SOUND SHORE FUND
P.O. BOX 588
PORTLAND, ME 04112

September 30, 2018

Dear Investor:

The Sound Shore Fund Investor (SSHFX) and Institutional (SSHVX) class shares rose 5.61% and 5.63%, respectively, in the 3rd quarter of 2018, which trailed the 5.70% return for the Russell 1000 Value Index (Russell Value), and the 7.71% return for the Standard & Poor's 500 Index (S&P 500). Year-to-date returns for SSHFX of 3.63% and for SSHVX of 3.74% were also behind the Russell Value's 3.92% and the S&P 500's 10.56%. Longer-term, a $10,000 investment in the Sound Shore Fund (Investor Class) made 20 years ago would be worth $48,329 versus $41,861 from a similar investment in the S&P 500.

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 September 30, 2018 were 8.06%, 10.20%, and 9.50%, respectively. The Fund's Institutional Class 1, 5, and 10-year average annual total returns for the period ended September 30, 2018 were 8.21%, 10.38%, and 9.70%, 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 0.76% pursuant to an expense limitation agreement between the Adviser and the Fund. This agreement is in effect until at least May 1, 2019. 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.

US equity benchmarks posted their best quarterly result in nearly five years during the three months ended September 30, 2018. Sound Shore's portfolio finished nearly in line with the Russell 1000 Value Index, but trailed the Standard & Poor's 500 Index. Investors were encouraged by a number of positive data points including solid corporate earnings, strong US employment, and greater consumer confidence. Even so, higher US interest rates, trade issues, and a mixed global economic picture gave pause for thought late in the period.

Sound Shore's third quarter performance was driven by a broad roster of 12 stocks from 6 different industry groups that each gained more than 10%: Alexion, Aon, Berkshire Hathaway, Delta, Eaton, First Data, Fluor, Merck, Microsoft, Pfizer, Thermo Fisher and Walmart. In addition to their attractive valuations, these companies are winning in their industries.

The best contributor among these leaders, drug maker Merck & Co., presents a great Sound Shore case study. We initiated our position in 2015 when the stock was attractively valued at 14 times earnings. At that time, we believed that consensus concerns were overstating the impact of patent expirations and undervaluing Merck's strong new product pipeline. Benefitting from a "best-in-class" research and development team, Merck's progress is being fueled by the impressive growth of its immuno-oncology cancer drug, Keytruda. In fact, revenue estimates for Keytruda have increased from $3 billion when we invested, to approaching $10 billion for next year. The stock remains a full position and is still attractive at less than 15 times 2019 earnings.

Another strong third quarter investment was electrical products leader, Eaton, a recent addition to our portfolio and a name we have successfully owned in the past. Eaton again showed up in our valuation screens earlier this year when shares were trading below normal at 13 times earnings and after the stock had lagged the market for a few years. Though Wall Street consensus was unfavorable due to Eaton's prior four years' of stagnant earnings, our analysis suggested that management's plan to improve growth and efficiency would lead to strong incremental margins and double digit earnings gains. As well, Eaton's greater emphasis on capital discipline should yield higher dividends and share buybacks for shareholders and the stock retains a favorable risk/reward profile.

Meanwhile, integrated US natural gas producer Antero Resources finished lower, returning its prior 2018 gains, despite higher energy prices. A one-quarter delay in Antero achieving free cash flow, which we view as transient, contributed to the decline. More recently, the company announced restructuring plans, which will more closely align management and shareholder incentives and include a 10% share repurchase. Attractively valued versus reserves, book value and cash flow, Antero remains a holding.

Similarly, semiconductor capital equipment supplier Applied Materials retraced on signs of slower end market growth internationally. With a strong balance sheet to withstand uncertain near term orders, the company continues to gain market share. The stock is trading below normal at 10 times earnings and is a technological winner in its industry.

Looking into the final quarter of 2018, US mid-term elections will likely top the list of macro factors on investors' minds, with central bank moves and trade concerns following close behind. That said, stock performance based upon company-specific fundamentals seems to be more characteristic of recent markets. Sound Shore carefully focuses its investments on attractively valued, high quality companies with manageable risks that we can research and understand.

Indeed, at September 30, 2018, Sound Shore's portfolio had a forward price-earnings multiple of 13 times consensus, a meaningful discount to the S&P 500 Index at 17 times and the Russell 1000 Value at 14 times. Exact timing is elusive, as always, but we believe the current environment is well suited to our bottom up, value driven investment process. All of us at Sound Shore continue to invest our personal assets in the strategy through the Sound Shore Fund.

Thank you for your investment in Sound Shore.

Sincerely,

SOUND SHORE FUND

Harry Burn, III
John P. DeGulis
T. Gibbs Kane, Jr.

Co-Portfolio Managers

SOUND SHORE FUND

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. "Best-in-class" is solely the opinion of Sound Shore Management, Inc. and is subject to change. Those companies that hold leading market share positions, strong growth potential, historically good profitability, and management teams known for integrity and good corporate governance are generally considered to be "best-in-class."

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 9/30/18: Alexion Pharmaceuticals, Inc.: 2.61%; Antero Resources Corporation: 2.20%; Aon PLC: 2.49%; Applied Materials, Inc.: 2.03%; Berkshire Hathaway, Inc. Class B: 3.35%; Delta Air Lines, Inc.: 2.55%; Eaton Corporation: 2.64%; First Data Corporation: 3.52%; Fluor Corporation: 2.07%; Merck & Co., Inc.: 4.12%; Microsoft Corporation: 2.81%; Pfizer, Inc.: 3.87%; Thermo Fisher Scientific, Inc.: 2.66%; and Walmart, Inc. 2.99%.

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. issuers 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 9/30/18 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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