



Cost Basis Tax Reporting

The following cost basis reporting information is applicable to taxable direct shareholders (i.e. shareholders who do not hold their Sound Shore Fund Account through a financial intermediary such as Charles Schwab or Fidelity). It is also not applicable for IRAs or other tax deferred accounts.

Beginning with the 2012 tax year, new regulatory changes will require the Sound Shore Fund to report cost basis information to both our mutual fund shareholders as well as to the IRS on Form 1099-B. This new reporting requirement will apply to taxable/non-retirement accounts for all Sound Shore Fund shares that are acquired after January 1, 2012 and subsequently sold or exchanged. The Sound Shore Fund will employ the High Cost methodology as its default cost basis reporting method, though you will have the flexibility to choose a different method for any shares purchased after January 1st until the time of their first redemption. In fact, you may either select a different method per account, or one method that covers all of your accounts.

Taxable shareholders may select from the options below the calculation method that Sound Shore will use for this account when determining the cost basis of fund shares effective January 1, 2012. This election does not impact Fund purchases completed before January 1, 2012.

Sound Shore Fund has elected HIFA as the default cost basis method. If you do not make a selection (or make multiple selections), your account will default to the HIFA method.

You may wish to review these options with your tax advisor before making a selection.

Average Cost

Depleting non-covered shares (those purchased before 1/1/2012) first, then covered (those purchased after 1/1/2012)

FIFO

First In, First Out

HIFA

Highest Cost In, First Out - Uses all lots (Short-Term (ST) and Long Term (LT))

HIFL

Highest Cost In, First Out - Uses LT lots first, then ST lots

LOFL

Lowest Cost In, First Out - Uses LT lots first, then ST lots

Specific ID

Specific share lot provided by shareholder

LIFO

Last in, First Out

LOFA

Lowest Cost In, First Out - Uses all lots (ST) and (LT)

HIFS

Highest Cost In, First Out - Uses ST lots first, then LT lots

LOFS

Lowest Cost In, First Out - Uses ST lots first, then LT lots