

The Torray Fund

Letter to Shareholders

July 19, 2017

Dear Fellow Shareholders,

In the first half of 2017, The Torray Fund gained 4.15%, compared to 9.34% for the Standard & Poor's 500 Index. Part of the difference is attributable to our significant cash balance for the period – opening at 18.5% before trending down to 13.4% at the close. Liquidity, of course, hinders short-term results when stocks are in a strong uptrend. As you are aware, our cash position typically builds when we believe fairly-valued investments are in short supply. Another feature of this year's market upturn has been the strength of shares trading at high price earnings ratios (P/E) on companies thought to have exceptional growth prospects. This is a category that we have avoided for nearly five decades. The relative outperformance of these shares was reflected in the disparity of returns through June 30 of this year. The Russell 1000 Growth Index advanced 13.99%, compared to a 4.66% return on the Russell 1000 Value Index.

The returns quoted represent past performance and do not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost.

Four stocks were sold (two of them spin-offs from existing portfolio holdings) and a number of partial sales occurred based on our judgment that valuations had outrun fair value. Proceeds from the sales, combined with a portion of cash reserves, were used to buy positions in American International Group (AIG), Berkshire Hathaway (BRK.B), General Motors (GM), KBR (KBR) and Viacom (VIAB). As a group these companies were acquired at an average forward P/E of 12, a meaningful discount to the estimated S&P 500 P/E of 17. Several of them have recently embarked on programs designed to improve profitability and redirect capital allocation; two have installed new management. While these moves will take time to develop, they create opportunities for long-term shareholders whose time horizon is outside that of most investors. On that note, the median holding period for our Fund's existing portfolio companies is almost eight years, well above the comparable average for U.S. equity funds.

Stocks are now in the eighth year of the bull market, which began in 2009, and major indices are at – or near – all-time highs. According to FactSet, the estimated S&P 500 P/E of 17, and its trailing P/E of 21, are near 10-year highs and above historic averages, supported by interest rates which remain at historically low levels. In such an environment, it is not surprising that we find fewer company shares on the “bargain counter” and a growing number of stocks seem to be priced for perfection. Nonetheless, no one knows what the market is likely to do in the short term, and we spend no time thinking about it.

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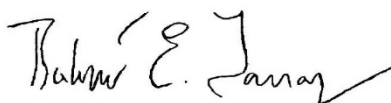
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Our objective remains the same – to invest in good businesses using a value-oriented strategy that focuses on limiting risk while building shareholder wealth over time. As always, we will exercise patience in deploying reserves, concerned more about the prudent growth of capital than comparisons to an index. We believe the Fund’s long-term record supports the wisdom of this approach.

In closing, we thank you for your trust and continued support.

Sincerely,



Robert E. Torray



Shawn M. Hendon

As of June 30, 2017, the percentage of the Fund’s net assets for the following were: American International Group 2.1%, Berkshire Hathaway 2.6%, General Motors 3.2%, KBR 2.1%, and Viacom 1.6%.

As of June 30, 2017	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>	Since Inception <u>(12/31/90)</u>
The Torray Fund	12.43%	12.56%	5.01%	10.05%
S&P 500 Index	17.90%	14.63%	7.18%	10.08%

The returns quoted represent past performance and do not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher. Returns current to the most recent month-end are available at www.torray.com. The returns shown do not reflect the deduction of taxes a shareholder would pay on the redemption of fund shares and distributions. The Fund’s annual operating expense ratio, as stated in the current prospectus, is 1.10%. Returns on both The Torray Fund and the S&P 500 Index assume reinvestment of all dividends and distributions. The S&P 500 Index is an unmanaged index consisting of 500 U.S. large-cap stocks.

Mutual fund investing involves risk including the possible loss of principal value. At times, the Fund’s portfolio may be more concentrated than that of a more diversified fund subjecting it to greater fluctuation and risk.

You should consider the Fund’s investment objectives, risks, charges and expenses carefully before investing. The prospectus contains this and other information about the Fund. For more information about The Torray Fund, including fees and expenses, or to receive a prospectus, please call us toll free at 855.753.8174.

Shares of The Torray Fund are distributed by Foreside Funds Distributors LLC, Berwyn, PA.