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

December 31, 2022

Dear Investor:

The Sound Shore Fund Investor (SSHFX) and Institutional (SSHVX) class shares advanced 13.18% and 13.25%, respectively, in the 4th quarter of 2022, ahead of the Russell 1000 Value Index (Russell Value) which was up 12.42%. The 2022 full year declines for SSHFX of 10.59% and for SSHVX of 10.40% were behind the Russell Value's decline of 7.54%.

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.

The bear market during 2022, which saw the Standard & Poor's 500 Index (S&P 500) down almost 25% at its September trough and finish the year down 18%, represents the 7th such occurrence in Sound Shore's nearly 45-year history. The Federal Reserve's battle to tame inflation, including a 400 basis point increase in the funds rate, clearly took its toll on stocks as it did on most asset classes. Meanwhile, the war in Ukraine and a COVID stimulus hangover both added further pressure, leading to a prolonged (and unresolved) debate about an impending recession. During the spring and summer market sell-offs, many stocks began to discount a much slower economy. Inclusive of a fourth quarter partial rebound, Sound Shore finished the year well ahead of the S&P 500, but short of the Russell Value. Although disappointing, it is not uncommon to endure short periods of being out of step with our primary benchmark as we were this year, until value is recognized.

In fact, our recent experience echoes an anecdote from the firm's early days. After a similarly lackluster 1980 – our second full year in business – we met with the firm's founding client, Cap Cities Broadcasting and its legendary CEO, the late Tom Murphy. Following our review of the portfolio's performance and holdings, Tom turned to us and said with a chuckle, "Well . . . maybe you guys should quit while you're behind." Fortunately, Tom and Cap Cities stuck with us and our contrarian value investment process added value above the market for the duration of the 34-year relationship.

More specific to Sound Shore's 2022 results, we were encouraged by the performance of several holdings that delivered fundamentally, while also receiving credit for that from the market. For sure, our energy holdings were up sharply with that sector, including oil service provider Baker Hughes, with the industry's best balance sheet, and US producers EOG and Coterra, both of which we sold at target valuations. Away from oil and gas, this diversified roster also included drug giant Merck, manufacturing outsourcer Flex, and medical distributor Cardinal Health. These stocks all rose versus a declining market as stable to improving earnings and cash flow for the year were common to them all.

By contrast, some of our holdings fell quickly to levels that reflected (in our opinion) very severe economic declines as inexpensive valuations compressed even further. Cases in point included women's pharmaceutical health maker Organon, auto OEM leader General Motors, and super-regional bank First Republic. Apparel maker PVH was another, as it fell on consumer spending concerns and despite the company's core business continuing to grow. The stock bottomed during the summer when it traded for five times 2022 earnings and a staggering three times longer-term earnings power, as outlined by the management team at their analyst day in March. With leading brands such as Tommy Hilfiger and Calvin Klein, along with a strong balance sheet to withstand a sales slowdown, PVH is executing well. After a solid report in November, the stock rebounded nicely this quarter.

Having been through a number of economic slowdowns as mentioned above, we highlight these holdings as their stock prices went to valuation levels well beyond previous cycles, and for that we are accountable. Most of these holdings were valued at 10 times earnings or less early in 2022, only to trade even lower, despite modest adjustments to their 2022 earnings and free cash flow estimates. Our expectations for what was already discounted in their prices was premature, yet in each case, balance sheets are strong and managements are focused on improving returns and generating free cash. Having said all that, we remain steadfast in executing our strategy, which includes having sober expectations for the economy in 2023.

When you examine similar periods such as the post-1994 market sell off due to the Fed tightening and 2011's sell off caused by the European crisis, Sound Shore rebounded over the following few years as our portfolio held a lot of value. We believe the current period offers that same potential as only a few times in our history have we seen our portfolio valued as attractively (as evidenced by our price to earnings and price to cash flow multiples) as it is today.

As we exit a volatile 2022, we are especially encouraged by two factors: First, since the market's pandemic-bear-market bottom in 2020, our results have led both the S&P 500 and the Russell Value. This is similar to prior periods of market correction that provided opportunities for Sound Shore to achieve attractive returns in the coming years, as shown in Exhibit 1. Although they appear directionless, markets are more balanced and less fueled by the mega-cap FAANG stocks. Our process is identifying very good value in this environment, albeit with a realistic expectation that an uncertain economy may require a bit more patience. Second (but not entirely separate), the market's value-growth tug of war appears to be changing as well. This is typical of a higher interest rate backdrop, as illustrated in Exhibit 2.

Exhibit 1

Sound Shore performance results after crisis sell-offs:

	2000 – 2005*	2009 – 2014*	3/31/20 – TBD**
S&P 500 Index	-7%	159%	55%
Russell 1000 Value Index	38%	145%	62%
Sound Shore Fund (SSHFX)	64%	151%	68%
Sound Shore Fund (SSHVX)	66%	154%	69%

** 1/1/2000 – 12/31/2005 and 1/1/2009 – 12/31/2014*
*** Returns as of 12/31/22*

Exhibit 2

VALUE VS. GROWTH

Past performance is not an indicator of future results.

These factors, combined with our team's intense focus on enduring businesses with the most attractive valuations, should bode well for our investors. While we have every expectation that 2023 may be a difficult year for the global economy - there is no shortage of bearish forecasts – it's the prices you pay now that can reap rewards later on. Indeed, as referenced above, at December 31, 2022, Sound Shore's portfolio had a forward price-earnings multiple of 10.4 times consensus estimates, a meaningful discount to the S&P 500 Index at 16.7 times and the Russell 1000 Value Index at 13.8 times. It is our belief that the Sound Shore portfolio has tremendous value, and we have been heartened by longstanding clients that added to their investments during 2022.

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

Performance data quoted represents past performance and is no guarantee of future results. The Fund's Investor Class 1, 5, and 10-year average annual total returns for the period ended December 31, 2022 were -10.59%, 5.14%, and 9.90%, respectively. The Fund's Institutional Class 1, 5, and 10-year average annual total returns for the same period were -10.40%, 5.32%, and 10.10%, 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 0.93% for the Investor Class and 0.83% 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, 2023. 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).

The Standard & Poor's 500 Index is an unmanaged index representing the average performance of 500 widely held, publicly traded, large capitalization stocks. The 1, 5, and 10-year average annual total returns for the same period were -18.11%, 9.42%, and 12.56%, respectively. 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. The 1, 5, and 10-year average annual total returns for the same period were -7.54%, 6.67%, and 10.29%, respectively. The Russell 1000® Growth Index measures the performance of the large-cap growth segment of the US equity universe. It includes those Russell 1000 companies with relatively higher price-to-book ratios and higher 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. Return on equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity. FAANG stands for Facebook (now Meta Platforms), Amazon, Apple, Netflix, and Google (now Alphabet). Basis points is a unit of measure to describe the percentage change in the value of financial instruments or the rate change in an index or other benchmark. OEM is Original Equipment Manufacturer. The price-to-earnings ratio is a method of measuring a company's value. The P/E ratio is calculated by dividing the company's market value per share by the earnings per share (EPS). The price-to-cash flow ratio is a financial multiple that compares a company's market value to its operating cash flow.

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 12/31/22: Baker Hughes Company: 2.51%; Cardinal Health, Inc.: 2.00%: Coterra Energy Inc.: 0.00%: EOG Resources, Inc.: 0.00%; First Republic Bank: 3.24%; FLEX Ltd.: 4.45%; General Motors Company: 3.09%; Merck & Co. Inc.: 2.64%; Organon & Co.: 3.16%; and PVH Corp.:

3.92%. 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 12/31/22 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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