payments until their maturity date.

The Magnificent Seven Large tech-oriented companies. The group includes Apple, Microsoft, Alphabet, Amazon, Nvidia, Tesla, and Meta.

It is not possible to invest directly in an index. Index performance is not indicative of fund performance.
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. Strategies focusing on dividend-paying stocks may fall out of investor favor, which may negatively affect the performance of stocks that pay dividends. In addition, the Advisor may incorrectly judge whether a company will be able to continue paying dividends or the amount of such dividends, which may cause losses for the Fund.

Top Ten Holdings as of September 30, 2024:

Microsoft Corporation	5.5%
Starbucks Corp.	5.4%
Bank of New York Mellon Corp.	5.1%
American Electric Power	5.1%
PNC Financial Services Group	5.1%
NextEra Energy	4.9%
Home Depot Inc.	4.7%
Cisco Systems, Inc.	4.7%
Texas Instruments, Inc.	4.6%
Medtronic PLC .	4.5%

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

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

Matrix Advisors Dividend Fund
Capital Markets Commentary and Quarterly Report:
3rd Quarter 2024 Review

Capital Markets Highlights

Stocks and bonds [1]had solid gains in the third quarter, with the stock market[2] reaching a record high[3]. The S&P 500® rose by +5.89% in Q3 bringing its year-to-date (YTD) gain through September 30 to +22.08%. Higher stock prices were driven by strong corporate profits, improving inflation numbers, declining interest rates and the Fed pivoting toward an interest rate decrease cycle.

The rally in stocks was broad and encompassed a wide range of companies, sectors, and investment styles. Ten of eleven S&P 500® sectors had a positive return in the third quarter. A lot of the rotations and broadening of the market that we discussed last quarter started to play out. The best performing market sectors in the quarter were Utilities and Real Estate, the sectors most directly impacted by lower interest rates. The worst performing sectors were Energy and Technology. Value and Dividend stocks outperformed Growth stocks in the quarter.

It's important to note that while stocks had a strong quarter it was accompanied by greater volatility. The market had two -4 to -10% pullbacks, which were followed by equally robust bounce backs during the period.

Fixed income returns were nicely higher in the quarter, benefitting from lower inflation numbers that are approaching the Federal Reserve's 2% target[4]. The 10-year Treasury yield on September 30 was 3.78%, down from the year ago rate of 4.57% and 3.88% on December 31, 2023.

Our Thoughts Going Into Q4

We expect more economic progress in 2025 with some deceleration from last quarter's 3% GDP. While job growth is slowing, the economy has strong underpinnings with steady consumer spending, good consumer and business balance sheets, and layoffs remaining at historically low levels. The September unemployment rate of 4.1% reflects a healthy labor market. None of the cyclical economic indicators that historically have provided a good measure of the health of the economy, including residential investment, business fixed investment, light vehicle sales, and the business inventory to sales ratio, are signaling near term economic problems[5].

The September 0.5% point cut in the Fed Fund's rate is very positive for the economy and increases our confidence in our capital market's outlook for the next 12 months. In last quarter's letter we wrote that one of the higher risks to the economy and stock market was the Fed waiting too long to cut interest rates. With the larger than expected cut in September and the concurrent survey from the Fed projecting a series of future interest rate

1 This and future references to Sector specific returns are from J.P. Guide to Markets® 3Q/2024 as of September 30, 2024
2 All references to the stock market are the S&P 500® unless otherwise noted.
3 Record closing high for the S&P 500® on September 30, 2024 – Per CNBC
4 Prices as measured by the Fed's preferred inflation gauge were up 2.2% in August from a year earlier. NYTimes September 30, 2024.
5 Economic and Market Update as of September 30, David Kelly, J.P. Morgan Asset Management.

cuts, the odds of a recession in the near term are significantly lower than before the rate cut. In a speech on September 30, Federal Reserve Chair Jerome Powell said officials would continue to reduce interest rates from a two-decade high to maintain solid economic growth.

Looking ahead, after a strong nine months, we would not be surprised if returns for both stocks and bonds are more modest for the balance of 2024. On the stock side, valuations are at the high end of historical levels, and elevated levels of Domestic and International uncertainty, including repercussions from the recent election, may result in above average stock market volatility over the next few months. However, historically, generally the state of the economy and the interest rate environment have a much great impact on returns than which party controls the presidency or congress[6].

Looking a little further out to 2025, we remain cautiously optimistic about the outlook for equities. Lower interest rates should spur more economic growth, particularly in interest sensitive areas like housing which positively ripples through the overall economy. We also expect a pick-up in mergers and acquisitions in 2025 highlighting undervalued areas of the stock market. Though overall market valuations are at the upper end of their range, we continue to find opportunities to invest in high-quality companies that have fallen out of favor due to changes in market psychology or short-term business issues. We have been selectively taking profits when stocks reach our targets and will be patient, redeploying the cash, confident that opportunities will arise. Overall, we expect good earnings and dividend growth from well-run companies in 2025 and stock gains in line with long term averages.

We believe that the Fund's portfolio is well-positioned to navigate the current economic environment and provide favorable returns going forward. Our investments have solid financial positions, stable and growing businesses, and strong management teams.

Third Quarter and YTD Review and Outlook

The Matrix Advisors Dividend Fund was up +11.62% in the third quarter and up +16.82% for the nine months through September 30. The Fund's performance in the third quarter was ahead of both the S&P 500® and the Russell 1000® Value Index. For the nine months through September 30, the Fund's results are behind the S&P 500® and modestly ahead of the Russell 1000® Value Index's return.

As the market action broadened, dividend focused stocks returned to favor. We expect the Fund's portfolio to continue adding to its gains as the year progresses and to be more protective in the choppy environment we anticipate.

Portfolio performance in the quarter was led by stocks in the Financials, Healthcare, Utilities, and Consumer Discretionary sectors. For the nine months through September 30, shares in the Financials, Technology, and

[6] 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. According to figures from First Trust, the average return for those election years was 11.58%. 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.

Utilities sectors generated most of the portfolio's gains. Communication Services, Consumer Staples, and Industrials, which had modest portfolio weightings, were lagging sectors for the nine months through September 30.

Looking ahead we expect continued strong performance from our Financial holdings. They are very well capitalized and positioned to take advantage of the lower interest rate environment that should lessen credit stress, spur more consumer lending, more business investment, and healthy capital markets activity. We expect our Technology investments to benefit from advancements in AI that will require more technology spend. Our Consumer Discretionary stocks are beneficiaries of lower interest rates and an anticipated rise in consumer confidence. We have been slowly building our position in Consumer Staples as we believe the weak returns in the past 21 months have created some opportunities in this area. We expect these stocks to provide greater stability in periods of market volatility and declines.

In Q3, the Fund added a position in Nestlé, a Swiss based packaged food company with strong market shares in baby food, coffee, chocolate, beverages, prepared dishes, and pet food. The company's major brands include Nestlé, Kit Kat, Toll House, Stouffer's, Gerber, Haagen Daz, and Perrier. Nestlé has a long history of earnings growth and has increased its dividend each year for the past 30 years. The share price declined from $140 eighteen months ago to below $100 when we made our investment. We believe the reasons for the decline are temporary. The company missed sales and earnings estimates in the past year as food inflation declined, and costs continued to rise. The company recently replaced its CEO from someone focused on strategy to an executive with product development and operations expertise. At its current price, the shares are trading at the low end of their historical valuation.

We also opportunistically added to positions in Qualcomm, Starbucks, and Union Pacific. Of note we had scaled back on Qualcomm in the second quarter at much higher prices and started to rebuild the position in the third quarter when its stock price pulled back.

We sold the Fund's position in Duke Energy after it reached our price objective. Our increased exposure to Utilities over the past year proved to be very timely. We trimmed holdings in J.P. Morgan Chase and AbbVie when their positions became oversized due to price appreciation or neared our price objectives.

Quarterly reports for the Fund's portfolio's holdings were above expectations by a greater degree than the market, with 87% beating earnings estimates versus 80% for the S&P 500®. Revenues significantly outpaced expectations at 71% vs. the S&P 500®'s 49%. Solid business performance has allowed companies in the Fund's portfolio to reward shareholders with higher dividends.

In Q3, three of the Fund's portfolio holdings raised their dividends by an average of 6.1%. In the first nine months of the year, 19 of the portfolio's holdings have raised their dividends by an average of 6.4% and over the past 12 months 23 of our 24 holdings increased their dividends by 6.1%.

In our view, the Fund's portfolio is attractively priced, with an average P/E multiple of 16.6x 2025 earnings on September 30, compared to the S&P 500's 20.9x. We believe this valuation gap is too wide given that the Fund's dividend-focused stocks have demonstrated their lower volatility and strong income generation in both challenging and good market environments.

We believe the Fund's portfolio can continue to build on its gains over the next year and seek to provide downside risk mitigation during periods of market declines.

****

We thank you for your trust in us. Please contact with us with any questions about the Fund or this commentary.