March 31, 2018

Dear Investor:

The Sound Shore Fund Investor Class (SSHFX) and Institutional Class (SSHVX) declined 2.66% and 2.63%, respectively, in the first quarter of 2018. These results were slightly better than the Russell 1000 Value Index (Russell Value), which was down 2.83%, and trailed the Standard & Poor’s 500 Index (S&P 500) which was down 0.76%.

*We are required by the SEC to say that: Past performance is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their original cost. The Fund’s Investor Class 1, 5, and 10-year average annual total returns for the period ended March 31, 2018 were 8.21%, 11.79%, and 8.10%, respectively. The Fund’s Institutional Class 1, 5, and 10-year average annual total returns for the period ended March 31, 2018 were 8.38%, 11.98%, and 8.29%, respectively. Fund returns assume the reinvestment of all dividend and capital gain distributions. As stated in the current prospectus, the total annual operating expense ratio (gross) is 0.91% for the Investor Class and 0.82% for the Institutional Class. The net expense ratio for the Institutional Class is 0.75% pursuant to an expense limitation agreement between the Adviser and the Fund. This agreement is in effect until at least May 1, 2018. Subsequently, for the fiscal year ended December 31, 2017, the total annual operating expense ratio for the Investor Class was 0.90%. The performance for the Institutional Class prior to its inception on 12/9/13 is based on the performance of the Investor Class, adjusted to reflect the lower expense ratio of the Institutional Class (net of expense reimbursements). For the most recent month-end performance, please visit the Fund’s website at www.soundshorefund.com.*

Following a long run of strong performance, the S&P 500 posted its first negative quarter in over two years during the first three months of 2018. Investor concerns about rising interest rates and global trade rhetoric more than outweighed encouraging economic data and corporate earnings. Against a backdrop of higher volatility, only two of the S&P 500’s 11 sectors finished in positive territory – consumer discretionary and technology.

Sound Shore’s first quarter 2018 performance reflected this volatile environment. Insurer American International Group, which pulled back in the period, was one example. We started our AIG investment when its shares were valued at 10 times earnings, and after it had underperformed the S&P 500 by more than 20% over three years. We viewed AIG’s new leadership, strong balance sheet, and improving combined ratio as long term value drivers. As well, recent indications of property & casualty premium headwinds should prove transitory, and we took advantage of volatility in the quarter to add to our position.

Also finishing lower was mobile carrier Vodafone, which returned a portion of its strong 2017 performance. Concerns over growth in its international markets and the potential for an acquisition in Germany gave investors pause. However, Vodafone’s risk/reward profile remains attractive given its strong free cash generation and 6% dividend yield at quarter end, and we continue to hold the stock.

Meanwhile, test equipment supplier Keysight Technologies was the best first quarter contributor, as it continued to benefit from capital spending growth. We added Keysight to the portfolio in 2014 when it was spun out of Agilent, another successful long-term investment. At the time, our analysis valued the company at 13 times earnings with a 9% free cash flow yield. Keysight has dominant market shares and diversified end markets. We are particularly encouraged by their proprietary products for 5G, the next
generation wireless rollout. Today, with a 5.5% free cash yield, we still view Keysight as reasonably valued, and the stock remains a holding.

Another corporate capex beneficiary for the quarter was Fluor, a leading global engineering firm. We invested in the name in 2017 when the stock was valued below norm on book value and backlog, and after it had lagged the market by 60% during the prior three years. At that time, Wall Street consensus was concerned that spending in the company’s industrial and energy end markets would remain depressed. By contrast, our work confirmed that for Fluor the “cash flow of the customer” was improving, and that earnings and backlog could start to recover in 2018. Fluor also boasts a strong net cash balance sheet at 3/31/18, which allows us to take a long-term view on its potential.

With the perspective of Sound Shore’s 40 years of investing experience, first quarter 2018 markets served as an instructive reminder that historically normal levels of “volatility” and risk bear little resemblance to the calm that characterized 2017. In fact, the S&P 500’s run of 300 straight days without a 3% correction, which ended on 2/4/18, was the longest such stretch in at least 70 years. As the global economy moves further away from the financial crisis, it stands to reason that interest rates, inflation, central bank policies, and risk pricing should also all return to more typical levels. As the business cycle progresses, we believe it prudent to incorporate a wider range of probable economic outcomes, as would seem to be confirmed by recently higher volatility. Moreover, correlation of S&P 500 stocks has declined from levels seen in the years post the financial crisis. If history is any guide, all of the above may portend an equity market environment that requires more selective stock picking and discipline. Sound Shore’s core strategy has always been focused on owning the best risk/reward opportunities we uncover.

The current market is really no different than those before … there are always challenges and uncertainties. To quote Sir Winston Churchill, "A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty." We continue to find stock-specific value opportunities in the market. Consumer spending and S&P 500 earnings appear likely to grow in 2018, both aided by recent tax cuts. Sound Shore Management’s consistent investment process focuses on stocks that are at low absolute and relative P/E multiples and out of favor with Wall Street. Our fundamental research targets company-specific drivers that can build value versus low consensus expectations. As of March 31, 2018 our portfolio is valued at 12.3 times next four quarter earnings, a meaningful discount to the S&P 500’s 16.3 times and the Russell 1000 Value’s 14.1 times, despite strong balance sheets and attractive free cash flow yields.

Many thanks as always for your investment alongside ours.

Sincerely,

SOUND SHORE FUND

Harry Burn, III
John P. DeGulis
T. Gibbs Kane, Jr.
Co-Portfolio Managers
Important Information
The Standard & Poor’s 500 Index is an unmanaged index representing the average performance of 500 widely held, publicly traded, large capitalization stocks. The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values. It is not possible to invest directly in an Index.

This letter may contain discussions about certain investments both held and not held in the portfolio. As required by the Financial Industry Regulatory Authority (FINRA), we must remind you that current and future portfolio holdings are subject to risk. Percent of net assets as of 3/31/18: Agilent Technologies, Inc.: 0.00%; American International Group, Inc.: 2.99%; Fluor Corporation: 2.55%; Keysight Technologies, Inc.: 2.52%; and Vodafone Group PLC, ADR: 2.31%.

An investment in the Fund is subject to risk, including the possible loss of principal amount invested. Mid Cap Risk: Securities of medium sized companies may be more volatile and more difficult to liquidate during market downturns than securities of large, more widely traded companies. Foreign Securities Risk: The Fund may invest in foreign securities primarily in the form of American Depositary Receipts. Investing in the securities of foreign issuers also involves certain special risks, which are not typically associated with investing in U.S. dollar-denominated securities or quoted securities of U.S including increased risks of adverse issuer, political, regulatory, market or economic developments, changes in currency rates and in exchange control regulations. The Fund is also subject to other risks, including, but not limited to, risks associated with value investing.

The views in this letter were those of the Fund managers as of 3/31/18 and may not necessarily reflect their views on the date this letter is first published or anytime thereafter.

You should consider the Fund’s investment objective, risks, charges and expenses carefully before investing. The summary prospectus and/or the prospectus contain this and other information about the Fund and are available from your financial intermediary or www.soundshorefund.com. The summary prospectus and/or prospectus should be read carefully before investing.

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