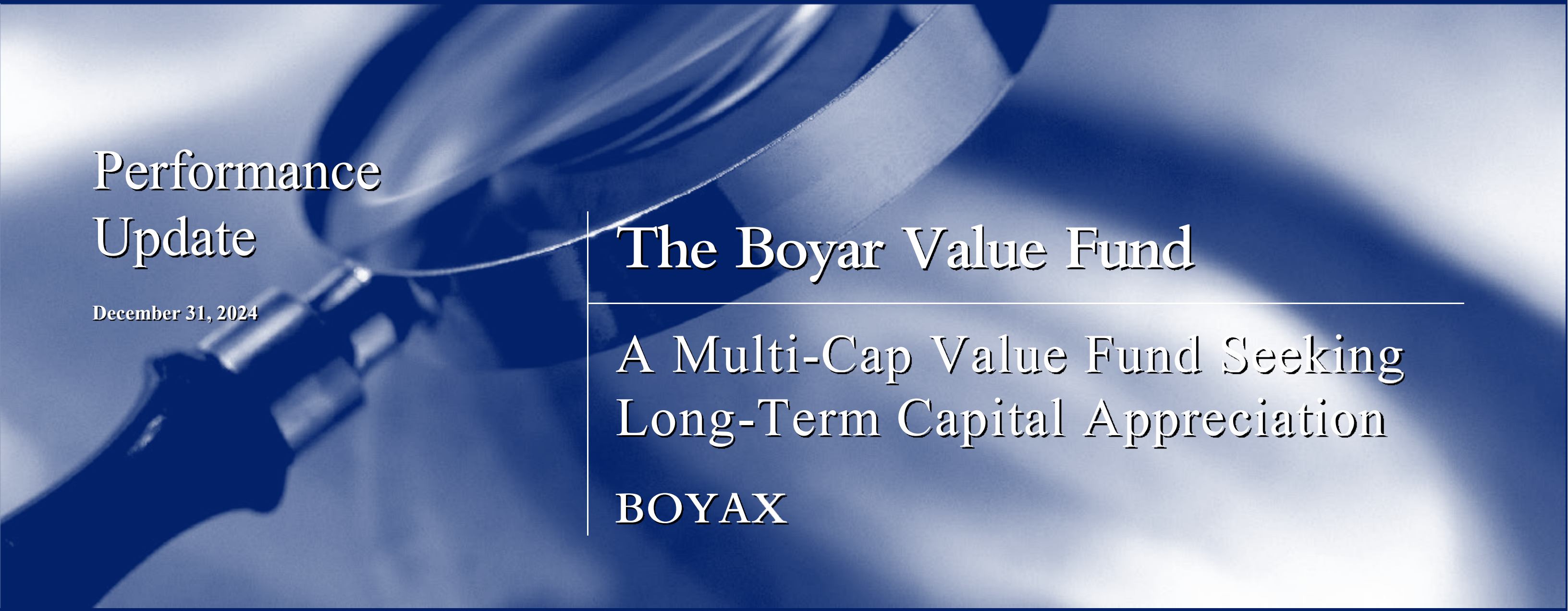

# Performance Update

**December 31, 2024**

# The Boyar Value Fund

## A Multi-Cap Value Fund Seeking Long-Term Capital Appreciation

**BOYAX**

**Portfolio Manager:** *Mark Boyar, President, Boyar Asset Management*
*Jonathan Boyar, Principal, Boyar Asset Management*

**Investment Objective:** *Long-term capital appreciation by primarily investing in multi-cap stocks that Mr. Boyar perceives to be undervalued relative to their intrinsic value*

**Inception Date:** *5/5/98*

**Minimum Investment:** *$5,000 ($3,000 for IRAs)*

**Nasdaq Symbol:** *BOYAX*

## Historical Competitive Returns

Share price and investment return will fluctuate such that an investor's shares may be worth more or less than their original cost upon redemption. Performance data quoted represents past performance. The S&P Composite 1500 Value index was launched after the fund was started and therefore a since inception date is not available.

### Average Annual Returns

*(periods ended 12/31/24)*

| | *1 Year* | *5 Year* | *10 Year* | *Since Inception** |
|---|---|---|---|---|
| At NAV | 11.42% | 4.65% | 5.55% | 6.35% |
| Inclusive of sales charges | 5.86% | 3.58% | 5.10% | 6.14% |
| After taxes on distribution | 4.05% | 3.07% | 4.37% | 5.55% |
| After taxes on distribution and the sale of shares | 4.79% | 2.76% | 3.89% | 5.02% |
| S&P Composite 1500 Value Index TR | 12.15% | 10.44% | 9.91% | N/A |

**(5/5/98)*

**The performance data quoted represents past performance. Current performance may be lower or higher than the performance data quoted above. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that investor's shares, when redeemed, may be worth more or less than their original cost. For performance information current to the most recent month-end, please call toll-free 1-800-266-5566.**

The Boyar Value Fund has a maximum sales charge of 5.00%. The total annual fund operating expense is 1.72%. After-tax returns are calculated using the highest historical individual federal income tax rate and do not reflect the additional impact of state and local taxes. Actual after-tax returns depend on a shareholder's tax situation and may differ from those shown. After-tax returns are not relevant for shareholders who hold fund shares in tax-deferred accounts or to shares held by non-taxable entities. It is important to note that the Fund is currently waiving a portion of fees and at such time as the fee waiver is no longer in place, future returns may be lower than past returns. The value of the portfolio will fluctuate as the underlying securities move in response to overall market movements and other factors beyond the control of the advisor, and investments in the fund may result in the loss of principal. The fund may invest in stocks of several different capitalization levels and it is important to note that historically, small- and mid-cap stocks have experienced greater volatility than stocks of larger, more established companies. The S&P 1500 Value Index is an unmanaged index of stocks trading in the United States. Index performance illustrated is hypothetical and is not indicative of any mutual fund investment. Investors cannot invest in an index.

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## Mark Boyar

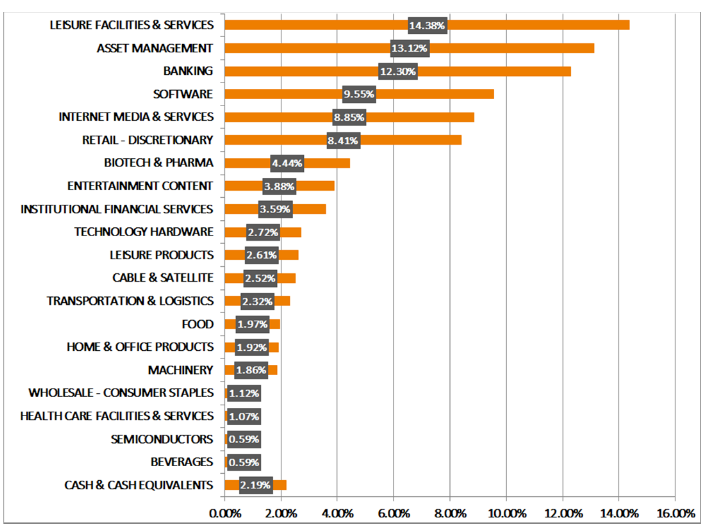
Mark began his career as a securities analyst in 1968. In 1975, he founded Asset Analysis Focus, a subscription-based, institutional research service focused on value investing. He quickly began managing money for high net worth clients and later formed Boyar Asset Management, a registered investment advisor, in 1983. He began managing the Boyar Value Fund in 1998. His opinions are often sought by such media outlets as *Barron's*, *Business Week*, CNBC, *Forbes*, *Financial World*, the *New York Times*, and the *Wall Street Journal*.

## Top Ten Equity Holdings *(As of 12/31/24)*

| *Holdings* | | |
|---|---|---|
| 1. | Ameriprise Financial, Inc. | 13.12% |
| 2. | Home Depot, Inc. (The) | 8.41% |
| 3. | Microsoft Corporation | 8.18% |
| 4. | JPMorgan Chase & Company | 7.23% |
| 5. | Bank of America Corporation | 5.07% |
| 6. | Uber Technologies, Inc. | 4.49% |
| 7. | Madison Square Garden Sports Corporation | 4.09% |
| 8. | Walt Disney Company (The) | 3.88% |
| 9. | Atlanta Braves Holdings, Inc. | 3.76% |
| 10. | Bank of New York Mellon Corporation (The) | 3.59% |
| Total | | 61.82% |

The above illustrates the Fund's ten largest equity holdings, as a percentage of total assets, as of 12/31/24 and are subject to change.

## Industry Weightings *(As of 12/31/24)*




The above illustrates the Fund's industry weightings, as a percentage of total assets, as of 12/31/24 and is subject to change.

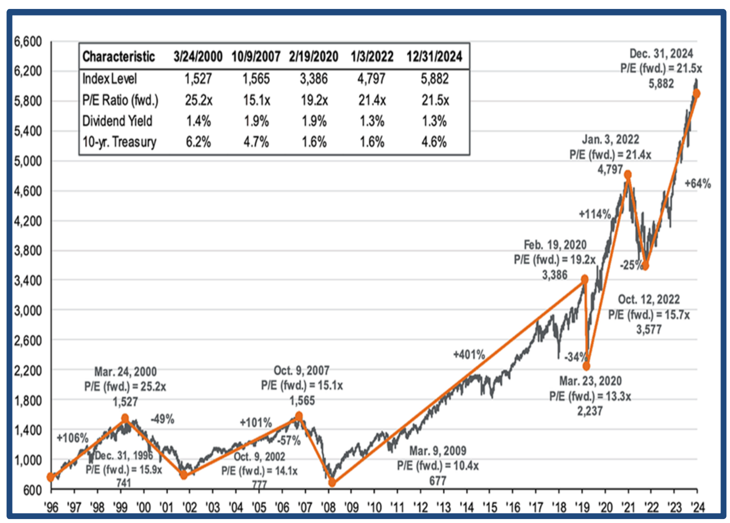
## 4Q 2024: A Broadening Rally with a Few Bumps Along the Way

The third quarter brought a noticeable shift in market dynamics. Where the first half of 2024 was defined by explosive gains in technology shares, 3Q was more subdued, with leadership broadening to a wider range of sectors. As interest rates were on the decline for most of the quarter, equity traders flocked to interest-rate-sensitive equities in the Utilities and REITs sectors, which posted total returns of 19.4% and 17.0% respectively. Technology, on the other hand, was the second-worst performing sector, eking out a 1.6% gain, while Energy was the only sector to post a negative return (-2.3%). For Q3 2024 the Boyar Value Fund advanced 6.63%, compared to 9.14% for the S&P 1500 value.

## 2024 Year-End Market Review: A Year of Highs, (Not Too Many) Lows, and Lessons

December's 2.5% decline did little to overshadow an exceptional year for U.S. equities: The S&P 500 gained 25% in 2024, marking the second consecutive year of 20%+ returns—a first for the 21st century. By year-end, the index had risen 64% from its October 2022 low and an extraordinary 163% from the March 2020 pandemic trough, underscoring the importance of staying invested despite persistent macroeconomic and geopolitical uncertainties.

**S&P 500 Valuation Levels Since 1996**



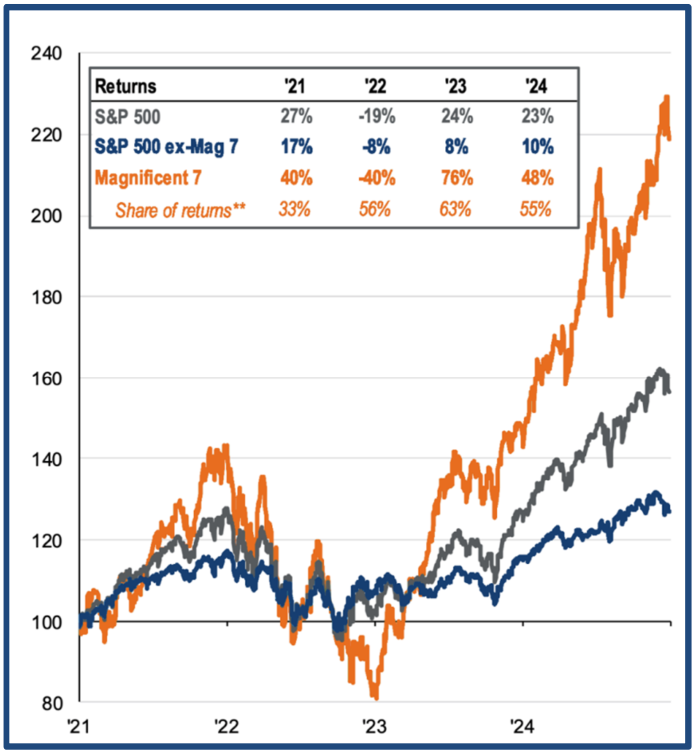

*Source: JP Morgan Guide to the Markets.*

Much like in 2023, the "Magnificent Seven" dominated the market's advance in 2024. Nvidia led the way with a remarkable 171% gain, fueled by enthusiasm surrounding artificial intelligence. According to Howard Silverblatt of S&P, *Nvidia alone contributed 22% of the S&P 500's total return for the year.* Excluding the

**Investors should consider the investment objectives and policies, risk considerations, charges and expenses of this fund carefully before investing. The prospectus contains this and other information relevant to an investment in the fund. Please read the accompanying prospectus carefully before you invest or send money. If a free prospectus did not accompany this literature, please contact your securities representative or the Boyar Value Fund, 32 West 39th Street, 9th Floor, New York, NY 10018, 212-995-8300.**

"Magnificent Seven," the remaining S&P 500 delivered a more modest 10% gain, while the equal-weighted index rose 13%.

**Performance of "Magnificent 7" Stocks**




*Source: JP Morgan Guide to the Markets.*

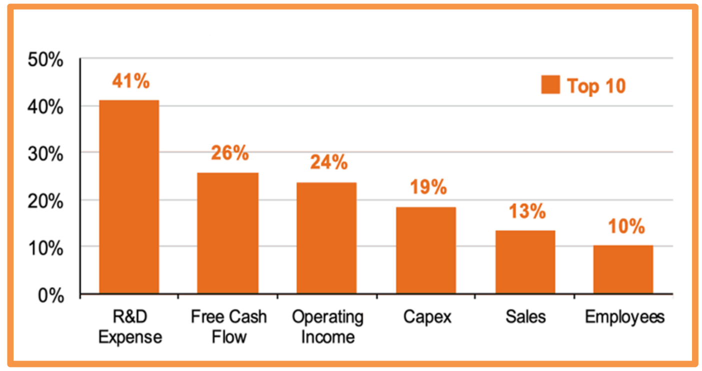
According to JP Morgan, the top 10 stocks in the S&P 500 now account for 38.7% of its market capitalization—a sharp rise from their approximately 20% weighting just a decade ago.

**Weight of the Top 10 Stocks in the S&P 500**


*Source: JP Morgan Guide to the Markets.*

These market giants also represent 41% of total R&D spending, 26% of free cash flow, and 24% of operating income for the entire S&P 500 as of Q3 2024.

**Economic Concentration in the S&P 500**




*Source: JP Morgan Guide to the Markets.*

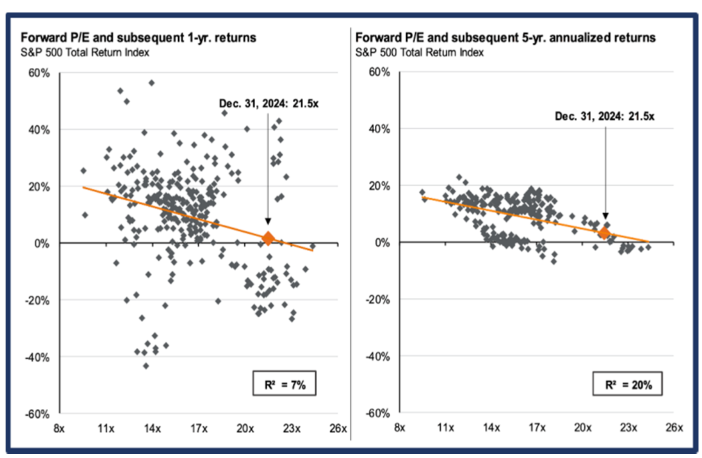
While these companies' remarkable performance has driven the index to new heights, their growing concentration introduces a significant risk. *Market performance is becoming increasingly dependent on the success of a select few stocks. This dynamic can work both ways: when these companies perform well, they propel the index higher, but if they falter, the index's returns could be disproportionately impacted—a notable risk for index fund investors.*

## Can the Good Times Continue?

For investors wary of committing new funds or holding their existing investments after two banner years, history suggests the rally may not be over (yet). From 1995-1999 the S&P 500 posted a five-year streak of gains that ranged from 19.5% to 34.1% before the dot-com bubble finally burst (leading to a rare three consecutive years of declines). However, historical averages point to more modest returns—around 6.7%—after consecutive 20%+ years, according to *Barron's* Paul R. La Monica.

Perhaps more telling, current market valuations suggest that investors may need to temper their expectations. Valuations are well above historical norms, indicating returns—especially over a multiyear horizon—may be more subdued. Rich valuations often lead to lackluster future returns (over the next 5-10 years), underscoring the increased importance of stock selection in today's market.

**P/E Ratios & Future Stock Market Returns**




*Source: JP Morgan Guide to the Markets.*

## Winners, Laggards, and the Strong Dollar

2024 saw clear leaders and laggards. The Communication Services and Technology sectors led the pack, gaining 40% and 36%, respectively, while Materials and Health Care lagged with returns of 0% and 2.6%. Large caps outperformed, surging 25%, while small caps rose a more modest 11.5%.

The U.S. dollar continued to strengthen, with the euro costing just $1.03 at the end of 2024 versus $1.09 the beginning of the year (perhaps it's time for Americans to consider an international vacation). Beyond equities, gold surged 27.5%, marking its best year since 2010, while Bitcoin soared 122%, fueled by speculative fervor.

While traditional sectors such as Communication Services and Technology dominated market performance in 2024, the outsized gains in speculative assets like Bitcoin underscore a different driver of returns—investor sentiment and enthusiasm, often independent of underlying fundamentals.

For 2024 the Boyar Value Fund advanced 11.42%, compared to 12.15% for the S&P 1500 Value.

## The Trump (Wild) Card

One of the most frequent questions we received this year prior to the election was how a Trump presidency might impact the U.S. stock market. Post-election, the focus has shifted to a new question: "Where do we go from here?"

Love him or hate him, there's no denying that President Trump will profoundly influence the U.S. and global economies over the next four years. Whether this translates into gains for the economy or the stock market remains an open question. Numerous variables could shape future returns, including valuations, trade policies, regulatory changes, congressional gridlock, and court challenges to executive actions. There are also what former Secretary Rumsfeld referred to as the "unknown unknowns" that will likely play a significant role.

Below, we present our analysis of the stock market's reaction to President Trump's victory along with the potential impact of his proposed policies.

### Market Insights on Trump's Election Victory

The stock market's response to Donald Trump's election victory has been anything but linear, reflecting a mix of euphoria, skepticism, and recalibrated expectations. With the benefit of hindsight, it appears that the markets began to factor in the possibility of a Trump victory after the disastrous June 28th debate performance by President Biden and gained further momentum following an assassination attempt in Pennsylvania a few weeks later, which helped galvanize his supporters.

These pivotal moments reshaped the political landscape and boosted Trump's chances, sparking a rally that carried through to Inauguration Day (despite a mid-July to early August 8% pullback on the S&P 500, which coincided with Vice President Harris gaining momentum). From the day after the Biden-Trump debate through Inauguration Day, the S&P 500 advanced 10.2%, and the Russell 2000 climbed 12.5%. Optimism about Trump's pro-business agenda—focused on regulatory rollbacks, corporate tax cuts, and a domestic energy push—drove this momentum, outweighing concerns about his unpredictability and divisive rhetoric.

### Exuberance . . .

The immediate reaction on the first trading day after the election was exuberance. The S&P 500 surged 2.5%, and the Russell 2000 soared 5.8%, driven by optimism about a policy shift favoring economic growth. Gains extended across financials, energy, and even cryptocurrencies, reflecting widespread investor confidence and expectations of a pro-business government.

### . . . Followed by Caution

However, as December unfolded, markets tempered their enthusiasm. The S&P 500 declined by 2.4%, and the Russell 2000 tumbled 8.3% for the last month of the year, as questions about Trump's ability to enact his agenda within the constraints of a narrowly divided Congress began to weigh on sentiment. By Inauguration Day, the S&P 500 had advanced 4.1% since Election Day, and the Russell 2000 had gained just 1.0%.

### Policy Impacts: A Pro-Business Stance

Donald Trump's return to the White House brings a clear pro-business agenda centered on deregulation, tax cuts, and U.S. energy independence. These policies are particularly impactful for smaller, domestically focused companies, which often face disproportionately high regulatory and compliance costs. Trump's focus on deregulation could reduce these costs, freeing up resources for growth, while his proposed reduction in the corporate tax rate from 21% to 15% would directly boost after-tax earnings. Additionally, increased domestic energy production is expected to lower energy costs, benefiting a wide range of industries while energizing consumer spending.

### Who Stands to Benefit?

Small-cap stocks, which are more reliant on the performance of the U.S. economy than their larger peers, stand to gain significantly from this favorable backdrop. In addition, companies across the market-capitalization spectrum with predominantly U.S. exposure may also perform well.

### Challenges . . .

Despite his pro-business stance, Trump faces notable constraints. The Republican Party's slim legislative majority limits his ability to pass ambitious policies unchallenged, a reality underscored by the December standoff over a government spending bill. Trump's preferred proposal, which included a debt ceiling suspension, failed to pass, forcing lawmakers to scramble for a smaller agreement that just barely avoided a government shutdown.

### . . . And Risks

Trump's aggressive trade policies, particularly toward China, Canada, and Mexico, present notable risks. While aimed at protecting domestic industries, tariffs can stoke inflation and disrupt supply chains, potentially offsetting the benefits of tax cuts and deregulation. Investors are increasingly questioning whether these economic policies can sufficiently counterbalance the inflationary pressures and geopolitical uncertainties they may introduce. Additionally, the federal government's relatively high debt-to-GDP ratio could constrain fiscal policy options and may push interest rates higher if outsized deficit spending continues.

## Valuations and a Potential Shift in Market Leadership

Donald Trump inherits a market near its all-time high, coupled with historically high valuations. As Spencer Jakab of The Wall Street Journal noted, the S&P 500 is over 80% more expensive than when Bill Clinton took office and 400% pricier than at the start of Ronald Reagan's presidency (based on Robert Shiller's cyclically adjusted price-to-earnings ratio). Historically, elevated valuations have signaled subdued medium-term returns. However, much of this overvaluation is concentrated in a handful of mega-cap tech stocks, while valuations of smaller and mid-cap companies are at more reasonable levels. This presents opportunities for discerning investors.

## Crypto's Meteoric Rise

Bitcoin's surge in 2024 (where it gained 121%) serves as a reminder—abnormal though it may seem to value-minded investors like ourselves—that if enough people believe something has value (even if it has little intrinsic worth), then it does. The art world offers a perfect analogy, with paintings or sculptures often commanding staggering prices despite offering neither cash flow nor practical use. The difference, of course, is that art offers aesthetic appeal and cultural significance—qualities cryptocurrencies lack. (You can't exactly hang Bitcoin on a wall.) Bitcoin's rise underscores a fundamental truth about markets: belief is often as powerful a driver of prices as fundamentals.

Interestingly, Bitcoin has been a peculiar, reinflating bubble. Since 2011, it has undergone 75%+ corrections from its previous highs on four occasions, roughly every four years—likely tied to the "halving" mechanism that periodically reduces mining rewards by 50%. Cryptocurrencies enter 2025 with strong tailwinds, buoyed by a more hospitable regulatory environment and investor enthusiasm. While 2025 *may* avoid a correction, history suggests another crash could be on the horizon.

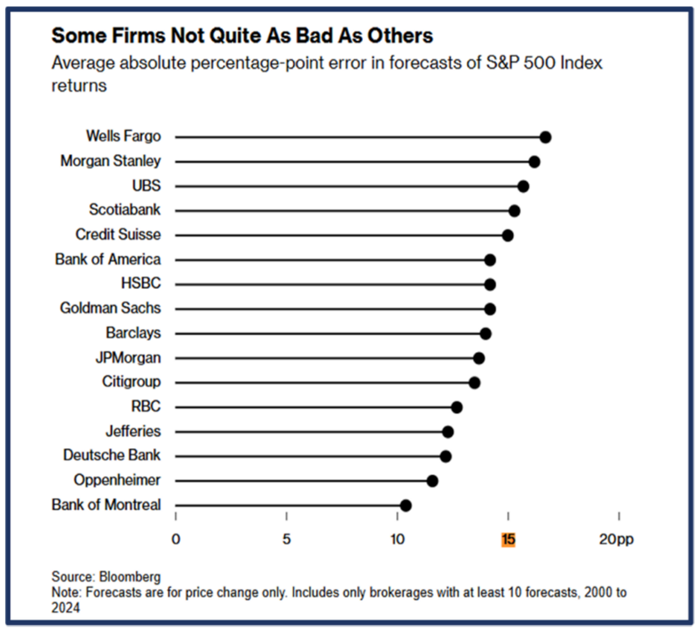
## The Federal Reserve and Stock Market Resilience

The Federal Reserve's pivot from holding rates steady at 5.25%-5.5% through August 2024 to implementing cuts in September, November, and December significantly bolstered market sentiment. The S&P 500 responded with a 2.4% rally in Q4, as lower rates (among other factors) renewed investor optimism. Treasury yields mirrored this shift, however, with the 1-year, 3-year, and 5-year notes yielding 4.16%, 4.28%, and 4.38%, respectively, by year-end—all of which were significantly higher than before the Fed's rate cutting cycle commenced. These "risk-free" rates could offer real competition to the stock market.

While the Fed's actions provided a tailwind for equities, sentiment and expectations also played a critical role. Wall Street's forecasts often shape investor optimism, but their track record remains far from perfect.

## Wall Street Forecast Accuracy

Wall Street forecasters project a 9.1% gain for the S&P 500 in 2025, but history reveals a tendency to miss the mark according to data from *Bloomberg*. Over the past 25 years, the average forecast has deviated from actual returns by over 15 percentage points on average and even the "best" forecasters missed by greater than 10%. Notably, forecasters often underestimate the market's potential, with a bias toward caution dominating projections.




*Source: JP Morgan Guide to the Markets.*

Bank of America's "sell-side indicator," which measures sentiment among professional investors, rose for eight consecutive months in 2024, nearing levels historically associated with lower returns. At the current level of investor sentiment, 12-month gains have averaged just 2.7%, with a nearly 39% likelihood of negative performance.

## Where We Are Finding Value

In this expensive market where value is increasingly scarce, we see opportunities in three areas:

1. **Conglomerates:** Conglomerates often trade at a discount to the combined value of their parts-an issue many investors view as a liability. We see it differently, recognizing opportunities where management teams actively unlock value through spinoffs, asset

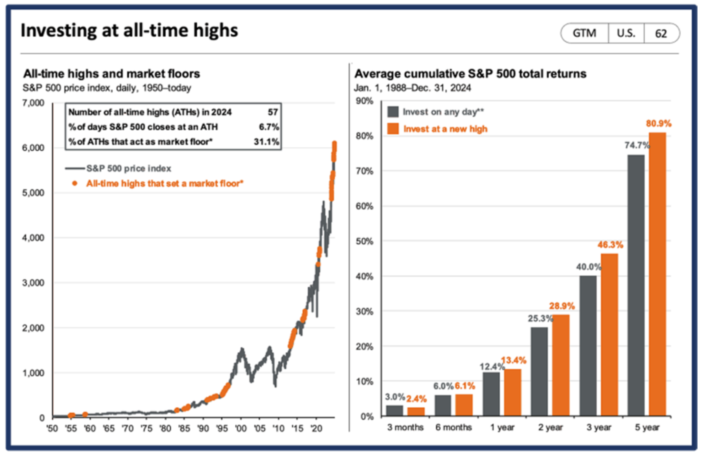
sales, or strategic share buybacks. These situations allow investors to buy valuable assets at a fraction of their true worth.

2. **Activist Targets:** With activist campaigns on the rise globally (+26% over the four-year average in 2024), opportunities abound in Consumer, Technology, Media, Telecom (TMT), and Financials. Activists are driving M&A, operational improvements, and strategic changes, creating environments ripe for value creation.

3. **Small-Cap Stocks:** Small caps remain one of the most attractive hunting grounds for value-oriented investors, in part due to limited analyst coverage. The number of companies with fewer than 10 analyst recommendations in the Russell 2000 has surged by 70% over the past decade, leaving ample room for stock pickers to find mispriced opportunities.

## Staying the Course at All-Time Highs

Investing at all-time highs often feels counterintuitive, but history suggests otherwise. The S&P 500 has closed at a record high in 6.7% of trading sessions since 1950, and nearly one-third of those highs have marked new floors, with prices never retreating more than 5%.




*Source: JP Morgan Guide to the Markets.*

While valuations suggest more muted returns ahead, opportunities remain. Small- and mid-cap stocks, in particular, continue to offer compelling valuations for long-term investors. As always, patience and discipline are the most powerful tools for navigating uncertain markets.

As always, we're available to answer any questions you might have. We can be reached at info@boyarvaluegroup.com or (212) 995-8300.

Best regards,

Mark A. Boyar

Mark A Boyar

Jonathan I. Boyar

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IMPORTANT RISK INFORMATION

***Past performance is no guarantee of future results. Investing in equities and fixed income involves risk, including the possible loss of principal.*** *Investments in equity securities are subject to inherent market risks, such as a rapid increase or decrease in value or liquidity, fluctuations due to a company's earnings, economic conditions, a decline in the market generally, and other factors beyond the control of the Adviser. Accordingly, the value of an investment in the Fund will fluctuate over time. An investment in the Fund should be part of an overall investment strategy. Before investing, please consider the following special risks in determining the appropriateness of an investment in the Fund. We cannot give you any assurance that the Adviser's investment strategy will succeed.*

*The S&P 1500 Index is an unmanaged index of stocks trading in the United States. Index performance illustrated is hypothetical and is not indicative of any mutual fund investment. Investors cannot invest in an index. The value of the portfolio will fluctuate as the underlying securities move in response to overall market movements and other factors beyond the control of the advisor, and investments in the fund may result in the loss of principal. The fund may invest in stocks of several different capitalization levels, and it is important to note that historically, small- and mid-cap stocks have experienced greater volatility than stocks of larger, more established companies. Share price and investment return will fluctuate such that an investor's shares may be worth more or less than their original cost upon redemption. Performance data quoted represent past performance. The S&P Composite 1500 Value index was launched after the fund was started, and therefore a since-inception date is not available.*