
Cross Shore Discovery Fund

**Annual Report
March 31, 2018**



**Cross Shore Capital Management, LLC
111 Great Neck Road
Suite 210
Great Neck, NY 11021**

Investment Results (Unaudited)

Total Returns (For the periods ended March 31, 2018)

	One Year	Since Inception ⁽¹⁾
Cross Shore Discovery Fund	12.6%	6.4%
S&P 500 [®] Index ⁽²⁾	14.0%	10.3%
HFRI Equity Hedge Index ⁽³⁾	9.5%	5.4%
HFRX Equity Hedge Index ⁽⁴⁾	8.3%	2.6%

The returns shown do not reflect the deduction of taxes that a shareholder would pay on Cross Shore Discovery Fund ("Fund") distributions or the redemption of Fund shares.

Performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. All performance figures are presented net of fees. Performance reflects any fee waivers during the applicable periods. If such fee waivers had not occurred, the quoted performance would have been lower.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund. This and other important information about the Fund is contained in the prospectus, which can be obtained at www.crossshorefunds.com or by calling (844) 300-7828. The prospectus should be read carefully before investing. The Fund is distributed by Unified Financial Securities, LLC (Member FINRA).

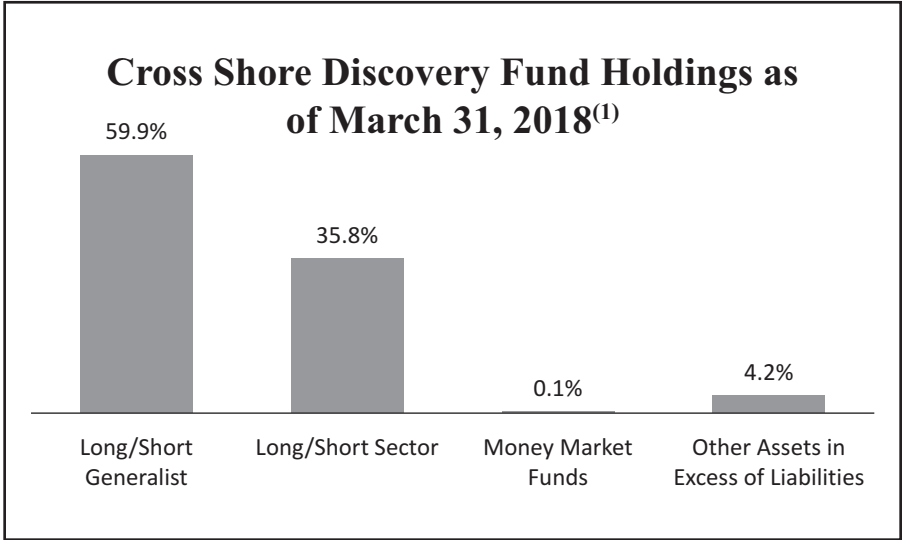
⁽¹⁾ For the period from January 2, 2015 (inception date of the Fund) to March 31, 2018. Performance for more than one year is annualized.

⁽²⁾ The S&P 500[®] Index ("S&P 500") is a widely recognized unmanaged index of equity prices and is representative of a broader market and range of securities than is found in the Fund's portfolio. The index returns do not reflect the deduction of expenses, which have been deducted from the Fund's returns. The S&P 500 returns assume reinvestment of all distributions and does not reflect the deduction of taxes and fees. Individuals cannot invest directly in the S&P 500.

⁽³⁾ The HFRI Equity Hedge Index ("HFRI"), an equally weighted performance index, consists of investment managers who maintain positions both long and short in primarily equity and equity derivative securities. HFRI data may include estimated returns and is subject to revision per HFRI policies and procedures.

⁽⁴⁾ The HFRX Equity Hedge Index ("HFRX") is made up of hedge funds that have at least \$50 million in assets under management, have been actively trading for at least 24 months, are open to new investment (in separately managed accounts), provide transparency, and satisfy Hedge Fund Research's qualitative screening. The HFRX is a sub-index that focuses on Long/Short strategies. It is an investible index. The index is rebalanced quarterly.

Fund Holdings (Unaudited)



⁽¹⁾ As a percentage of net assets.

Availability of Portfolio Schedule (Unaudited)

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available at the SEC's website at www.sec.gov. The Fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

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Cross Shore Discovery Fund

Schedule of Investments

March 31, 2018

Portfolio Funds	% of Net Assets
Long/Short Generalist:	
Suvretta Offshore Fund, Ltd., Class 1-C, Series 2012-11	6.5%
Suvretta Offshore Fund, Ltd., Class 1-B, Series 2015-04	2.0%
Total Suvretta Offshore Fund, Ltd.	8.5%
Sachem Head Offshore, Ltd., Founders Series	4.8%
Sachem Head Offshore, Ltd., Common Series	3.2%
Total Sachem Head Offshore, Ltd.	8.0%
Shellback Offshore Fund, Ltd., Class D, Series A	5.9%
Rivulet Capital Offshore Fund, Ltd., Class A, Series 2014-5	5.7%
Atika Offshore Fund, Ltd., Class A, Series 1	4.9%
Marcato Encore International, Ltd., Class C-4, Initial Series	4.6%
Hawk Ridge Partners Offshore Ltd., Class A, Series 0218	4.2%
Thames Absolute Return Offshore Fund, Ltd., Class B-2, Series 2	4.0%
Lomas Capital, Ltd., Class A, Series 15	3.8%
Riverloft Offshore Fund, Ltd., Class B-1, Series 2014-08 ⁽⁶⁾	0.1%
Total Long/Short Generalist	49.7%
European Long/Short Generalist:	
Lucerne Capital Offshore Fund, Ltd., Class A, Series 1	6.4%
Elbe Investors, Ltd., Class A-F, Series 4	3.8%
Total European Long/Short Generalist	10.2%
Long/Short Sector:	
Real Estate	
Long Pond Offshore, Ltd., Class A, Series 2010-11	5.8%
Long Pond Offshore, Ltd., Class C, Series 2014-10	2.1%
Total Long Pond Offshore, Ltd.	7.9%
Healthcare, Consumer	
Armistice Capital Offshore Fund, Ltd., Class A2, Series 2015-02	9.2%
Armistice Capital Offshore Fund, Ltd., Class A2, Series 2015-09	0.0% ⁽⁸⁾
Armistice Capital Offshore Fund, Ltd., Class A2, Series 2013-08	0.0% ⁽⁸⁾
Total Armistice Capital Offshore Fund, Ltd.	9.2%
Healthcare, Biotechnology	
venBio Select Fund, Ltd., Class A, Series 2017-05	5.5%
Technology, Media and Telecommunications	
Whale Rock Flagship Fund, Ltd., Class A-1, Initial Series	6.6%
Light Street Xenon, Ltd., Class A, Series N	6.6%
Total Long/Short Sector	35.8%
Total Investments In Portfolio Funds	95.7%

Cross Shore Discovery Fund

Schedule of Investments (continued)

March 31, 2018

Cost ⁽¹⁾	Fair Value	Initial Acquisition Date	Redemption Frequency ⁽²⁾	Next Available Redemption Date
\$ 1,495,566	\$ 2,158,591	1/2/2015	Quarterly	6/30/2018
515,575	664,593	4/1/2015	Quarterly	6/30/2018
2,011,141	2,823,184			
1,316,735	1,609,368	1/2/2015	Quarterly	6/30/2018 ⁽³⁾
983,876	1,070,429	4/1/2015	Quarterly	6/30/2018 ⁽³⁾
2,300,611	2,679,797			
1,509,607	1,954,711	1/2/2015	Quarterly	6/30/2018 ⁽⁵⁾
1,550,000	1,895,986	6/1/2015	Quarterly	6/30/2018 ⁽³⁾
1,190,187	1,648,255	1/2/2015	Quarterly	6/30/2018
1,250,000	1,536,843	7/1/2015	Quarterly	6/30/2018 ⁽³⁾
1,400,000	1,410,375	2/1/2018	Quarterly	6/30/2018 ⁽⁵⁾
1,300,000	1,355,250	11/1/2017	Quarterly	6/30/2018 ⁽⁵⁾
1,095,220	1,284,087	1/2/2015	Quarterly	6/30/2018
38,235	26,520	1/2/2015	N/A	N/A
13,645,001	16,615,008			
2,112,187	2,129,569	4/1/2015	Quarterly	6/30/2018
1,250,000	1,267,676	6/1/2017	Monthly	4/30/2018
3,362,187	3,397,245			
1,552,611	1,948,596	1/2/2015	Quarterly	6/30/2018
581,014	705,786	4/1/2015	Quarterly	6/30/2018 ⁽⁷⁾
2,133,625	2,654,382			
1,229,833	3,070,967	1/2/2015	Quarterly	6/30/2018
4,503	6,168	9/1/2015	Quarterly	6/30/2018
3,109	4,671	1/2/2015	Quarterly	6/30/2018
1,237,445	3,081,806			
1,200,000	1,823,318	5/1/2017	Quarterly	6/30/2018 ⁽⁴⁾
1,345,148	2,217,009	4/1/2015	Quarterly	6/30/2018
1,291,962	2,194,404	1/2/2015	Quarterly	6/30/2018
2,637,110	4,411,413			
\$ 7,208,180	\$ 11,970,919			
\$ 24,215,368	\$ 31,983,172			

See accompanying notes which are an integral part of these financial statements.

Cross Shore Discovery Fund

Schedule of Investments (continued)

March 31, 2018

Money Market Funds	Shares	% of Net Assets	Cost	Fair Value
Fidelity Institutional Money Market Government Portfolio, Institutional Class, 1.53% ⁽⁹⁾	39,774	0.1%	\$ 39,774	\$ 39,774
Total Investments		95.8%	\$24,255,142	\$32,022,946
Other Assets in Excess of Liabilities		4.2%		\$ 1,386,511
Net Assets		100.0%		\$33,409,457

⁽¹⁾ There were no unfunded capital commitments as of March 31, 2018.

⁽²⁾ Certain redemptions may be subject to various restrictions and limitations such as redemption penalties on investments liquidated within a certain period subsequent to investment (e.g. a soft lock-up), investor-level gates and/or Portfolio Fund-level gates. Redemption notice periods range from 30 to 65 days.

⁽³⁾ Subject to 25% investor level quarterly gate.

⁽⁴⁾ Subject to 4% soft lock during the first year of investment.

⁽⁵⁾ Subject to 3% soft lock during the first year of investment.

⁽⁶⁾ Portfolio Fund closed on December 31, 2015. Awaiting final liquidation payout.

⁽⁷⁾ Subject to 12.5% investor level quarterly gate.

⁽⁸⁾ Amount is less than 0.05%.

⁽⁹⁾ Rate disclosed is the seven day effective yield as of March 31, 2018.

Cross Shore Discovery Fund

Statement of Assets and Liabilities

March 31, 2018

Assets	
Cash	\$ 1,345,847
Investments in Portfolio Funds and Money Market Funds, at fair value (cost \$24,255,142)	32,022,946
Receivable for Portfolio Funds sold	334,577
Total assets	33,703,370
Liabilities	
Payable for redemption of shares	75,000
Payable to Adviser	121,102
Payable for audit fees	63,000
Payable for Chief Compliance Officer ("CCO") fees	5,167
Payable for administration fees	6,250
Payable for fund accounting fees	6,250
Payable for custody fees	10,350
Other accrued expenses	6,794
Total liabilities	293,913
Net Assets	\$33,409,457
Net Assets Consist Of	
Paid-in capital	\$32,431,313
Accumulated net investment loss	(6,410,892)
Accumulated net realized loss from investment transactions	(378,768)
Net unrealized appreciation / (depreciation) on investments	7,767,804
	\$33,409,457
Net Asset Value Per Share	
Institutional Shares (based on 322,801 shares outstanding; 562,691 additional shares registered)	\$ 103.50

See accompanying notes which are an integral part of these financial statements.

Cross Shore Discovery Fund

Statement of Operations

For the year ended March 31, 2018

Investment Income	
Dividend income	\$ 1,949
Expenses	
Investment Adviser	597,086
Audit and tax preparation fees	54,200
Administration	37,500
Legal	32,789
CCO	31,000
Fund accounting	25,000
Printing	23,053
Trustee	20,000
Transfer agent	20,000
Custodian	14,534
Miscellaneous	8,331
Registration	7,165
Insurance	7,441
Total expenses	878,099
Expenses waived by Adviser	(110,417)
Net expenses	767,682
Net investment loss	(765,733)
Realized and Change in Unrealized Gain from Investments in Portfolio Funds	
Net realized gain on sale of investments in Portfolio Funds	602,085
Net change in unrealized appreciation/(depreciation) from investments in Portfolio Funds	4,191,459
Net realized and change in unrealized gain from investments in Portfolio Funds	4,793,544
Net increase in net assets resulting from operations	\$4,027,811

Cross Shore Discovery Fund

Statements of Changes in Net Assets

	For The Year Ended March 31, 2018	For The Year Ended March 31, 2017
Increase/(Decrease) In Net Assets Resulting From Operations		
Net investment loss	\$ (765,733)	\$ (760,221)
Net realized gain on sale of investments in Portfolio Funds	602,085	431,139
Net change in unrealized appreciation/(depreciation) from investments in Portfolio Funds	4,191,459	4,901,163
Net increase in net assets resulting from operations	4,027,811	4,572,081
Distributions From		
Net investment income	(4,705,651)	(299,188)
Capital Share Transactions		
Proceeds from issuance of shares	200,000	2,224,196
Reinvestment of distributions	2,244,160	155,770
Payments for redemption of shares	(746,221)	(6,360,722)
Net increase/(decrease) in net assets resulting from capital share transactions	1,697,939	(3,980,756)
Net increase in net assets	1,020,099	292,137
Net assets at beginning of year	32,389,358	32,097,221
Net assets at end of year	\$33,409,457	\$32,389,358
Accumulated net investment loss	\$ (6,410,892)	\$ (1,575,591)
Share Transactions		
Shares issued	1,846	23,853
Reinvestment of distributions	21,978	1,561
Shares redeemed	(7,241)	(63,555)
Net increase/(decrease) in share transactions	16,583	(38,141)

See accompanying notes which are an integral part of these financial statements.

Cross Shore Discovery Fund

Financial Highlights – Institutional Shares

	For the Year Ended:			For The Period
	March 31, 2018	March 31, 2017	March 31, 2016	January 30, 2015 to March 31, 2015 ⁽¹⁾
Per Share Operating Performance				
Net asset value, beginning of period	<u>\$105.77</u>	<u>\$93.21</u>	<u>\$103.50</u>	<u>\$98.99</u>
Investment operations:				
Net investment loss	(2.47) ⁽²⁾	(2.97)	(1.93)	(0.38) ⁽²⁾
Net realized and unrealized gains/(losses) from investments in Portfolio Funds	<u>15.55</u>	<u>16.42</u>	<u>(6.63)</u>	<u>4.89</u>
Net change in net assets resulting from operations	<u>13.08</u>	<u>13.45</u>	<u>(8.56)</u>	<u>4.51</u>
Distributions from:				
Net investment income	<u>(15.35)</u>	<u>(0.89)</u>	<u>(1.73)</u>	<u>—</u>
Net asset value, end of period	<u>\$103.50</u>	<u>\$105.77</u>	<u>\$93.21</u>	<u>\$103.50</u>
Total return ⁽³⁾	12.57%	14.49%	(8.37)%	4.56% ⁽⁴⁾
Net assets, end of period	\$33,409,457	\$32,389,358	\$32,097,221	\$16,293,591
Ratios To Average Net Assets				
Expenses after waiver and reimbursement ⁽⁵⁾	2.25%	2.25%	2.25%	2.25% ⁽⁶⁾
Expenses before waiver and reimbursement ⁽⁵⁾	2.57%	2.72%	2.97%	5.11% ⁽⁶⁾
Net investment loss after waiver and reimbursement ⁽⁵⁾	(2.25)%	(2.25)%	(2.25)%	(2.25)% ⁽⁶⁾
Net investment loss before waiver and reimbursement ⁽⁵⁾	(2.57)%	(2.72)%	(2.97)%	(5.11)% ⁽⁶⁾
Portfolio turnover rate	15.61%	15.01%	2.00%	0.00% ⁽⁴⁾

⁽¹⁾ The period of the financial highlights are from the date of effectiveness of the Fund's registration statement under the Investment Company Act of 1940, as amended, and the Securities Act of 1933, as amended, through March 31, 2015.

⁽²⁾ Calculated based on the average shares outstanding during the period.

⁽³⁾ Total return represents the rate an investor would have earned or lost on an investment in the Fund, assuming reinvestment of dividends, if any.

⁽⁴⁾ Not annualized.

⁽⁵⁾ The ratios do not reflect the Fund's proportionate share of income, expenses and incentive allocations of the underlying Portfolio Funds.

⁽⁶⁾ Annualized.

Cross Shore Discovery Fund

Notes to Financial Statements

March 31, 2018

1. Organization

Cross Shore Discovery Fund (the "Fund") was organized on May 21, 2014 as a Delaware statutory trust. The Fund commenced operations on January 2, 2015. The Fund is registered under the Investment Company Act of 1940, as amended (the "1940 Act") as a non-diversified closed-end management investment company and offers interests ("Shares") registered under the 1940 Act and the Securities Act of 1933, as amended. The Fund's initial registration under the 1940 Act and the Securities Act of 1933 became effective on January 30, 2015. The Fund operates as a "fund of hedge funds". The Fund provides investors access to a variety of professionally managed private investment funds ("hedge funds") that predominately employ equity long/short strategies (each a "Portfolio Fund"). The Portfolio Funds are not registered under the 1940 Act and are generally organized outside of the United States ("U.S."). The Fund currently offers one class of shares ("Institutional Shares").

Under the Fund's organizational documents, its officers and Board of Trustees ("Board") are indemnified against certain liabilities arising out of the performance of their duties to the Fund. In addition, in the normal course of business, the Fund may enter into contracts with vendors and others that provide for general indemnifications. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund. However, based on experience, the Fund expects that risk of loss to be remote.

2. Significant Accounting Policies

The Fund is an investment company and follows accounting and reporting guidance under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946, "Financial Services-Investment Companies". The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The policies are in conformity with generally accepted accounting principles in the United States of America ("GAAP").

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses for the period. Actual results could differ from those estimates.

A. Portfolio Fund Transactions and Income Recognition

Investments in Portfolio Funds are recorded on a subscription effective date basis, which is generally the first day of the calendar month in which the investment is effective. Realized gains and losses are calculated on a specific identification method when redemptions are accepted by a Portfolio Fund, which is generally on the last day of the calendar month. Interest income, if any, and expense are accrued each month. Dividends, less foreign tax withholding (if any), are recorded on the ex-dividend date.

Cross Shore Discovery Fund

Notes to Financial Statements (continued)

March 31, 2018

B. Investment Valuation and Risks

The Fund will calculate the net asset value per share ("NAV") of the Institutional Shares as of the close of business on the last business day of each calendar month and at such other times as the Board may determine, including in connection with the repurchase of Institutional Shares.

Because the Fund invests all or substantially all of its assets in Portfolio Funds, the NAV of the Institutional Shares will depend on the value of the Portfolio Funds. The NAVs of Portfolio Funds are generally not available from pricing vendors, nor are they calculable independently by the Fund or by Cross Shore Capital Management, LLC, the Fund's investment adviser (the "Adviser").

Accordingly, the Board has approved procedures (the "Valuation Procedures") pursuant to which the Fund will value its investments in the Portfolio Funds at fair value. Under the Valuation Procedures, the Adviser is responsible for determining the fair value of each Portfolio Fund as of each date upon which Institutional Shares calculates its NAV (the "NAV Date"). The Valuation Procedures require the Adviser to consider all relevant information when assessing and determining the fair value of the Fund's interest in each Portfolio Fund and to make all fair value determinations in good faith. All fair value determinations made by the Adviser are subject to the review and supervision of the Board through its Valuation Committee. The Board's Valuation Committee will be responsible for ensuring that the valuation process utilized by the Adviser is fair to the Fund and consistent with applicable regulatory guidelines.

As a general matter, the fair value of the Fund's interest in a Portfolio Fund will be the amount that the Fund could reasonably expect to receive from the Portfolio Fund if the Fund's interest in the Portfolio Fund was redeemed as of the NAV Date. In accordance with the Valuation Procedures, the fair value of the Fund's interest in a Portfolio Fund as of a NAV Date will ordinarily be the most recent NAV reported by a Portfolio Fund's Investment Manager or third party administrator ("Portfolio Fund Management"). In the event that the last reported NAV of a Portfolio Fund is not as of the NAV Date, the Adviser may use other information that it believes should be taken into consideration in determining the Portfolio Fund's fair value as of the NAV Date, including benchmark or other triggers to determine any significant market movement that has occurred between the effective date of the most recent NAV reported by the Portfolio Fund and the NAV Date.

Because Portfolio Funds are not registered under the 1940 Act and their governing documents typically do not impose significant investment restrictions, a Portfolio Fund may without limitation or prior notice to the Adviser, invest and trade in a broad range of securities, derivatives and other financial instruments (collectively, "Assets"). While, generally, each Portfolio Fund carries its investments at fair value, these investments may be associated with a varying degree of off-balance sheet risks, including both market and credit risks. Market risk is the risk of potential adverse changes to the value of the Assets because of the changes in market conditions such as interest and currency rate movements and volatility of Asset values. Credit risk is the risk of the potential inability of counterparties to perform the terms of the contracts, which may be in excess of the amounts recorded in the Portfolio Funds' respective balance sheets. In addition, the Portfolio Funds will engage in the short sale of securities. A short sale of a security not owned by a Portfolio Fund involves the sale of a security that is borrowed from a counterparty to complete the sale. The

Cross Shore Discovery Fund

Notes to Financial Statements (continued)

March 31, 2018

sale of a borrowed security may result in a loss if the price of the borrowed security increases after the sale. Purchasing securities to close out the short position can itself cause their market price to rise further, increasing losses. Furthermore, a short seller may be prematurely forced to close out a short position if a counterparty demands the return of borrowed securities. Losses on short sales are theoretically unlimited, although losses to the Fund are limited to its investment in a particular Portfolio Fund.

Portfolio Fund Investment Managers (the "Investment Managers"), who operate Portfolio Funds in which the Fund invests, receive fees for their services. The fees include management and incentive fees or allocations based upon the net asset value of the Fund's investment. These fees are deducted directly from each Portfolio Fund's assets in accordance with the governing documents of the Portfolio Fund. During the fiscal year ended March 31, 2018, the fees for these services ranged from 0.75% to 2.00% per annum for management fees and 20% of the Portfolio Funds' net profits for incentive fees or allocations. The impact of these fees are reflected in the Fund's performance, but are not operational expenses of the Fund. In certain cases, the incentive fees or allocations may be subject to a hurdle rate.

Based on the information the Adviser typically receives from the Portfolio Funds, the Fund is unable to determine on a look-through basis if any investments, on an aggregate basis, held by the Portfolio Funds represent greater than 5% of the Fund's net assets.

The Fund's interests in Portfolio Funds are also illiquid and subject to substantial restrictions on transferability. The Fund may not be able to acquire initial or additional interests in a Portfolio Fund or withdraw all or a portion of its investment from a Portfolio Fund promptly after it has made a decision to do so because of limitations set forth in that Portfolio Fund's governing documents.

Generally, the fair value of the Fund's investments in a Portfolio Fund represents the Fund's proportionate share of that Portfolio Fund's net assets as reported by applicable Investment Managers. All valuations as of March 31, 2018, were determined by the Adviser to be consistent with the Fund's Valuation Procedures and are net of management and incentive fees pursuant to the Portfolio Funds' applicable agreements. The fair value represents the amount the Fund expects to receive, gross of redemption fees or penalties, at March 31, 2018, if it were to liquidate its investments in the Portfolio Funds. Because of the inherent uncertainty of valuation, the value of investments in the Portfolio Funds held by the Fund may differ significantly from the values that would have been used had a ready market existed, and differences could be material.

Pursuant to the Valuation Procedures, the Adviser may conclude in certain circumstances that, after considering information reasonably available at the time the valuation is made and that the Adviser believes to be reliable, the balance provided by the Investment Managers does not represent the fair value of the Fund's interest in the Portfolio Fund. In addition, in the absence of specific transaction activity in the interests of a particular Portfolio Fund, the Adviser could consider whether it was appropriate, in light of all relevant circumstances, to value such a position at the Portfolio Fund's net assets as reported at the time of valuation, or whether to adjust such value to reflect a premium or discount to the reported net assets and would be classified as Level 2 or 3 within the fair value hierarchy, depending on the inputs used. Any such decision is made in good faith and is subject to the review and supervision of the Board.

Cross Shore Discovery Fund

Notes to Financial Statements (continued)

March 31, 2018

In determining fair values as of March 31, 2018, the Adviser has, as a practical expedient, estimated the fair value of each Portfolio Fund using the NAV (or its equivalent) provided by the Portfolio Fund Management of each Portfolio Fund as of that date.

The valuation techniques described maximize the use of observable inputs and minimize the use of unobservable inputs in determining fair value. The inputs used for valuing the Fund's investments are summarized in the three broad levels listed below:

- Level 1 – Unadjusted quoted prices in active markets for identical investments and/or registered investment companies where the value per share is determined and published and is the basis for current transactions for identical assets or liabilities at the valuation date.
- Level 2 – Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly.
- Level 3 – Inputs, broadly referred to as the assumptions that market participants use to make valuation decisions, are unobservable and reflect the Adviser's best estimate of what market participants would use in pricing the financial instrument at the measurement date.

Changes in valuation techniques may result in transfers in or out of an assigned level with the disclosure hierarchy. The Fund recognizes transfers between fair value hierarchy levels at the reporting period end. There were no transfers between any levels as of March 31, 2018 based on input levels assigned at March 31, 2017. The inputs or methodology used for valuing investments is not necessarily an indication of the risk associated with investing in those investments.

Investments in money market mutual funds are generally priced at the ending NAV provided by the service agent of the funds. Accordingly, money market mutual funds with a fair value of \$39,774 have been categorized as Level 1 in the fair value hierarchy. All investments for which fair value is measured using the NAV per share as a practical expedient are not required to be categorized within the fair value hierarchy. Accordingly, Portfolio Funds with a fair value of \$31,983,172 have not been categorized in the fair value hierarchy.

3. Investment Strategies

The Fund seeks to invest at least 80% of its total assets in Portfolio Funds that predominately employ equity long/short strategies. Generally, the equity long/short strategies employed by the Portfolio Funds involve taking long and short positions in the equity securities (or the equivalent thereof) of U.S. and foreign issuers. These long and short positions are created by purchasing and selling short specific equity securities or groups of equity securities.

Investment Managers may utilize a variety of investment approaches and techniques to implement their long/short equity strategies. Investment Managers, for example, may construct long and short portions based upon: (1) a mispricing of equity securities relative to each other or relative to historic norms (Relative Value Approach); (2) the effect of events on different equity securities (Event Driven Approach); (3) perceived valuations of equity securities (e.g., whether an issuer is overvalued or undervalued) (Fundamental Long/Short Approach); and/or (4) the effect of economic and political changes on the prices of equity securities (Directional Trading Approach) (collectively, "Long/Short Equity Techniques"). The Investment Managers may utilize a variety of investment

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Notes to Financial Statements (continued)

March 31, 2018

styles (e.g. growth/value, small cap/large cap) and focus on specific sectors, regions (e.g. U.S., emerging markets, global) and asset classes (e.g. common stocks, preferred stocks and convertible securities) to implement their long/short equity strategies.

While it is anticipated that the Portfolio Funds will primarily invest in publicly traded U.S. and foreign common stocks, Portfolio Funds may also use other equity securities such as preferred stock, convertible securities and warrants to implement their equity long/short strategies. A Portfolio Fund may also invest in fixed income securities such as corporate debt obligations, government securities, municipal securities, financial institution obligations, mortgage-related securities, asset-backed securities and zero-coupon securities issued by U.S. issuers and similar securities issued by foreign issuers (collectively, "Fixed Income Securities") on an opportunistic basis. For example, a Portfolio Fund may take a long or short position in the Fixed Income Securities of one or more specific issuers or groups of Fixed Income Securities to the extent that the Investment Manager believes that such securities constitute a better investment opportunity than corresponding equity securities over a given period of time. A Portfolio Fund may also take long or short positions in Fixed Income Securities as a hedge against the equity or fixed income exposure in its portfolio. It is expected that an Investment Manager may apply techniques similar to the Long/Short Equity Techniques to implement long/short positions in Fixed Income Securities.

While a Portfolio Fund generally implements its long/short strategies by investing directly or selling short Equity and Fixed Income Securities, a Portfolio Fund may use derivatives, typically, options on Equity or Fixed Income indices (each an "Index"), futures on Indices and total return swaps involving one or a basket of Equity or Fixed Income Securities, to create synthetic exposure to these Indices/securities for the purposes of increasing portfolio profitability or for hedging against certain long/short strategy risks.

4. Investment Advisory Fee and Other Transactions with Affiliates

A. Investment Advisory Fees

The Adviser serves as the Fund's investment adviser. The Adviser receives an annual fee of 1.75% payable monthly based on the Fund's monthly net assets.

The Adviser has contractually agreed to waive its management fee and/or reimburse expenses to the extent necessary to ensure that the total annual Fund operating expenses attributable to the Institutional Shares will not exceed an annual rate of 2.25% (after fee waivers and/or expense reimbursements, and exclusive of taxes, interest, portfolio transaction expenses, acquired fund fees and expenses, dividend expenses on short sales and extraordinary expenses not incurred in the ordinary course of the Fund's business) of the Fund's average net assets for the fiscal year. The arrangements will continue until, at least, July 31, 2018 and can only be terminated prior to that day with approval from the Board. The Adviser may recoup fees waived and expenses reimbursed within three years of the date in which such waivers and reimbursements were made if such recoupment does not cause current expenses within the fiscal year to exceed the expense limit in effect at the time the expense was paid/waived. As of March 31, 2018, the Adviser may seek repayment of investment advisory fee waivers and expense reimbursements in the amount of \$507,291 from the Fund no later than March 31, 2021. For the fiscal year ended March 31, 2018, the Adviser did not recoup any fees waived or expenses reimbursed.

Cross Shore Discovery Fund

Notes to Financial Statements (continued)

March 31, 2018

B. Administration, Accounting, Compliance Services and Transfer Agent Fees

Pursuant to an agreement between the Fund and Ultimus Fund Solutions, LLC, ("Administrator", or "Ultimus"), the Administrator provides administration and compliance services to the Fund and supplies certain officers to the Fund including a Principal Financial Officer, a Chief Compliance Officer, and an Anti-Money Laundering Officer. The Fund pays the Administrator a basis point fee, subject to fee minimums, for administrative services, a fixed fee for compliance services and certain out of pocket expenses. Pursuant to an agreement between the Fund and Citco Fund Services (USA), Inc. ("Fund Accountant", or "Citco"), the Fund Accountant provides fund accounting services to the Fund. The Fund pays Citco, a basis point fee, subject to fee minimums, for fund accounting services and certain out of pocket expenses.

Pursuant to a Transfer Agency Services Agreement with the Fund, Ultimus provides transfer agency services to the Fund and is compensated for the provision of these services.

C. Distribution

Unified Financial Securities, LLC (the "Distributor") acts as principal underwriter and distributor of the Fund's shares of beneficial interest on a best effort basis, subject to various conditions. The Distributor may retain additional broker-dealers and other financial intermediaries (each a "Selling Agent") to assist in the distribution of shares and shares are available for purchase through these Selling Agents or directly through the Distributor. Generally, shares are only offered to investors that are U.S. persons for U.S. federal income tax purposes.

D. Custodian Fees

The Huntington National Bank, N.A. (the "Custodian"), is custodian of the Fund's investments and may maintain Fund assets with U.S. and foreign sub custodians, subject to policies and procedures approved by the Board. The Fund and the Custodian have entered into an agreement with Citco Bank (Canada) ("Citco Bank") to perform certain sub-custodian services to the Fund. Fees and expenses of the Custodian and Citco Bank are paid by the Fund.

E. General

Certain officers of the Fund are officers, directors and/or trustees of the above companies. Independent trustees are paid a \$2,500 for each regularly scheduled Board meeting and \$1,250 for each special Board meeting attended, for their services to the Fund. Interested trustees and officers of the Trust are not paid for services directly by the Fund. For the fiscal year ended March 31, 2018, \$20,000 was paid to the independent trustees and is included in the trustee line item of the Statement of Operations.

5. Capital Share Transactions

Shares of the Fund will be traded for purchase only through the Distributor, or a Selling Agent as of the first business day of each month. To provide a limited degree of liquidity to shareholders, the Fund may from time to time offer to repurchase shares pursuant to written repurchase offers, but is not obligated to do so.

Cross Shore Discovery Fund

Notes to Financial Statements (continued)

March 31, 2018

Repurchase offers will be made at such times and on such terms as may be determined by the Board in its sole discretion and generally will be offers to repurchase an aggregate specified dollar amount of outstanding shares or a specific number of shares. Any such offer will be made only on terms that the Board determines to be fair to the Fund and to all shareholders or persons holdings shares acquired from shareholders. When the Board determines that the Fund will repurchase shares or portions thereof, notice will be provided to each shareholder describing the terms thereof, and containing information a shareholder should consider in deciding whether and how to participate in such repurchase opportunity. The Board convenes quarterly to consider whether or not to authorize a tender offer. The Board expects that repurchase offers, if authorized, will be made no more frequently than on a quarterly basis and will typically have a valuation date as of March 31, June 30, September 30 or December 31 (or, if any such date is not a Business Day, on the last Business Day of such calendar quarter).

6. Purchases and Sales of Portfolio Funds

Aggregate purchases and proceeds from sales of Portfolio Funds, other than short-term investments, for the fiscal year ended March 31, 2018 amounted to \$5,150,000 and \$7,283,321, respectively. There were no purchases or sales of U.S. government obligations for the fiscal year ended March 31, 2018.

7. Distributions

The Fund declares and pays dividends on investment income, if any, annually. The Fund also makes distributions of net capital gains, if any, annually.

8. Federal Income Taxes

It is the policy of the Fund to qualify or continue to qualify as a regulated investment company by complying with the provisions available to certain investment companies, as defined in applicable sections of the Internal Revenue Code, and to make distributions of net investment income and net realized capital gains sufficient to relieve it from all, or substantially all, federal income taxes.

The following information is provided on a tax basis as of March 31, 2018:

Gross unrealized appreciation	\$ -
Gross unrealized depreciation	(16,588)
<u>Net unrealized appreciation / (depreciation)</u>	<u>\$(16,588)</u>

As of March 31, 2018, the aggregate cost of investment entities for federal tax purposes was \$32,039,534. The difference between the book-basis unrealized appreciation/(depreciation) is attributable primarily to the realization for tax purposes of unrealized gain/(losses) on investments in passive foreign investment companies.

Cross Shore Discovery Fund

Notes to Financial Statements (concluded)

March 31, 2018

As of March 31, 2018, the following reclassification was made on the Statement of Assets and Liabilities for the Fund:

Paid-in Capital	Accumulated Net Investment Loss	Accumulated Net Realized Loss From Investment Transactions
\$-	\$636,083	\$(636,083)

Such reclassifications, the result of permanent differences between the financial statement and income tax reporting requirements, had no effect on the Fund's net assets or NAV per share.

As of March 31, 2018, the Fund's most recent fiscal year end, the components of accumulated earnings (deficit) on a tax basis were as follows:

Undistributed ordinary income	\$1,373,500
Accumulated capital and other losses	(378,768)
Unrealized appreciation / (depreciation)	(16,588)
Total	\$ 978,144

The tax character of distributions for the fiscal years ended March 31, 2018 and 2017 were as follows:

	2018	2017
Distributions paid from:		
Ordinary Income	\$4,705,651	\$299,188
Total Distributions Paid	\$4,705,651	\$299,188

As of March 31, 2018, for federal income tax purposes and the treatment of distributions payable, the Fund had \$199,700 of short-term and \$179,068 of long-term capital loss carryforwards available to offset future gains, if any, that may be carried forward indefinitely, to the extent provided by the Treasury regulations.

Management of the Fund has reviewed tax positions taken in tax years that remain subject to examination by all major tax jurisdictions, including federal (ie, all open tax periods since inception). Management believes there is no tax liability resulting from unrecognized tax benefits related to uncertain tax positions taken.

9. Control Persons and Principal Holders

A principal shareholder is any shareholder who owns of record, or beneficially, 5% or more of the outstanding shares of the Fund. A control person is a shareholder who owns beneficially, or through controlled companies, more than 25% of the voting securities of a company or acknowledges the existence of control. Shareholders owning voting securities in excess of 25% may determine the outcome of any matter affecting and voted on by shareholders of the Fund. As of March 31, 2018, Cross Shore QP Partners, LP owned 48% of the outstanding shares of the Fund.

10. Subsequent Events

Management of the Fund has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date these financial statements were issued. Based upon this evaluation, management has determined there were no additional items requiring adjustment of the financial statements or additional disclosure.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees
of Cross Shore Discovery Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Cross Shore Discovery Fund (the "Fund") as of March 31, 2018, and the related statements of operations and changes in net assets, including the related notes, and the financial highlights for the year then ended (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 March 31, 2018, the results of its operations, the changes in its net assets, and the financial highlights for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Fund's financial statements and financial highlights for the years ended March 31, 2017 and prior, were audited by other auditors whose report dated May 26, 2017, expressed an unqualified opinion on those financial statements and financial highlights.

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 audit. 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 laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audit includes performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and confirmation of securities owned as of March 31, 2018, by correspondence with the custodian and underlying portfolio funds. Our audit 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 audit provides a reasonable basis for our opinion.

We have served as the Fund's auditor since 2017.

COHEN & COMPANY, LTD.
Cleveland, Ohio
May 30, 2018

Additional Federal Income Tax Information (Unaudited)

The Form 1099-DIV you will receive in January 2019 will show the tax status of all distributions paid to your account in calendar year 2018. Shareholders are advised to consult their own tax adviser with respect to the tax consequences of their investment in the Fund. As required by the Internal Revenue Code and/or regulations, shareholders must be notified regarding the status of qualified dividend income for individuals and the dividends received deduction for corporations.

Qualified Dividend Income. The Fund designates approximately 0% or up to the maximum amount of such dividends allowable pursuant to the Internal Revenue Code, as qualified dividend income eligible for the reduced tax rate of 15%.

Dividends Received Deduction. Corporate shareholders are generally entitled to take the dividends received deduction on the portion of the Fund's dividend distribution that qualifies under tax law. For the Fund's calendar year 2018 ordinary income dividends, 0% qualifies for the corporate dividends received deduction.

For the year ended March 31, 2018, the Fund designated \$0 as 20% long-term capital gain distributions.

Trustees and Officers (Unaudited)

The Board of Trustees supervises the business activities of the Trust. Each Trustee serves as a trustee until termination of the Trust unless the Trustee dies, resigns, retires or is removed.

The following tables provide information regarding the Trustees and Officers.

The following table provides information regarding each of the Independent Trustees.

Name and year of Birth, Positions (s) Held with Company, Term of Office and Length of Time Served⁽¹⁾	Principal Occupation(s) During Past Five Years	Number of Funds in Complex Overseen by Trustee	Other Directorships Held by Trustee During the Past 5 Years
Independent Trustees:			
David J. Gruber Born: 1963 Trustee; Lead Independent Trustee; Chairman and Member, Audit Committee; Member, Nominating and Valuation Committees Since 2014	Director of Risk Advisory Services, Holbrook and Manter, CPAs since 2016; President, DJG Financial Consulting LLC 2007-2015.	1	Trustee, Fifth Third Funds from 2003-2012; Trustee, Asset Management Fund (4 series) since 2015; Trustee, Monteagle Funds (6 series) since 2015.
Thomas E. Niehaus Born: 1960 Trustee; Member, Audit Committee; Chairman and Member, Nominating and Valuation Committees Since 2014	Managing Director, Oakpoint Fund Services LLC since 2006.	1	Director, Rampart Funds, Ltd. since 2007.

The following table provides information regarding the Trustee who is considered an "interested person" of the Trust, as that term is defined under the 1940 Act.

Name and year of Birth, Positions (s) Held with Company, Term of Office and Length of Time Served⁽²⁾	Principal Occupation(s) During Past Five Years	Number of Funds in Complex Overseen by Trustee	Other Directorships Held by Trustee During the Past 5 Years
Neil Kuttner Born: 1951 Trustee; Chief Executive Officer; President Since 2014	Managing Member, Adviser since 2002.	1	None

⁽¹⁾ Each Trustee serves until retirement, resignation or removal from the Board. Trustees may be removed in accordance with the Declaration of Trust with or without cause by written instrument signed by a majority of the Trustees or by vote of a majority of the shareholders, at a meeting holding at least two-thirds (2/3) of outstanding Institutional Shares.

⁽²⁾ Mr. Kuttner is an Interested Trustee because of his affiliation with the Adviser.

Principal Officers who are Not Trustees

Name and year of Birth, Positions (s) Held with Company, Term of Office and Length of Time Served⁽¹⁾	Principal Occupation(s) During Past Five Years
Bryan W. Ashmus ⁽²⁾ Born: 1973 Treasurer and Principal Financial Officer Since 2016	Vice President and Director of Financial Administration, Ultimus Fund Solutions, LLC (December 2015 to present); Vice President and Manager of Financial Administration, Huntington Asset Services, Inc. (n/k/a Ultimus Asset Services, LLC) (2013 to 2015); Vice President, Fund Administration, Citi Fund Services Ohio, Inc. (2005 to 2013).
Simon Berry ⁽²⁾ Born: 1971 Secretary Since 2017	Senior Attorney, Ultimus Fund Solutions, LLC (June 2016 to present); Attorney, Kentucky Department of Financial Institutions 2009-2016.

**Name and year of Birth, Positions (s)
Held with Company, Term of Office
and Length of Time Served⁽¹⁾**

**Principal Occupation(s)
During Past Five Years**

Martin R. Dean⁽²⁾

Born: 1963

Chief Compliance Officer

Since 2016

Vice President, Director of Fund Compliance of Ultimus Fund Solutions, LLC (January 2016 to present); Senior Vice President and Compliance Group Manager, Huntington Asset Services, Inc. (2013 to 2015); Director of Fund Accounting and Fund Administration Product at Citi Fund Services (2008 to 2013)

⁽¹⁾ Each officer of the Fund serves for an indefinite term until the date his or her successor is elected and qualified, or until he or she sooner dies, retires, is removed or becomes disqualified.

⁽²⁾ The business address of this officer is 225 Pictoria Drive, Suite 450, Cincinnati Ohio 45246.

Other Information (Unaudited)

The Fund's Statement of Additional Information ("SAI") includes additional information about the trustees and is available without charge, upon request. You may call toll-free at (844) 300-7828 to request a copy of the SAI or to make shareholder inquiries.

Privacy Notice

FACTS	WHAT DOES CROSS SHORE DISCOVERY FUND DO WITH YOUR PERSONAL INFORMATION?
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Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
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What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> ▪ Social Security number ▪ Assets ▪ Retirement Assets ▪ Transaction History ▪ Checking Account Information ▪ Purchase History ▪ Account Balances ▪ Account Transactions ▪ Wire Transfer Instructions <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
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How?	All financial companies need to share your personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Cross Shore Discovery Fund chooses to share; and whether you can limit this sharing.
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Reasons we can share your personal information	Does Cross Shore Discovery Fund share?	Can you limit this sharing?
For our everyday business purposes – Such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share

For our affiliates' everyday business purposes – information about your transactions and experiences	No	We don't share
For our affiliates' everyday business purposes – information about your creditworthiness	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions?	Call (844) 300-7828
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Who we are	
Who is providing this notice?	Cross Shore Discovery Fund Unified Financial Securities, LLC (Distributor) Ultimus Fund Solutions, LLC (Administrator and Transfer Agent)
What we do	
How does Cross Shore Discovery Fund protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. Our service providers are held accountable for adhering to strict policies and procedures to prevent any misuse of your nonpublic personal information.
How does Cross Shore Discovery Fund collect my personal information?	We collect your personal information, for example, when you <ul style="list-style-type: none"> ▪ Open an account ▪ Provide account information ▪ Give us your contact information ▪ Make deposits or withdrawals from your account ▪ Make a wire transfer ▪ Tell us where to send the money ▪ Tell us who receives the money ▪ Show your government-issued ID ▪ Show your driver's license We also collect your personal information from other companies.

Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> ▪ Sharing for affiliates' everyday business purposes – information about your creditworthiness ▪ Affiliates from using your information to market to you ▪ Sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
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Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ▪ <i>Cross Shore Capital Management, LLC, the investment adviser to Cross Shore Discovery Fund, could be deemed to be an affiliate.</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies</p> <ul style="list-style-type: none"> ▪ <i>Cross Shore Discovery Fund does not share with nonaffiliates so they can market to you.</i>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> ▪ <i>Cross Shore Discovery Fund does not jointly market.</i>

PROXY VOTING

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities and information regarding how the Fund voted those proxies during the most recent twelve month period ended June 30, is available without charge upon request by (1) calling the Fund at (844) 300-7828 and (2) from Fund documents filed with the Securities and Exchange Commission ("SEC") on the SEC's website at www.sec.gov.

TRUSTEES

Neil Kuttner, Chairman
David J. Gruber
Thomas E. Niehaus

OFFICERS

Neil Kuttner, Chief Executive Officer and President
Bryan W. Ashmus, Principal Financial Officer and Treasurer
Simon Berry, Secretary
Martin R. Dean, Chief Compliance Officer

INVESTMENT ADVISER

Cross Shore Capital Management, LLC
111 Great Neck Road, Suite 210
Great Neck, NY 11021

DISTRIBUTOR

Unified Financial Securities, LLC
9465 Counselors Row, Suite 200
Indianapolis, IN 46240

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Cohen & Company, Ltd.
1350 Euclid Avenue, Suite 800
Cleveland, OH 44115

LEGAL COUNSEL

Bernstein Shur
100 Middle Street P.O. Box 9729
Portland, ME 04104

CUSTODIAN

Huntington National Bank
41 South High St.
Columbus, OH 43215

FUND ACCOUNTANT

Citco Fund Services (USA), Inc.
3 Second Street, Harborside Plaza 10
Jersey City, NJ 07311

ADMINISTRATOR AND TRANSFER AGENT

Ultimus Fund Solutions, LLC
225 Pictoria Drive, Suite 450
Cincinnati, OH 45246

This report is intended only for the information of shareholders or those who have received the Fund's prospectus which contains information about the Fund's management fee and expenses. Please read the prospectus carefully before investing.

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