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# SOUND SHORE FUND

THREE CANAL PLAZA, PORTLAND, ME 04101 1-800-551-1980

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December 31, 2021  
(Unaudited)

Dear Investor:

The Sound Shore Fund Investor (SSHFX) and Institutional (SSHVX) class shares advanced 4.94% and 4.96%, respectively, in the 4th quarter of 2021, trailing the Russell 1000 Value Index (Russell Value) which was up 7.77%. The 2021 full year advances for SSHFX of 23.76% and for SSHVX of 23.95% were behind the Russell Value's 25.16%. As long-term investors, we highlight that Sound Shore's 30-year annualized returns of 10.37% and 10.64%, for SSHFX and SSHVX, respectively, were ahead the Russell Value at 10.23%.

*We are required by FINRA 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. For the most recent month-end performance, please visit the Fund's website at [www.soundshorefund.com](http://www.soundshorefund.com).*

Equity markets advanced briskly during the year as investors were encouraged by a recovering global economy and solid corporate earnings growth. All eleven Standard & Poor's 500 Index sectors posted double-digit gains. Growth stocks finished the year with a surge in the fourth quarter, outpacing value stocks and the broader market. While disappointed that we gave back some of our performance advantage over the broader indices in the last three months of the year, we remain undeterred. Since 1978, Sound Shore Management's contrarian investment philosophy has focused on finding inexpensive, out-of-favor stocks with internally driven earnings and free cash flow improvement.

One of our strongest contributors was drug maker Pfizer, a clear leader in COVID-19 vaccines and treatments. We started our investment during the fourth quarter of 2019 after management announced the separation of the company's slower growth assets, providing us with the opportunity to invest at 13 times forward earnings. Pfizer has had almost a decade of flat earnings. We believe that Pfizer's limited near-term patent expirations and strong expense control could yield sustainably higher earnings. In addition, the company's new product pipeline, including advanced cancer treatments and vaccines, received little valuation credit. Of course no one could have foreseen the pandemic, but Pfizer's ability to innovate proved vital. The first dose of the company's COVID-19 vaccine was administered on December 14, 2020. In August of 2021 the FDA officially approved the vaccine and by November, Pfizer had secured a government contract for its oral COVID-19 antiviral treatment. Looking ahead, we believe that the increasing prospect for recurring booster-shot and antiviral demand should translate into 30% incremental earnings growth for Pfizer. Importantly, the years-long repositioning of Pfizer's core business is designed to drive improved earnings growth without the help from COVID-related products. The stock remains a full position in the portfolio.

Interestingly, another of our health care holdings was negatively impacted by the pandemic. Although only down approximately 12%, over the counter health product supplier Perrigo was the year's biggest detractor. Perrigo is the leading private label and branded drug manufacturer with a market share of approximately 70%. Consumers may not realize it, but the store brand Tylenol, Allegra, Prilosec etc., that they purchase is likely produced by Perrigo. With typical cold and flu infections on the decline due to COVID restrictions, demand for over the counter remedies slowed, which had an outsized negative impact on earnings. We originally purchased the stock in July 2019 when it was trading below normal at 12 times forward earnings. At the time, the company was in the midst of a transformation that our research indicated would increase shareholder value over time. In prior

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years, Perrigo had expanded beyond its core business into generics, which weighed on the stock. The new management team was committed to returning the business to a pure-play consumer self-care supplier. Additionally, Perrigo was working through an international tax dispute which we believed would be negotiated lower than the Street was estimating. Throughout the year, our thesis began to play out. In July, the company completed the sale of its generics business and in September the stock surged after management announced a favorable settlement to the tax dispute. However, in the fourth quarter, the stock pulled back after noting that packaging cost inflation and supply chain constraints would reduce near term earnings and we added to our position on the weakness. With the company re-focused, management is aimed at growth and margin improvement and we see significant upside potential from here.

We had a number of our financial services names up significantly during the year... SVB Financial (+75%), Capital One (+49%), Bank of America (+47%) and Morgan Stanley (+47%). We believe the market continues to underestimate the strength of these franchises. While none are overly levered to interest rates, each has a slightly different business model that is growing market share. Another strong contributor was homebuilder Lennar (+54%), the industry's largest. In spite of an uptick in interest rates, the US housing market remains very strong across the country and Lennar continues to gain share while management has restructured the business to drive even higher returns. Meanwhile, oil and gas producer EOG Resources (+89%) benefitted from disciplined capital programs and rising prices.

Our experience, for over four decades, has been that there is no substitute for the judgment of a strong management team focused on the right variables to grow value and control risk. We engage with management teams frequently on a variety of issues, encouraging them to balance short-term forecasts and quarterly guidance with a focus, as well, on enduring goals that aim to sustainably improve their competitive advantage over time. Many of the issues we have always discussed with companies are now considered to be components of environmental, social and governance (ESG) best practices. Conducting ESG-focused company meetings/calls, emphasizing material matters are an integral part of Sound Shore's active engagement with management. We are looking for change, and company-specific improvement has always been at the core of Sound Shore's value investing strategy.

Electricity generator and marketer Vistra Energy is a good example of sustainable, company-specific improvement. Our research identified the company as a low cost provider with a healthy balance between generation and retail (transmission and distribution). During our focused engagement with the company, management reiterated Vistra's commitment to transitioning the portfolio to a sustainable footprint. They closed older plants and increased the renewables portfolio. In fact, management has introduced Vistra Zero, a portfolio of zero-carbon power generation facilities, including seven new projects in its primary market of Texas that total nearly 1 gigawatt, the equivalent of 110 million LED light bulbs! The seven projects are expected to see a capital investment of approximately \$850 million. These initiatives along with its announced coal plant retirements, gives Vistra a clear line of sight to achieving its 2030 emissions reduction goal. They continue to invest in innovation and operational improvements, as well as advocate for policy changes that will accelerate the global transition to a clean energy future, while maintaining adequate near-term supply. We like the outlook for Vistra and believe it is attractively valued at a below normal 10 times forward earnings with a free cash yield exceeding 12% consensus estimates.

During the most recent rally from 2017-2020, the market's earnings multiple expanded from around 18 to 22 as investors responded to prolonged lower rates and anticipated corporate earnings growth would be revised higher. This scenario has

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largely played out and for the last year or so, the market multiple has fluctuated. As 2021 moved on, investors were faced with a simple question...How much do they want to pay for earnings growth that may be peaking, particularly if rates may no longer be falling? Historically low interest rates have been a key factor helping to drive valuations (multiple expansion). The chart below illustrates how the bond proxy parts of the equity market have benefited and this may change. Meanwhile, the U.S. is coping with a surge in inflation, continued supply chain issues and fear of higher taxes. In response, the Federal Reserve announced in December it would end its pandemic-era bond purchases in March 2022 and pave the way for three quarter-percentage-point interest rate hikes by the end of 2022. Rising interest rates increase borrowing costs for businesses and consumers alike, while higher long-term rates can depress stock multiples (multiple compression), especially for bond-like equities and high-multiple growth stocks. Of course, the push and pull of higher short-term rates can ultimately lead to a slower economy and many pundits have already begun to predict when/if that may happen.

### RELATIVE 12M FWD P/E OF STOCKS WITH MOST POSITIVE CORRELATION TO BOND RETURNS

Valuation of long duration stocks relative to market is most extreme  
January 1994 – December 2021

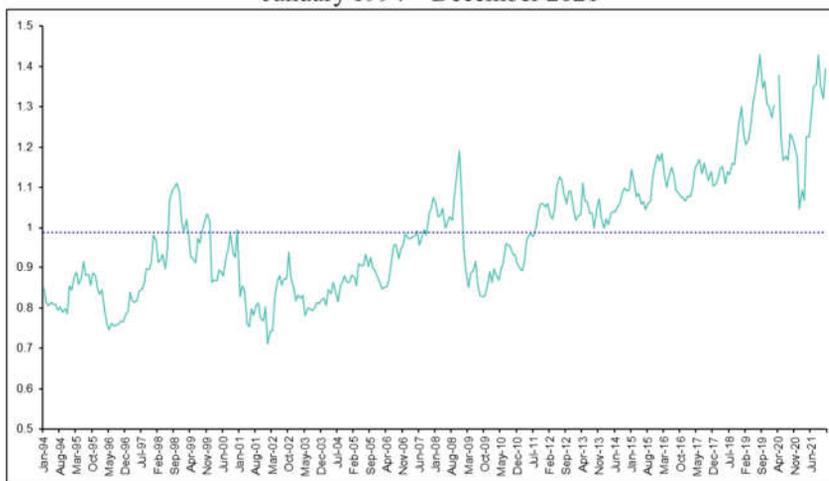


Chart shows the median 12m fwd P/E of the quintile of stocks with the most positive correlation to US Treasury 10-year bond returns (i.e. those most negatively exposed to rising bond yields) relative to the median P/E of the market, rebalanced quarterly. Monthly data over a rolling 3-year period. Universe is the MSCI US. Note the data point from March 2020 has been removed due to the short-term impact of the COVID-19 crisis which temporarily distorted P/E's and the chart.

We have never been ones to predict, but if interest rates have bottomed, valuations are likely to be flat or down in the coming months. Historically, when bull markets transition from early-cycle recovery phases to slower growth mid-cycle periods valuations typically decline, which may make for a more volatile market. It doesn't mean we can't find opportunities, but it is likely that

earnings and cash flow become more important drivers versus PE ratios or multiples. Just as we have been in a low interest rate environment for the last few years, the transition to higher rates could also be lengthy. It is not unexpected to see some back and forth between value and growth stocks like we did in 2021. With that backdrop in mind, we are encouraged by the attractive valuation and earnings power of our portfolio holdings, as highlighted in the graph below.

## PORTFOLIO HIGHLIGHTS

	P/E 2022E	2022E FCF Yield	Comments
<b>Bank of America</b> Banking	14.0x	7%	<ul style="list-style-type: none"> <li>Market share winner</li> <li>Strong balance sheet; 1.5x book value</li> </ul>
<b>Cigna Corporation</b> Health Care	10.2x	10%	<ul style="list-style-type: none"> <li>Integrated managed care &amp; PBM leader</li> <li>\$25 EPS power for integrated model</li> </ul>
<b>Flex Ltd.</b> Technology	9.5x	10%	<ul style="list-style-type: none"> <li>Logistics / manufacture outsourcer</li> <li>Solar growth</li> </ul>
<b>Henry Schein</b> Health Care	17.0x	8%	<ul style="list-style-type: none"> <li>Leading dental and medical supply company</li> <li>Growing share in fragmented market</li> </ul>
<b>Lennar Corporation</b> Consumer Discretionary	7.2x	12%	<ul style="list-style-type: none"> <li>Leading home builder gaining market share</li> <li>Capital-light model drives increased ROE</li> </ul>
<b>Magna International</b> Consumer Discretionary	12.2x	7%	<ul style="list-style-type: none"> <li>Auto parts consolidator</li> <li>Partner for 2.0 (Fisker / LG)</li> </ul>
<b>Organon &amp; Co.</b> Health Care	5.4x	16%	<ul style="list-style-type: none"> <li>Leading women's health pharmaceuticals</li> <li>Newco drives sustainable growth</li> </ul>
<b>Perrigo</b> Pharma	12.1x	8%	<ul style="list-style-type: none"> <li>Refocus on core consumer health business</li> <li>Rx sale and tax settlement complete</li> </ul>
<b>Sensata Technologies</b> Industrials	16.0x	6%	<ul style="list-style-type: none"> <li>Auto 2.0 beneficiary</li> <li>Safety &amp; environmental systems</li> </ul>
<b>S&amp;P 500</b>	21.5x	4%	

*Source: Bloomberg & Sound Shore Management Estimates  
Data as of 12/31/21.*

Given the market movements we described, our focus on valuing out-of-favor stocks and identifying company-specific sources of revenue, earnings and cash flow growth, should continue to surface potentially profitable investment opportunities. Our conviction is high and we remain steadfast in our approach. Sound Shore's portfolio is attractively valued at 11.8 times forward

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earnings versus 21.4 times for the S&P 500 and 16.0 times for the Russell 1000 Value. As markets return to rewarding company-specific drivers, we believe our holdings should benefit.

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. Data presented reflects that of the underlying holdings of the Fund, not of the Fund itself. Forward P/E (estimated price-to-earnings) is a measure of the P/E using forecasted earnings for the P/E calculation. Book value is the accounting value of a company's assets, minus its liabilities. Pharmacy Benefits Managers (PBM), are companies that help manage prescription benefits. Return on equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity.

*The Adviser analyzes risk on a company-by-company basis. The Adviser considers governance as well as environmental and social factors (ESG) as appropriate. While valuation, governance, environmental and social factors are analyzed, the evaluation of all key investment considerations is industry- and company-specific. Consequently, no one issue necessarily disqualifies a company from investment and no individual characteristic must be present prior to investment.*

*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 12/31/21 and may not necessarily reflect their views on the date this letter is first published or anytime thereafter.*

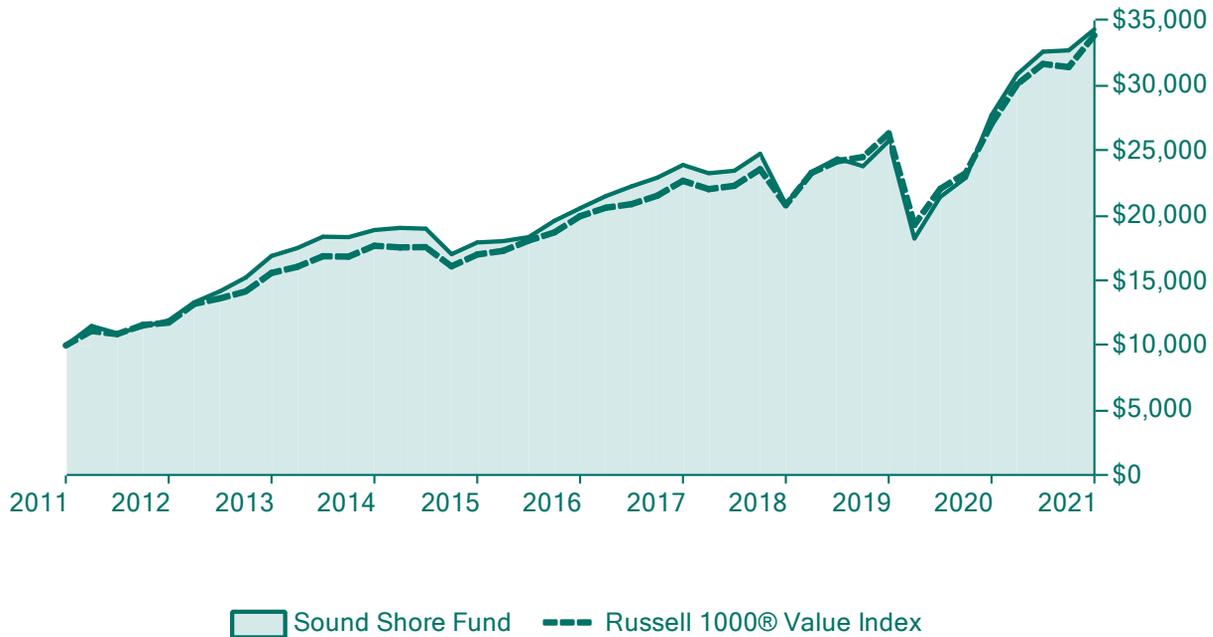
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### *Investment and Performance Comparison (Unaudited)*

The following chart reflects a ten-year comparison in the change in value of a hypothetical \$10,000 investment in shares of the Investor Class of the Fund, including reinvested dividends and distributions, with a broad-based securities market index. The Russell 1000 Value Index (the “Russell Value”) measures the performance of the largest 1,000 U.S. companies (based on total market capitalization) that have lower price-to-book ratios and lower expected and historical growth values. The Fund is professionally managed, while the Russell Value is unmanaged and is not available for investment. The Russell Value excludes the effect of any expenses, which have been deducted from the Fund’s return. The performance table and graph do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

SOUND SHORE FUND - INVESTOR CLASS VS. RUSSELL VALUE



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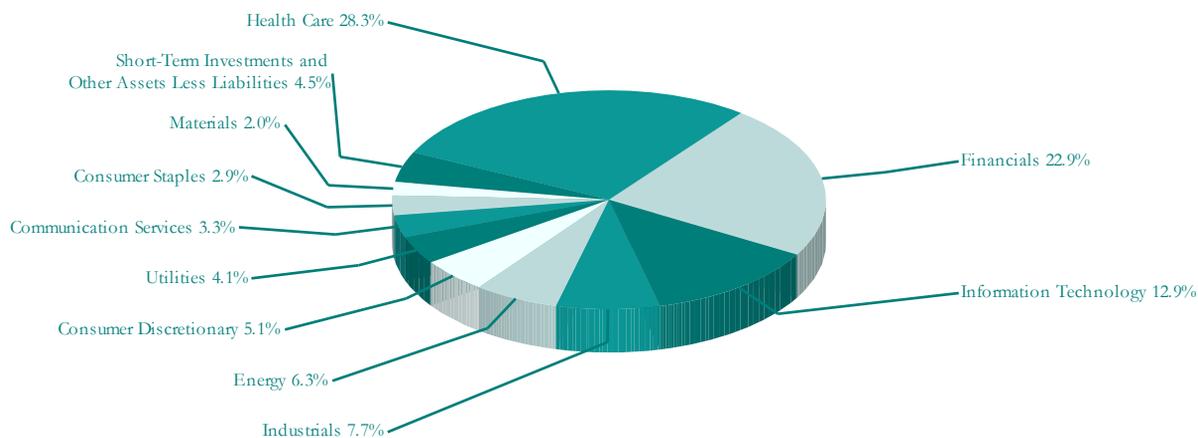
<b>AVERAGE ANNUAL TOTAL RETURN as of December 31, 2021</b>			
	<b>One Year</b>	<b>Five Years</b>	<b>Ten Years</b>
Sound Shore Fund, Inc. Fund — Investor Class	23.76%	10.80%	13.12%
Sound Shore Fund, Inc. Fund — Institutional Class <sup>1</sup>	23.95%	10.98%	13.31%
Russell 1000® Value Index	25.16%	11.16%	12.97%

***Past performance cannot predict nor guarantee future results. Investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Results of an investment made today may differ substantially from the Fund's historical performance. Current performance may be lower or higher than the performance data quoted.***

<sup>1</sup> Performance information for the Institutional Class, prior to the commencement of operations on December 9, 2013, is based on the performance of the Investor Class, and adjusted for the lower expenses applicable to the Institutional Class. As stated in the current prospectus, dated May 1, 2021, the total annual fund operating expense ratio (gross) is 0.93% for the Investor Class and 0.84% for the Institutional Class. Subsequently for the fiscal year ended December 31, 2021, the total annual operating expense ratio (gross) for the Investor Class was 0.93% and 0.83% for the Institutional Class, as shown in the financial highlights. The Institutional Class' net expense ratio is 0.75% since the Fund Adviser has agreed to reimburse essentially all of the ordinary expenses of the Institutional Class. This agreement is in effect until at least May 1, 2022. For more information about expense reimbursements please see the Notes to Financial Statements.

**SOUND SHORE FUND, INC.**  
**SCHEDULE OF INVESTMENTS**  
**DECEMBER 31, 2021**

**Sector Weightings<sup>(a)</sup>** (as of December 31, 2021)  
as a percentage of Net Assets (Unaudited)



**Common Stock (95.5%)<sup>(a)</sup>**

**Communication Services (3.3%)**

	Share Amount	Value
Alphabet, Inc., Class A <sup>(b)</sup>	8,655	\$ 25,073,881
Verizon Communications, Inc.	312,500	16,237,500
		<u>41,311,381</u>

**Consumer Discretionary (5.1%)**

Lennar Corp., Class A	216,850	25,189,296
Magna International, Inc.	478,550	38,733,837
		<u>63,923,133</u>

**Consumer Staples (2.9%)**

Conagra Brands, Inc.	1,056,700	36,086,305
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See Notes to Financial Statements.

**SOUND SHORE FUND, INC.**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**DECEMBER 31, 2021**

	<u>Share Amount</u>		<u>Value</u>
<b>Energy (6.3%)</b>			
Baker Hughes Co.	1,147,100	\$	27,599,226
Coterra Energy, Inc.	1,350,300		25,655,700
EOG Resources, Inc.	288,650		<u>25,640,780</u>
			<u>78,895,706</u>
<b>Financials (22.9%)</b>			
Alleghany Corp. <sup>(b)</sup>	66,295		44,257,879
Bank of America Corp.	818,000		36,392,820
Berkshire Hathaway, Inc., Class B <sup>(b)</sup>	103,205		30,858,295
Capital One Financial Corp.	216,900		31,470,021
Morgan Stanley	364,600		35,789,136
RenaissanceRe Holdings, Ltd.	189,550		32,096,501
SVB Financial Group <sup>(b)</sup>	40,595		27,533,153
Wells Fargo & Co.	971,650		<u>46,619,767</u>
			<u>285,017,572</u>
<b>Health Care (28.3%)</b>			
Anthem, Inc.	74,475		34,522,141
Cigna Corp.	214,965		49,362,413
DENTSPLY SIRONA, Inc.	626,150		34,932,908
Elanco Animal Health, Inc. <sup>(b)</sup>	991,100		28,127,418
Henry Schein, Inc. <sup>(b)</sup>	438,200		33,973,646
Merck & Co., Inc.	542,700		41,592,528
Organon & Co.	1,286,160		39,163,572
Perrigo Co. PLC	1,244,600		48,414,940
Pfizer, Inc.	721,550		<u>42,607,528</u>
			<u>352,697,094</u>
<b>Industrials (7.7%)</b>			
PACCAR, Inc.	442,350		39,041,811
Sensata Technologies Holding PLC <sup>(b)</sup>	596,350		36,788,832
Westinghouse Air Brake Technologies Corp.	212,600		<u>19,582,586</u>
			<u>95,413,229</u>
<b>Information Technology (12.9%)</b>			
Flex, Ltd. <sup>(b)</sup>	2,953,300		54,133,989
NXP Semiconductors NV	176,150		40,123,447
Oracle Corp.	396,400		34,570,044

See Notes to Financial Statements.

**SOUND SHORE FUND, INC.**  
**SCHEDULE OF INVESTMENTS (Concluded)**  
**DECEMBER 31, 2021**

	<u>Share Amount</u>	<u>Value</u>
<b>Information Technology (12.9%) (continued)</b>		
Vontier Corp.	1,038,500	\$ 31,913,105
		<u>160,740,585</u>
<b>Materials (2.0%)</b>		
International Paper Co.	539,350	<u>25,338,663</u>
<b>Utilities (4.1%)</b>		
Vistra Corp.	2,238,700	<u>50,975,199</u>
Total Common Stock (95.5%) (cost \$882,579,138)		<u><u>1,190,398,867</u></u>
<b>Short-Term Investment (4.4%)</b>		
<b>Money Market Fund (4.4%)</b>		
First American Government Obligations Fund, Class X, 0.03% <sup>(c)</sup>	54,458,490	<u>54,458,490</u>
Total Short-Term Investment (4.4%) (cost \$54,458,490)		<u><u>54,458,490</u></u>
Investments, at value (99.9%) (cost \$937,037,628)		\$ 1,244,857,357
Other Assets Less Liabilities (0.1%)		<u>1,706,698</u>
Net Assets (100.0%)		<u><u>\$ 1,246,564,055</u></u>

- (a) More narrow industries are utilized for compliance purposes, whereas broad sectors are utilized for reporting purposes.
- (b) Non-income producing security.
- (c) Percentage disclosed reflects the money market fund's class X shares 7-day yield as of December 31, 2021.
- PLC Public Limited Company

See Notes to Financial Statements.

**SOUND SHORE FUND, INC.**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**DECEMBER 31, 2021**

**ASSETS**

Investments, at value (Cost \$937,037,628)	\$	1,244,857,357
Receivables:		
Capital shares sold		1,828,303
Dividends		1,232,725
Foreign tax reclaims		153,690
Prepaid expenses		71,369
Total Assets		<u>1,248,143,444</u>

**LIABILITIES**

Payables:		
Capital shares redeemed		657,620
Accrued liabilities:		
Advisory fees		748,922
Administrator fees		14,846
Transfer agent fees and expenses		61,466
Custodian fees		15,240
Compliance and Treasurer Services fees and expenses		12,500
Professional fees		42,500
Other accrued liabilities		26,295
Total Liabilities		<u>1,579,389</u>

<b>Net Assets</b>	<b>\$</b>	<b><u>1,246,564,055</u></b>
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**COMPONENTS OF NET ASSETS**

Common stock, at Par Value	\$	30,151
Paid-in Capital		941,642,129
Distributable earnings		304,891,775

<b>Net Assets</b>	<b>\$</b>	<b><u>1,246,564,055</u></b>
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**NET ASSET VALUE**

Net Assets - Investor Class Shares	\$	671,379,650
Shares Outstanding - Investor Class (100,000,000 shares authorized, par value \$0.001)		16,312,714
<b>Net Asset Value (offering &amp; redemption price per share) - Investor Class Shares</b>	<b>\$</b>	<b><u>41.16</u></b>
Net Assets - Institutional Class Shares	\$	575,184,405
Shares Outstanding - Institutional Class (100,000,000 shares authorized, par value \$0.001)		13,838,674
<b>Net Asset Value (offering &amp; redemption price per share) - Institutional Class Shares</b>	<b>\$</b>	<b><u>41.56</u></b>

See Notes to Financial Statements.

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**SOUND SHORE FUND, INC.**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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**INVESTMENT INCOME**

Income:

Dividend income (net of foreign withholding taxes of \$157,458)	\$ 22,382,393
Total Income	<u>22,382,393</u>

Expenses:

Advisory fees (Note 3)	9,451,310
Administrator fees	176,017
Transfer agent fees and expenses - Investor Class Shares	696,369
Transfer agent fees and expenses - Institutional Class Shares	40,249
Custodian fees	89,913
Compliance and Treasurer Services fees and expenses (Note 3)	153,250
Directors' fees and expenses (Note 3)	190,000
Professional fees	102,500
Registration fees - Investor Class Shares	26,574
Registration fees - Institutional Class Shares	30,294
Printing and postage fees - Investor Class Shares	59,926
Printing and postage fees - Institutional Class Shares	44,356
Miscellaneous	89,908
Total Expenses	<u>11,150,666</u>
Expense Reimbursements - Institutional Class Shares (Note 3)	(478,326)
Net Expenses	<u>10,672,340</u>
Net Investment Income	<u>11,710,053</u>

**REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS**

Net realized gain on investments	265,625,978
Net change in unrealized appreciation (depreciation) on investments	<u>(14,100,501)</u>
Net realized and unrealized gain on investments	251,525,477
Net increase in net assets from operations	<u>\$ 263,235,530</u>

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See Notes to Financial Statements.

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**SOUND SHORE FUND, INC.**  
**STATEMENTS OF CHANGES IN NET ASSETS**

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	<b>For the Year Ended December 31,</b>	
	<u>2021</u>	<u>2020</u>
Operations:		
Net investment income	\$ 11,710,053	\$ 10,085,798
Net realized gain on investments and redemptions in-kind (Note 6)	265,625,978	87,465,213
Net change in unrealized appreciation (depreciation) on investments	<u>(14,100,501)</u>	<u>(60,819,351)</u>
Increase in net assets from operations	<u>263,235,530</u>	<u>36,731,660</u>
Distributions to shareholders:		
Investor Class Shares	(149,441,808)	(49,691,231)
Institutional Class Shares	<u>(124,411,263)</u>	<u>(38,692,117)</u>
Total distributions to shareholders	<u>(273,853,071)</u>	<u>(88,383,348)</u>
Net capital share transactions (Note 6):		
Investor Class Shares	35,265,160	(180,071,640)
Institutional Class Shares	<u>63,302,817</u>	<u>(147,545,453)</u>
Total capital share transactions	<u>98,567,977</u>	<u>(327,617,093)</u>
Total increase (decrease)	<u>87,950,436</u>	<u>(379,268,781)</u>
<b>NET ASSETS</b>		
Beginning of the year	<u>1,158,613,619</u>	<u>1,537,882,400</u>
End of the year	<u>\$ 1,246,564,055</u>	<u>\$ 1,158,613,619</u>

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See Notes to Financial Statements.

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***SOUND SHORE FUND, INC.***  
***NOTES TO FINANCIAL STATEMENTS***  
***DECEMBER 31, 2021***

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***1. Organization***

Sound Shore Fund, Inc. (the “Fund”) was incorporated under the laws of the State of Maryland on February 19, 1985 and is registered as a diversified, open-end management investment company under the Investment Company Act of 1940 (the “Act”). The investment objective of the Fund is growth of capital. The Fund qualifies as an investment company as defined in Financial Accounting Standards Codification 946 — Financial Services — Investment Companies.

The total number of shares of common stock which the Fund is authorized to issue is 200,000,000, par value \$0.001 per share of which 100,000,000 shares are designated to the Investor Class and 100,000,000 shares are designated to the Institutional Class. The Board of Directors (the “Board”) may, without shareholder approval, classify or reclassify any unissued shares into other classes or series of shares.

Each share of the Fund has equal dividend, distribution, liquidation and voting rights (except as to matters relating exclusively to one class of shares), and fractional shares have those rights proportionately.

***2. Significant Accounting Policies***

These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities, if any, at the date of the financial statements, and the reported amounts of increase and decrease in net assets from operations during the fiscal period. Actual results could differ from those estimates.

The following represents the significant accounting policies of the Fund:

***a. Security Valuation***

Exchange-traded securities including those traded on the National Association of Securities Dealers’ Automated Quotation system (“NASDAQ”), are valued at the last quoted sale price or official closing price as provided by independent pricing services as of the close of trading on the system or exchange on which they are primarily traded, on each Fund business day. In the absence of a sale, such securities are valued at the mean of the last bid and asked prices. Non-exchange-traded securities for which over-the-counter market quotations are readily available are generally valued at the mean between the current bid and asked prices provided by independent pricing services. Investments in other open-end regulated investment companies are valued at their publicly traded net asset value (“NAV”).

The Fund values securities at fair value pursuant to procedures adopted by the Board if market quotations are not readily available (including a short and temporary lapse in the provision of a price by the regular pricing source) or, if in the judgment of the Adviser, as defined in Note 3, the prices or values available do not represent the fair value of the instrument. Factors which may cause the Adviser to make such a judgment include, but are not limited to, the following: (i) only a bid price or an asked price is available, (ii) the spread between the bid price and the asked price is substantial, (iii) the frequency of sales, (iv) the thinness of the market, (v) the size of reported trades, and (vi) actions of the securities markets, such as

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**SOUND SHORE FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2021**

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the suspension or limitation of trading. Fair valuation is based on subjective factors and, as a result, the fair value price of a security may differ from the security's market price and may not be the price at which the security may be sold. Fair valuation could result in a NAV different from one determined by using market quotations.

Valuation inputs used to determine the value of the Fund's investments are summarized in the three broad levels listed below:

Level 1 - quoted prices in active markets for identical assets

Level 2 - other significant observable inputs (including quoted prices of similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3 - significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Pursuant to the valuation procedures noted previously, equity securities (including exchange-traded securities and other open-end regulated investment companies) are generally categorized as Level 1 securities in the fair value hierarchy. Investments for which there are no quotations, or for which quotations do not appear reliable, are valued at fair value as determined in good faith by the Pricing Committee under the direction of the Board. These valuations are typically categorized as Level 2 or Level 3 in the fair value hierarchy.

The following table summarizes the Fund's investments categorized in the fair value hierarchy as of December 31, 2021:

<b>Security Type</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total Investments in Securities</b>
Common Stock	\$ 1,190,398,867	\$ –	\$ –	\$ 1,190,398,867
Short-Term Investments	54,458,490	–	–	54,458,490
Total Investments	<u>\$ 1,244,857,357</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 1,244,857,357</u>

At December 31, 2021, all equity securities and open-end regulated investment companies were included in Level 1 in the table above. Please refer to the Schedule of Investments to view equity securities categorized by sector/industry type.

***b. Security Transactions***

Security transactions are recorded on a trade date basis. Realized gain and loss on investments sold are recorded on the basis of identified cost. Dividend income is recorded on the ex-dividend date. Interest income is recorded on an accrual basis. Foreign dividend income is recorded on the ex-dividend date or as soon as practicable after the Fund determines the existence of a dividend declaration after exercising reasonable due diligence. Income and capital gains on some foreign securities may be subject to foreign withholding tax, which is accrued as applicable. Investment income, realized and

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**SOUND SHORE FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2021**

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unrealized gains and losses and certain Fund-level expenses are allocated to each class based on relative average daily net assets. Certain expenses are incurred at the class level and charged directly to that particular class. Class level expenses are denoted as such on the Fund's Statement of Operations.

***c. Dividends and Distributions to Shareholders***

Dividends are declared separately for each class. No class has preferential dividend rights; differences in per-share dividend rates are generally due to class-specific fee waivers and expenses. Dividends and distributions payable to shareholders are recorded by the Fund on the ex-dividend date. Dividends from net investment income, if any, are declared and paid semiannually. Capital gains, if any, are distributed to shareholders at least annually. The Fund determines its net investment income and capital gains distributions in accordance with income tax regulations, which may differ from GAAP. These differences are due primarily to differing treatments of income and gains on various securities held by the Fund, timing differences and differing characterizations of distributions made by the Fund. To the extent distributions exceed net investment income and net realized capital gains for tax purposes, they are reported as a return of capital.

***d. Federal Taxes***

The Fund intends to qualify each year as a regulated investment company and to distribute substantially all of its taxable income. In addition, by distributing in each calendar year substantially all of its net investment income, capital gain and certain other amounts, if any, the Fund will not be subject to federal taxation. Therefore, no federal income or excise tax provision is required. For all open tax years and all major taxing jurisdictions, management of the Fund has concluded that there are no significant uncertain tax positions that would require the Fund to record a tax liability or would otherwise require recognition in the financial statements. Open tax years are those that are open for examination by taxing authorities (i.e., generally, the last three tax year-ends 2018 – 2020, and the interim tax year since then).

***3. Fees and Expenses***

***Investment Adviser***

The Fund's investment adviser is Sound Shore Management, Inc. (the "Adviser"). Pursuant to an investment advisory agreement, the Adviser receives an advisory fee, accrued daily and paid monthly at an annual rate of 0.75% of the Fund's average daily net assets. Pursuant to an expense limitation agreement between the Adviser and the Fund, the Adviser has agreed to reimburse all of the ordinary expenses of the Institutional Class, excluding advisory fees, interest, taxes, brokerage commissions, acquired fund fees and expenses, extraordinary expenses and all litigation costs until at least May 1, 2022. This reimbursement is shown on the Statement of Operations as a reduction of expenses, and such amounts are not subject to future recoupment by the Adviser.

***Other Services***

Atlantic Fund Administration, LLC, a wholly owned subsidiary of Apex US Holdings LLC (d/b/a Apex Fund Services) ("Apex"), provides certain administration and portfolio accounting services to the Fund. US Bank, N.A. ("US Bank") serves as custodian to the Fund.

Apex provides transfer agency services to the Fund.

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***SOUND SHORE FUND, INC.***  
***NOTES TO FINANCIAL STATEMENTS (Continued)***  
***DECEMBER 31, 2021***

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The Fund also has agreements with various financial intermediaries and “mutual fund supermarkets” under which customers of these intermediaries may purchase and hold Fund shares. These intermediaries effectively provide subtransfer agent services that the Fund’s transfer agent would have otherwise had to provide. In recognition of this, the transfer agent, the Fund and the Fund’s Adviser have entered into an agreement whereby the transfer agent agrees to pay financial intermediaries a portion of the amount denoted on the Statement of Operations as “Transfer agent fees and expenses — Investor Class Shares” that it receives from the Fund for its services as transfer agent for the Investor Class and the Adviser agrees to pay the excess, if any, charged by a financial intermediary for that class.

Foreside Fund Services, LLC is the Fund’s distributor (the “Distributor”). The Distributor is not affiliated with the Adviser, Apex, US Bank, or its affiliated companies. The Distributor receives no compensation from the Fund for its distribution services.

Pursuant to a Compliance Services Agreement with the Fund, Foreside Fund Officer Services, LLC (“FFOS”), an affiliate of the Distributor, provides a Chief Compliance Officer and Anti-Money Laundering Officer to the Fund as well as some additional compliance support functions. Under a Treasurer Services Agreement with the Fund, Foreside Management Services, LLC (“FMS”), an affiliate of the Distributor, provides a Treasurer to the Fund. Neither the Distributor, FFOS, FMS, nor their employees that serve as officers of the Fund, have any role in determining the investment policies of or securities to be purchased or sold by the Fund.

The Fund pays each director who is not an “interested person” of the Fund, as defined in Section 2(a)(19) of the Act (“Independent Director”), quarterly fees of \$5,000, plus \$10,000 per quarterly in-person meeting, \$4,000 per quarterly meeting attended telephonically, and \$2,000 per special meeting attended in person or telephonically. In addition, the Chairman of the Audit Committee receives a quarterly fee of \$2,500. During the year ended December 31, 2021, each Independent Director received the standard in-person meeting fee for attendance at regularly scheduled meetings of the Board held by video conference as a result of the onset of the COVID-19 pandemic.

Certain Officers and Directors of the Fund are officers, directors, or employees of the aforementioned companies.

#### ***4. Purchases and Sales of Securities***

The cost of securities purchased and proceeds from sales of securities (excluding short-term investments) for the fiscal year ending December 31, 2021, aggregated \$530,117,895 and \$714,370,447, respectively.

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**SOUND SHORE FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2021**

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**5. Federal Income Tax**

Cost for federal income tax purposes is \$939,965,582 and net unrealized appreciation consists of:

Gross Unrealized Appreciation	\$ 328,756,939
Gross Unrealized Depreciation	<u>(23,865,164)</u>
Net Unrealized Appreciation	<u>\$ 304,891,775</u>

Distributions during the fiscal years ended December 31, 2021 and December 31, 2020 were characterized for tax purposes as follows:

	<u>2021</u>	<u>2020</u>
Ordinary Income	\$ 78,798,207	\$ 9,759,607
Long-Term Capital Gain	<u>195,054,864</u>	<u>78,631,157</u>
Total Taxable Distributions	<u>\$ 273,853,071</u>	<u>\$ 88,390,764</u>

On the Statement of Assets and Liabilities, primarily as a result of permanent book to tax differences arising from return of capital distributions from equity securities, the following amounts have been reclassified for the year ended December 31, 2021:

Paid-in Capital	\$ (1,079,285)
Distributable Earnings	1,079,285

Components of net assets on a federal income tax basis at December 31, 2021, were as follows:

Par Value + Paid-in Capital	\$ 941,672,280
Net Unrealized Appreciation	<u>304,891,775</u>
Net Assets	<u>\$ 1,246,564,055</u>

At December 31, 2021, the Fund, for federal income tax purposes, had no capital loss carryforwards.

**SOUND SHORE FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2021**

**6. Capital Stock**

Transactions in capital stock for the period ended December 31, 2021 and the year ended December 31, 2020, were as follows:

	<i>For the Year Ended December 31, 2021</i>			
	<b>Investor Class</b>		<b>Institutional Class</b>	
	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>
Sale of shares	431,771	\$ 20,609,970	968,105	\$ 47,405,245
Reinvestment of dividends	3,423,895	141,544,950	2,936,531	122,637,322
Redemption of shares	(2,702,428)	(126,889,760)	(2,216,481)	(106,739,750)
Net increase from capital transactions	1,153,238	\$ 35,265,160	1,688,155	\$ 63,302,817

	<i>For the Year Ended December 31, 2020</i>			
	<b>Investor Class</b>		<b>Institutional Class</b>	
	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>
Sale of shares	806,992	\$ 29,483,742	1,974,391	\$ 71,800,543
Reinvestment of dividends	1,145,887	47,315,602	919,562	38,179,171
Redemption of shares	(6,918,995)	(256,870,984)	(6,789,422)	(257,525,167)
Net decrease from capital transactions	(4,966,116)	\$ (180,071,640)	(3,895,469)	\$ (147,545,453)

Redemption proceeds normally are paid in cash. However, the Fund reserves the right to pay redemption proceeds in portfolio securities rather than cash. These redemptions “in-kind” usually occur if the amount to be redeemed is large enough to affect Fund operations (for example, if it represents more than 1% of the Fund’s assets). For book purposes, the Fund will recognize a gain on the redemption in-kind to the extent the value of the distributed securities on the date of redemption exceeds the cost of those securities; the Fund recognizes a loss if cost exceeds value. Gains and losses realized on a redemption in-kind are generally not recognized for tax purposes. During the year ended December 31, 2020, shares redeemed for the Institutional Class included redemption in-kind transactions of 1,577,365 shares valued at \$62,589,848, paid by redemption proceeds in portfolio securities of \$60,292,224 and \$2,297,624 in cash. The Fund had realized gains on these transactions of \$16,812,065 recorded in the accompanying Statements of Changes in Net Assets. There were no redemption in-kind transactions for the year ended December 31, 2021.

**7. Risks**

As of December 31, 2021, the Fund invested a significant portion of its assets in securities in the Health Care sector. Investing a significant portion of the Fund's assets in one sector of the market exposes the Fund to greater market risk and potential monetary losses than if those assets were spread among various sectors. The global outbreak of the COVID-19 virus has caused negative effects on many companies, sectors, countries, regions, and financial markets in general, and uncertainty exists as to its long-term implications. The effects of the pandemic may adversely impact the Fund’s assets and performance. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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***SOUND SHORE FUND, INC.***  
***NOTES TO FINANCIAL STATEMENTS (Concluded)***  
***DECEMBER 31, 2021***

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***8. Subsequent Events***

Subsequent events occurring after the date of this report have been evaluated for potential impact to this report through the date the report was issued. Management has evaluated the need for additional disclosures and/or adjustments resulting from subsequent events. Based on this evaluation, no additional disclosures or adjustments were required to the financial statements as of the date the financial statements were issued.

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**SOUND SHORE FUND, INC.**  
**FINANCIAL HIGHLIGHTS**

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These financial highlights reflect selected data for a share outstanding throughout each year.

	<i>For the Year Ended December 31,</i>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Investor Class Shares</b>					
Net Asset Value, Beginning of Year	\$ 42.29	\$ 42.41	\$ 37.03	\$ 45.89	\$ 44.17
Investment Operations					
Net investment income (a)	0.41	0.30	0.40	0.50	0.51
Net realized and unrealized gain (loss) on investments	9.66	2.90	8.20	(6.27)	6.63
Total from Investment Operations	<u>10.07</u>	<u>3.20</u>	<u>8.60</u>	<u>(5.77)</u>	<u>7.14</u>
Distributions from					
Net investment income	(0.44)	(0.32)	(0.39)	(0.51)	(0.52)
Net realized gains	(10.76)	(3.00)	(2.83)	(2.58)	(4.90)
Total Distributions	<u>(11.20)</u>	<u>(3.32)</u>	<u>(3.22)</u>	<u>(3.09)</u>	<u>(5.42)</u>
Net Asset Value, End of Year	<u>\$ 41.16</u>	<u>\$ 42.29</u>	<u>\$ 42.41</u>	<u>\$ 37.03</u>	<u>\$ 45.89</u>
Total Return	23.76%	7.78%	23.26%	(12.62)%	16.22%
Ratios/Supplemental Data					
Net Assets at End of Year (in thousands)	<u>\$671,380</u>	<u>\$641,165</u>	<u>\$853,588</u>	<u>\$945,244</u>	<u>\$1,365,922</u>
Ratios to Average Net Assets:					
Expenses	0.93%	0.93%	0.91%	0.90%	0.90%
Net Investment Income	0.85%	0.80%	0.95%	1.10%	1.06%
Portfolio Turnover Rate (b)	44%	77%	46%	56%	44%

(a) Calculated based on average shares outstanding during each year.

(b) Portfolio turnover is calculated on the basis of the Fund, as a whole, without distinguishing between the classes of shares issued.

**SOUND SHORE FUND, INC.**  
**FINANCIAL HIGHLIGHTS (Concluded)**

These financial highlights reflect selected data for a share outstanding throughout each year.

	<i>For the Year Ended December 31,</i>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Institutional Class Shares</b>					
Net Asset Value, Beginning of Year	\$ 42.59	\$ 42.65	\$ 37.19	\$ 46.06	\$ 44.29
Investment Operations					
Net investment income (a)	0.51	0.37	0.47	0.58	0.60
Net realized and unrealized gain (loss) on investments	9.70	2.93	8.25	(6.32)	6.64
Total from Investment Operations	<u>10.21</u>	<u>3.30</u>	<u>8.72</u>	<u>(5.74)</u>	<u>7.24</u>
Distributions from					
Net investment income	(0.48)	(0.36)	(0.43)	(0.55)	(0.57)
Net realized gains	(10.76)	(3.00)	(2.83)	(2.58)	(4.90)
Total Distributions	<u>(11.24)</u>	<u>(3.36)</u>	<u>(3.26)</u>	<u>(3.13)</u>	<u>(5.47)</u>
Net Asset Value, End of Year	<u>\$ 41.56</u>	<u>\$ 42.59</u>	<u>\$ 42.65</u>	<u>\$ 37.19</u>	<u>\$ 46.06</u>
Total Return	23.95%	7.98%	23.50%	(12.50)%	16.40%
Ratios/Supplemental Data					
Net Assets at End of Year (in thousands)	<u>\$575,184</u>	<u>\$517,449</u>	<u>\$684,295</u>	<u>\$721,916</u>	<u>\$765,297</u>
Ratios to Average Net Assets:					
Expenses (gross) (b)	0.83%	0.84%	0.82%	0.81%	0.81%
Expenses (net)	0.75%	0.75%	0.75%	0.75%	0.75%
Net Investment Income	1.03%	0.98%	1.12%	1.27%	1.25%
Portfolio Turnover Rate (c)	44%	77%	46%	56%	44%

(a) Calculated based on average shares outstanding during each year.

(b) Reflects the expense ratio excluding any waivers and/or reimbursements.

(c) Portfolio turnover is calculated on the basis of the Fund, as a whole, without distinguishing between the classes of shares issued.

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***REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM***

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To the Board of Directors and the Shareholders of Sound Shore Fund, Inc.

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Sound Shore Fund, Inc. (the “Fund”), including the schedule of investments, as of December 31, 2021, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended and the financial highlights for each of the years in the five-year period then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2021, and the results of its operations for the year then ended, the changes in its net assets for each of the years in the two-year period then ended and its financial highlights for each of the years in the five-year period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities law and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risk of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2021 by correspondence with the custodian. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

*BBD, LLP*

BBD, LLP

We have served as the auditor of the Sound Shore Fund, Inc. since 2016.

Philadelphia, Pennsylvania

February 25, 2022

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**SOUND SHORE FUND, INC.**  
**ADDITIONAL INFORMATION (Unaudited)**  
**DECEMBER 31, 2021**

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***Liquidity Risk Management Program***

The Fund has adopted and implemented a written liquidity risk management program, as required by Rule 22e-4 (the “Liquidity Rule”) under the Investment Company Act of 1940, as amended. The liquidity risk management program is reasonably designed to assess and manage the Fund’s liquidity risk, taking into consideration, among other factors, the Fund’s investment strategy and the liquidity of its portfolio investments during normal and reasonably foreseeable stressed conditions; its short and long-term cash flow projections; and its cash holdings and access to other funding sources.

The Board approved the designation of the Adviser’s Chief Compliance Officer as the administrator of the liquidity risk management program (the “Program Administrator”). The Program Administrator is responsible for the administration and oversight of the program and for reporting to the Board on at least an annual basis regarding, among other things, the program’s operation, adequacy, and effectiveness. The Program Administrator assessed the Fund’s liquidity risk profile based on information gathered for the period July 1, 2020 through June 30, 2021 in order to prepare a written report to the Board for review at its meeting held on July 28, 2021.

The Program Administrator’s report stated that: (i) the Fund is able to meet redemptions in normal and reasonably foreseeable stressed conditions and without significant dilution of remaining shareholders’ interests in the Fund; (ii) the Fund’s strategy is appropriate for an open-end mutual fund; (iii) the liquidity classification determinations regarding the Fund’s portfolio investments, which take into account a variety of factors, remained appropriate; (iv) the Fund did not approach the internal triggers set forth in the liquidity risk management program or the regulatory percentage limitation (15%) on holdings in illiquid investments; (v) it continues to be appropriate to not set a “highly liquid investment minimum” for the Fund because the Fund primarily holds “highly liquid investments”; and (vi) the liquidity risk management program remains reasonably designed and adequately implemented to prevent violations of the Liquidity Rule and the Fund’s liquidity risk is “low.” No significant liquidity events impacting the Fund were noted in the report.

***Shareholder Expense Example***

As a shareholder of the Fund, you incur ongoing costs, including management fees and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The following example is based on \$1,000 invested at the beginning of the period and held for the entire period from July 1, 2021 through December 31, 2021.

***Actual Expenses*** - The Actual Return lines of the table below provide information about actual account values and actual expenses for each share class. You may use the information in these lines, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the Actual Return line under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

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**SOUND SHORE FUND, INC.**  
**ADDITIONAL INFORMATION (Unaudited)(Continued)**  
**DECEMBER 31, 2021**

**Hypothetical Example for Comparison Purposes** - The Hypothetical Return lines of the table below provide information about hypothetical account values and hypothetical expenses based on each class' actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing cost of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs. Therefore, the Hypothetical Return lines of the table are useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds.

	<u>Beginning Account Value July 1, 2021</u>	<u>Ending Account Value December 31, 2021</u>	<u>Expenses Paid During Period*</u>
Investor Class Actual Return	\$ 1,000.00	\$ 1,052.79	\$ 4.81
Investor Class Hypothetical Return	\$ 1,000.00	\$ 1,020.52	\$ 4.74
Institutional Class Actual Return	\$ 1,000.00	\$ 1,053.63	\$ 3.88
Institutional Class Hypothetical Return	\$ 1,000.00	\$ 1,021.42	\$ 3.82

\* Expenses are equal to the Investor Class' and Institutional Class' annualized expense ratios of 0.93% and 0.75% respectively, multiplied by the average account value over the period, multiplied by 184/365 to reflect the most recent one-half year period.

**Federal Tax Status of Dividends Declared during the Fiscal Year (Unaudited)**

**Income Dividends** - For federal income tax purposes, dividends from short-term capital gains are classified as ordinary income. The Fund paid income dividends of \$78,798,207 for the tax year ended December 31, 2021, of which \$67,419,056 were short-term capital gain dividends. The Fund designated 23.15% of its income dividend distributed as qualifying for the corporate dividends-received deductions (DRD) and 27.02% for the qualified dividend rate (QDI) as defined in Section 1(h)(11) of the Internal Revenue Code. The Fund also designates 0% of its income dividends as qualified interest income (QII) and 85.56% as qualified short-term capital gain dividends exempt from U.S. tax for foreign shareholders (QSD).

**Capital Gain and other distributions** - The Fund paid long-term capital gain dividends of \$195,054,864.

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**SOUND SHORE FUND, INC.**  
**ADDITIONAL INFORMATION (Unaudited)(Continued)**  
**DECEMBER 31, 2021**

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***Proxy Voting Information***

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to securities held in the Fund's portfolio is available, without charge and upon request, by calling (800) 551-1980 or by visiting the Fund's website at <http://www.soundshorefund.com>. This information is also available on the Securities and Exchange Commission's ("SEC") website at <http://www.sec.gov> under the name of the Sound Shore Fund.

The Fund's proxy voting record for the most recent 12-month period ended June 30 is available, without charge and upon request, by calling (800) 551-1980 or by visiting the Fund's website at <http://www.soundshorefund.com>. This information is available on the SEC's website at <http://www.sec.gov> under the name of the Sound Shore Fund.

***Availability of Quarterly Portfolio Schedule***

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-PORT. This information is available on the SEC's website at <http://www.sec.gov> under the name of the Sound Shore Fund.

**SOUND SHORE FUND, INC.**  
**ADDITIONAL INFORMATION (Unaudited)(Continued)**  
**DECEMBER 31, 2021**

**Directors and Officers of the Fund**

The following is relevant information regarding Directors and Officers of the Fund:

<b>Name, Address and Birth Date</b>	<b>Position(s) With the Fund</b>	<b>Length of Time Served<sup>(1)</sup></b>	<b>Principal Occupation(s) During the Past Five Years</b>	<b>Other Directorships Held by Director</b>
<b>Independent Directors</b>				
Harry W. Clark c/o Sound Shore Fund, Inc. Three Canal Plaza, Suite 600 Portland, ME 04101 Birth Date: March 1949	Director; Audit Committee (member); Nominating Committee (member); Valuation Oversight Committee	January 2006 to present	Managing Partner, Stanwich Group LLC (public policy consulting firm) since January 2001; Senior Counselor, Brunswick Group LLC (international financial communications consulting firm) since January 2005.	Director, U.S. Chamber of Commerce Foundation since 2005.
H. Williamson Ghriskey, Jr. c/o Sound Shore Fund, Inc. Three Canal Plaza, Suite 600 Portland, ME 04101 Birth Date: May 1944	Director; Audit Committee (member); Nominating Committee (member); Valuation Oversight Committee	January 2006 to present	Senior Managing Director/Portfolio Management, First Republic Investment Management (investment counseling firm) since September 1978.	Past President of Investment Advisor Association 1990-1992.
David Blair Kelso c/o Sound Shore Fund, Inc. Three Canal Plaza, Suite 600 Portland, ME 04101 Birth Date: September 1952	Lead Independent Director; Audit Committee (Chair); Nominating Committee (Chair); Valuation Oversight Committee; Audit Committee Financial Expert	January 2006 to present	Managing Partner, Kelso Advisory Services (consulting firm), since October 2003; Trustee Emeritus, Connecticut College, since October 2007; Trustee, Darden School of Business Administration, University of Virginia, since October 2015; Director, Round Hill Development Corp. (resort development firm), since 2006; Trustee, New Orleans Museum of Art, since February 2016; Director, Aspen Holdings, Inc. (insurance firm), (2005 – April 2011); Executive Vice President, Strategy & Finance, Aetna, Inc. (insurance firm); Chairman Aetna Life Insurance Company, (September 2001 – September 2003); Chief Financial Officer, Executive Vice President, and Managing Director, Chubb, Inc. (insurance firm), August 1996 –August 2001.	Director, EXL Service Holdings, Inc. (since July 2006) Director, Assurant, Inc. (March 2007 - February 2015).

<sup>(1)</sup>Terms of Service is until his/her successor is elected or qualified or until his/ her earlier resignation or removal.

**SOUND SHORE FUND, INC.**  
**ADDITIONAL INFORMATION (Unaudited)(Concluded)**  
**DECEMBER 31, 2021**

Name, Address and Birth Date	Position(s) With the Fund	Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During the Past Five Years	Other Directorships Held by Director
<b>Interested Directors<sup>(2)</sup></b>				
Harry Burn, III, M.B.A. 8 Sound Shore Drive Greenwich, Connecticut 06830 Birth Date: January 1944	Chairman and Director	April 1985 to present (Chairman September 1992 to present)	Co-Chairman and Director, Sound Shore Management, Inc., since 1978; Chartered Financial Analyst.	
T. Gibbs, Kane, Jr. <sup>(2)</sup> 8 Sound Shore Drive Greenwich, Connecticut 06830 Birth Date: May 1947	President and Director	April 1985 to present	Co-Chairman and Director, Sound Shore Management, Inc., since 1977; Chartered Financial Analyst.	
<b>Officers</b>				
Lowell E. Haims 8 Sound Shore Drive Greenwich, Connecticut 06830 Birth Date: May 1967	Secretary; Valuation Oversight Committee	October 2010 to present	Chief Administrative Officer, Sound Shore Management, Inc., since October 2005; Chief Compliance Officer, Sound Shore Management Inc., since June 2007; Chartered Financial Analyst.	
Charles S. Todd Three Canal Plaza, Suite 100 Portland, ME 04101 Birth Date: September 1971	Treasurer; Valuation Oversight Committee	June 2009 to present	Forside, Senior Managing Director, Fund Officer Services (since 2015).	
Nancy J. Tyminski 899 Cassatt Road 400 Berwyn Park Suite 110 Berwyn, Pennsylvania 19312 Birth Date: November 1962	Chief Compliance Officer/ AMLCO	June 2019 to present	Director, Forside Fund Officer Services, LLC (June 2019 to present); Senior Due Diligence Officer, Forside Financial Group, LLC (2015 – 2019); Deputy Chief Compliance Officer, PNC Funds, PNC Bank, N.A. (2011 – 2015).	

<sup>(1)</sup>Terms of Service is until his/her successor is elected or qualified or until his/her earlier resignation or removal.

<sup>(2)</sup>Harry Burn, III and T. Gibbs Kane, Jr. are "interested persons" of the Fund as defined in Section 2(a)(19) of the 1940 Act by virtue of their position as shareholders, senior officers, and Directors of the Adviser. Each is a portfolio manager of the Fund.

The Fund's Statement of Additional Information ("SAI") contains additional information about the Fund's Directors. The SAI is available without charge, by contacting the Fund at (800) 551-1980.

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# **SOUND SHORE FUND**

**Investment Adviser**

Sound Shore Management, Inc.  
Greenwich, Connecticut

**Administrator**

Apex Fund Services  
Portland, Maine

**Distributor**

Foreside Fund Services, LLC  
Portland, Maine  
[www.foreside.com](http://www.foreside.com)

**Transfer and Distribution Paying Agent**

Apex Fund Services  
Portland, Maine

**Custodian**

US Bank, N.A.  
Milwaukee, Wisconsin

**Fund Counsel**

Sullivan and Worcester LLP  
New York, New York

**Independent Registered  
Public Accounting Firm**

BBD, LLP  
Philadelphia, Pennsylvania

207-ANR-1221

This report is submitted for the general information of the shareholders of the Fund. It is not authorized for distribution to prospective investors in the Fund unless preceded or accompanied by an effective prospectus, which includes information regarding the Fund's objectives and policies, experience of its management, and other information.

**SOUND SHORE FUND, INC.**

Three Canal Plaza  
Portland, ME 04101  
<http://www.soundshorefund.com>  
(800) 551-1980

**Annual Report**

**DECEMBER 31, 2021**

**SOUND  
SHORE  
FUND**

