Evermore Global Value Fund

Portfolio Commentary: 2nd Quarter 2016

EVERMORE
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Dear Shareholder:

After a few months of relative calm in the global markets, volatility surged back at the end of the second quarter after UK citizens somewhat surprisingly voted to exit the European Union ("EU"). Much like the panic and stress during the first seven weeks of the year, the first few days following the so-called "Brexit" wreaked havoc on global markets. The range of perceptions post-Brexit vote is wide, as this is really uncharted territory. Yet there are many so called "experts" that are now speaking in absolutes about what the Brexit will mean. The fact is that the terms of the British exit from the EU have not even been negotiated yet, so the definitive perspective of what is good or bad in the long term is somewhat premature. What we do know is that each time investors are faced with a shock to the system and believe that "this time is different" and "it's the end of the world," their prognostications most often turn out to be flawed.

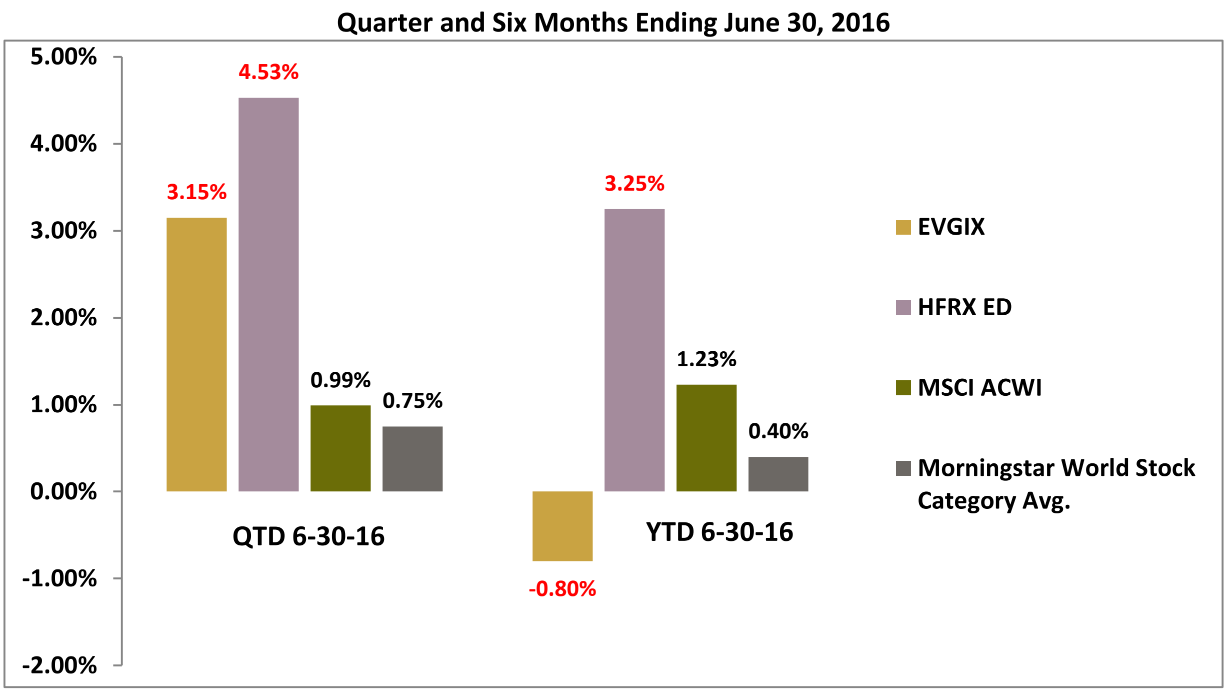
This most recent shock to the system once again provided us with opportunities to add to many of our existing positions at what we believe are very attractive prices. I recently had dinner with a legendary value investor who told me how he had recently started trading much more around his positions due to the increased volatility in the market. We have done the same over the past couple of years, and believe this has positively impacted the Fund's performance over that time. We cannot fight the volatility – but we can take advantage of it.

I feel it is important to reemphasize how investors need to take a deep breath during periods of crisis and resulting panic. One needs to assess the crisis, determine if it is real or not, and act accordingly. Most often, we have found that investors over-react to perceived crises and sell their positions indiscriminately, which in turn can provide fantastic buying opportunities for disciplined investors. Our approach has been to "nibble" in these situations and increase our positions modestly, so that we will have "dry powder" to continue to add to our existing positions or add new positions in the event of continued weakness in the markets. And, as we did in the first quarter, we did exactly that in Q2.

It is interesting to note that we have not owned any positions in the U.K. in the last several years, as the multiples have been too high for us. The environment for special situations has been more compelling in other European markets. With uncertainty around Brexit there will likely be ideas that are attractive in the U.K. if investors really sell holdings en masse. We are seeing the beginnings of this in the real estate sector there already.

I would like to note that is was reassuring to once again see a good number of our existing Fund shareholders proceed to opportunistically add to their Fund positions in the wake of the Brexit "crisis" just as they did in the early weeks of 2016.

Even with the short-term negative impact of the Brexit vote on the Fund's performance in late June, the Fund posted a strong quarter of performance. Please see the chart below for performance of the Fund's Institutional Class shares ("EVGIX"), the HFRX Event Driven Index ("HFRX ED"), the MSCI All Country World Index ("MSCI ACWI"), and the Morningstar World Stock Category Average for the quarter and six months ending June 30, 2016.



Morningstar World Stock Category Average represents an average of all the funds in the Morningstar World Stock Category.

*The performance data quoted represents past performance and is no guarantee of future results. 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. Current performance may be lower or higher than the performance data quoted. Performance data current to the most recent month end may be obtained by calling 866-EVERMORE (866-383-7667). The Fund imposes a 2% redemption fee on shares redeemed within 30 days. Performance data quoted does not reflect the redemption fee. If reflected, total returns would be reduced. Please **Click Here** for standardized performance of the Evermore Global Value Fund.*

As of June 30, 2016, the Fund had $316.8 million in assets, much of which continued to be invested in European special situations (see specific region concentration data in the table below).

__Portfolio Review – Characteristics__

The Fund ended the quarter with 36 issuer positions with the following geographic breakdown:

Region	% Net Assets
Europe	66.4%
U.S.	20.6%
Asia	7.2%
Other (Cash, Options, Hedges, etc.)	5.8%

Below are our quarter-end strategy classification breakdowns for our portfolio holdings, which we believe help present an informative picture of our concentrations.

Strategy Classification	% Net Assets
Restructuring/Recap	34.2%
Compounder	23.8%
Other Special Situations	22.0%
Breakup/Spinoff	9.5%
Liquidation	2.9%
Merger/Arbitrage	1.9%
Other (Cash, Options, Hedges, etc.)	5.8%

__Portfolio Review – New Investments__

The Fund's portfolio had four new issuer positions at quarter-end – B2 Holding ASA (Norway), Euronav NV (Belgium), Fagron NV (Belgium), and Siltronic AG (Germany). Beyond these new positions, we also added opportunistically to fourteen other existing positions, making for yet again another active quarter.

Fagron NV (FAGR BB) is €587 million ($651.4 million) market cap company based in Belgium. Founded in 1990, it is the global market leader in pharmaceutical compounding based on formulations developed by Fagron and compounds based on existing active pharmaceutical ingredients ("APIs") that are no longer patent-protected. The company also provides pharmaceutical raw materials and compounds to pharmacies and hospitals.

This investment is a financial and operational restructuring story that has had no coverage from sell-side analysts. Over the last several years, the company implemented an aggressive approach to build and grow via acquisitions its compounding business, especially in the US. This same acquisitive strategy propelled Fagron to become the market leader in Europe and Brazil. However, new FDA guidelines and unexpected reimbursement cuts in certain segments of Fagron's U.S. business led to an over-extended balance sheet and covenant breaches. Before we initiated our position, the company had lost over €1 billion of its equity value since August 2015.

To address this situation, a private placement was completed by a group of former shareholders that possessed an existing deep understanding of Fagron and its current situation. Among others, the investor group included a private equity firm that previously invested and realized substantial returns in Fagron, as well as the former CEO of Omega Pharma, which acquired Fagron and subsequently spun it out. In addition, a rights issue was recently completed in July which was already negotiated at the time of the private placement. With this new capital injection, Fagron was able to secure waivers with its lenders and extend the covenant holiday to 2021.

We believe that Fagron is significantly undervalued. At the time of our investment, it was implicitly trading at 7x extremely depressed EBITDA or over a 40% discount to our estimate of intrinsic value. We believe the new CEO, newly reconstituted board and aligned shareholder base will serve as catalysts to unlock the value of the company.

B2 Holding ASA (B2H NO) is a NOK 4.3 billion ($513.8 million) market capitalization Norway-based company, which purchases non-performing loans ("NPLs") from European financial institutions and attempts to collect on these debts via its network of in-house debt collection agencies. The Fund participated in B2 Holding's June initial public offering in which the company moved to the Oslo exchange (from the OTC market) and raised approximately NOK 685 million to fund the purchase of additional loan portfolios.

B2 Holding's opportunity set is enormous—the company seeks to exploit the approximately €1 trillion in face value of NPLs sitting on balance sheets across European financial institutions. Given Basel rules whereby unsecured NPLs generally carry punitive risk weightings for capital ratio calculations, these institutions are motivated to unburden their balance sheets of these inefficient assets. We believe the company, with a local presence of approximately 1,500 professionals across 12 countries, is very well-positioned to grow quickly in this high barrier to entry business. At the helm is a CEO/Chairman duo of Olav Dalen Zahl and Jon Harald Nordbrekken, both of whom have strong compensation incentives in place, and that as a team, founded and ran two successful European debt collection agencies in the past. B2 Holding trades at an approximate 40% discount to our estimate of NAV, though it is worth noting that equity holders in management's past two debt collection endeavors made multiples of their money.

Siltronic AG (WAF GY) is a €430 million ($477.2 million) market capitalization German manufacturer of hyperpure silicon wafers, a product which is present in all things electronic. The company, which is free cash flow positive and has a pristine balance sheet, is valued at just 1.8x Enterprise Value/EBITDA (trailing) and approximately one third of our estimate of replacement cost. We believe Siltronic's valuation is depressed for a number of reasons, including fears over excess industry capacity, exposure to Chinese demand for electronics, and lack of liquidity (after its June 2015 IPO, Siltronic is still 57.8% owned by its former parent).

Though cyclical and historically plagued by overcapacity, the global silicon wafer industry happens to be quite concentrated (whereby the top four players have a combined 80% market share). With this level of concentration, we believe the industry is approaching utilization rates tight enough to support increased pricing discipline, as continued demand for wafers is likely to be met with a continued dearth of capital spending among Siltronic and its peers. While this on its own could lead to the stock significantly re-valuing, we believe shares are cheap enough that any number of positive developments can serve as catalysts. For instance, the recent strength of the Japanese yen may exert pressure on the two largest industry players to raise prices (both are located in Japan and have a combined ~55% market share). Further, the industry exhibits potential for major industry consolidation (in which Siltronic could be involved). Any resultant pricing power stemming from consolidation (and any direct cost savings, should Siltronic merge with another wafer producer) would be transformative to the company. At more than a 40% discount to our intrinsic value estimate, and with many ways to win, we believe shares in Siltronic are compelling.

Euronav NV (EURN BB) is a €1.3 billion ($1.46 billion) Belgium based oil tanker company. The company's current transportation fleet includes 53 vessels, as well as 2 floating storage offshore vessels (FSOs). At the time we initiated our position, we believed we were buying the common stock at greater than a 50% discount to our intrinsic value estimate. We believe this investment is compelling for several reasons: (a) the public markets have confused the price of oil with the demand for oil transportation; (b) the crude oil tanker industry finds itself in a macroeconomic "sweet spot" right now irrespective of moves up or down in oil prices; (c) the valuation of Euronav is at an absolute and relative low level (presumably due to the above-mentioned confusion in the market); (d) the company's current level of profitability underwrites a reasonable margin of safety should the market fundamentals weaken substantially; and (e) we expect to collect approximately 20% of the current equity value in dividends over the next 12 months.

Portfolio Review – Investments Exited

During the quarter, we exited 3 long positions we held at the end of the first quarter – LSB Industries Inc. (U.S.), Saltängen Property Invest AB (Sweden), and Voya Financial Inc. (U.S.).

We exited **LSB Industries (LXU US)** during the quarter at a substantial profit. Ultimately, the catalysts we laid out in our last two commentaries largely materialized during the quarter. First, the company's major El Dorado plant expansion was completed successfully, which is poised to transform the earnings power of the company. In addition, the company announced the tax-efficient sale of its climate control business for $364 million in an all-cash deal. The sale, which closed subsequent to quarter-end, will serve to dramatically de-lever the company's balance sheet. Though we believe the company's remaining chemical assets are likely to attract interest from larger strategic investors, we nevertheless took advantage of the market's enthusiastic reaction to the above events and exited the position close to our intrinsic value estimate.

We exited **Saltängen**, a single asset REIT in Sweden, with a long term gain. **Voya** has evolved nicely post its spinoff from ING Groep. We decided to exit these positions to deploy the capital to positions that became more compelling in the midst of the market volatility during the quarter.

Portfolio Review – Top Contributors/Detractors

Our top five contributors and detractors to performance during the quarter were:

Top Contributors	Top Detractors
Enzo Biochem Inc. (U.S.)	Telecom Italia S.p.A. (Italy)
Fagron (Belgium)	NN Group NV (Netherlands)
LSB Industries, Inc. (U.S.)	Bolloré SA (France)
Nobina AB (Sweden)	Sonae SGPS SA (Portugal)
Fidelity National Information Services Inc. (U.S.)	Scorpio Bulkers Inc. (Monaco)

Our biggest contributor to performance during the quarter was **Enzo Biochem (ENZ US)**, a leading molecular diagnostics company and operator of state-of-the-art clinical labs in New York and New Jersey. In June, the company announced double digit revenue growth in the year-over-year and quarter-over-quarter periods, and also announced New York State approval of a new women's health test that utilizes the company's proprietary technology. The company continues to successfully settle patent infringement cases for considerable sums and announced another $21 million settlement in early July. The company still has 5 (of their original 11) patent cases outstanding. Enzo has close to 40% of its market cap in net cash as a result of these settlements and we expect this number to continue to grow.

Our biggest detractor to performance during the quarter was **Telecom Italia S.p.A. (TIT IM)**, one of the leading telecom operators in Italy. The weakness in the stock price was driven mainly by concerns surrounding the European Union regulators taking a tougher stance on telecom consolidations (i.e. the negative read from the proposed merger between Telefonica's O2 UK and CK Hutchison's 3 UK telecom operators that was recently blocked by the regulators) and the potential entry of a fourth operator to Italy's mobile market. Despite the recent disappointing news flow, we believe the new CEO, Flavio Cattaneo will implement aggressive cost cutting measures and pursue other compelling strategic initiatives to unlock value. We are closely monitoring the situation that is unfolding and continue to opportunistically take advantage of the share price weakness.

Closing Thoughts

Although Europe still has many question marks, we continue to believe that by focusing on specific corporate catalysts (e.g., operational and financial restructurings, including management changes, asset sales, spin-offs, share buybacks, M&A, etc.) as a path to value creation, you are given more chances to succeed in today's environment. Furthermore, we believe that opportunities for the types of special situations investments we make will continue to exist regardless of the Brexit, political elections, or other major macro events that will occur in the future.

While investors always believe that the crisis of the day is "different this time," the fact is that it rarely is. Of course, each new crisis is "different," but in the end we have found these have often turned out to be wonderful opportunities to buy when others are in panic mode.

We continue to be excited about the opportunity set in Europe, and as such my team and I plan to head to Europe at least twice prior to year-end. We will report back our observations on the first of these trips in our next letter.

Sincerely,

David E. Marcus
Portfolio Manager

Evermore Global Value Fund
Position Activity for the Quarter Ended June 30, 2016

New Positions

Security	Security Type	Quantity
B2 Holdings AS	Common Stock	4,964,255
Euronav NV	Common Stock	327,443
Fagron	Common Stock	909,338
Fagron	Rights	909,338
Scorpio Bulkers (SALT) 7.5% 9/15/19	Preferred Stock	51,680
Siltronic AG	Common Stock	375,800

Positions Increased

Security	Security Type	Quantity
Ainmt AS	Common Stock	120,330
Ambac Financial Group Inc.	Common Stock	20,224
Aurelius AG	Common Stock	8,172
Bolloré SA	Common Stock	315,873
Eurazeo SA	Common Stock	7,928
Exor S.p.A.	Common Stock	9,100
Fidelity National Information Services Inc.	Common Stock	4,509
Manitowoc Foodservice Inc.	Common Stock	25,190
Mutares AG	Common Stock	20,104
NN Group NV	Common Stock	27,262
Par Pacific Holdings Inc.	Common Stock	43,400
Scorpio Bulkers Inc.	Common Stock	1,127,573
Telecom Italia S.p.A.	Common Stock	2,518,300
Vivendi SA	Common Stock	18,400

Positions Entered and Exited

Security	Security Type	Quantity
Grieg Seafood ASA	Common Stock	1,340,000
Visa Inc - Class A Shares	Common Stock	19,750

Positions Exited

Security	Security Type	Quantity
LSB Industries Inc.	Common Stock	(430,013)
Saltangen Property	Common Stock	(21,555)
Voya Financial Inc.	Common Stock	(258,700)

Short Positions Exited

Security	Security Type	Quantity
Statoil ASA		49,000

Positions Decreased

Security	Security Type	Quantity
Enzo Biochem Inc.	Common Stock	(196,500)
Fomento de Construcciones y Contratas SA	Common Stock	(655,300)
Lifco AB - B Shares	Common Stock	(77,836)
Marine Harvest ASA	Common Stock	(331,641)
Selvaag Bolig ASA	Common Stock	(400,000)
WP Glimcher Inc.	Common Stock	(361,582)

Evermore Global Value Fund
Portfolio Holdings as of June 30, 2016

	Country	% Net Assets
Consumer Discretionary		**9.87%**
Vivendi SA	France	4.56%
Universal Entertainment Corp.	Japan	2.40%
K1 Ventures Ltd.	Singapore	1.72%
Retail Holdings NV	Hong Kong	1.19%
Consumer Staples		**2.76%**
Marine Harvest ASA	Norway	1.82%
Sonae SGPS S.A.	Portugal	0.94%
Telecom Services		**7.52%**
Telecom Italia S.p.A.	Italy	4.30%
AINMT AS	Norway	3.23%
Industrials		**30.71%**
Bolloré SA	France	4.18%
Hapag-Lloyd AG	Germany	3.33%
Manitowoc Foodservice, Inc.	USA	3.26%
Exor S.p.A.	Italy	3.22%
Nobina AB	Sweden	3.13%
Scorpio Bulkers Inc.	Monaco	3.06%
CFE	Belgium	3.02%
Ackermans & van Haaren NV	Belgium	1.94%
CK Hutchison Holdings Ltd.	Hong Kong	1.88%
ThyssenKrupp AG	Germany	1.64%
Maire Tecnimont S.p.A.	Italy	1.06%
F.C.C.	Spain	0.99%

	Country	% Net Assets
Healthcare		**12.39%**
Enzo Biochem, Inc.	USA	5.67%
Lifco AB-B	Sweden	3.92%
Fagron	Belgium	2.80%
Financials		**22.28%**
Aurelius AG	Germany	4.71%
NN Group NV	Netherlands	4.43%
Ambac *(Equity + Warrants)*	USA	3.98%
Eurazeo SA	France	2.96%
B2 Holding AS	Norway	2.27%
WP Glimcher, Inc.	USA	1.30%
Selvaag Bolig ASA	Norway	1.07%
Mutares AG	Germany	0.97%
WMIH Corp.	USA	0.59%
Information Technology		**5.80%**
Fidelity National Info Svcs	USA	3.90%
Siltronic AG	Germany	1.90%
Energy		**2.84%**
Par Pacific Holdings, Inc.	USA	1.89%
Euronav NV	Belgium	0.95%
Materials		**0.00%**

	Country	% Net Assets
Utilities		**0.00%**
Hedges*		**0.52%**
Multiple Hedges		0.52%
Cash & Equivalents		**5.31%**
Cash		5.31%

* Hedges include: GLD 9/16/16 C127; XLF 10/21/16 C24; TLT 12/16/16 C141; IWM 10/21/16; GLD 10/21/16 C128; OIL 9/16/16 P6; HYG 9/16/16 P81; TIP 12/16/16 C117; IWM 10/21/16 P102; FXE 9/16/16 P108; SPY 10/21/16 P191; FXF 9/16/16 C102; SLV 12/30/16 P16.5; HYG 9/16/16 P80; FXY 9/16/16 C92; FXE 12/16/16 P106; TIP 9/16/16 C116; SPY 8/19/16 P200; FXB 7/15/16 C146

Fund holdings and sector allocations are subject to change at any time and should not be interpreted as an offer of these securities.

Financial Sector Breakdown

Opinions expressed are those of Evermore Global Advisors and are subject to change, are not guaranteed and should not be considered investment advice.

MSCI All Country World Index is an unmanaged index comprised of 48 country indices, including 23 developed and 25 emerging market country indices, and is calculated with dividends reinvested after deductions of holding tax. The index is a trademark of Morgan Stanley Capital International and is not available for direct investment.

HFRX Event Driven Index – Hedge Fund Research, Inc. (HFR) utilizes a UCITS compliant methodology to construct the HFRX Hedge Fund Indices. The methodology is based on defined and predetermined rules and objective criteria to select and rebalance components to maximize representation of the Hedge Fund Universe. The HFR Event Driven (Total) Index is being used under license from Hedge Fund Research, Inc. which does not approve or endorse Evermore Global Value Fund.

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) – essentially net income with interest, taxes, depreciation, and amortization added back to it, and can be used to analyze and compare profitability.

Free Cash Flow (FCF) - a measure of financial performance calculated as operating cash flow minus capital expenditures. Free cash flow (FCF) represents the cash that a company is able to generate after laying out the money required to maintain or expand its asset base.

Intrinsic Value – the actual value of a company or an asset based on an underlying perception of its true value including all aspects of the business, in terms of both tangible and intangible factors.

Fund holdings and sector allocations are subject to change at any time and should not be considered recommendations to buy or sell any security. Current and future portfolio holdings are subject to risk.

Please **click here** for the most recent holdings of the Global Value Fund.

Mutual fund investing involves risk. Principal loss is possible. Investments in foreign securities involve greater volatility and political, economic and currency risks and differences in accounting methods. This risk is greater for investments in Emerging Markets. Investing in smaller companies involves additional risks such as limited liquidity and greater volatility than larger companies. The Fund may make short sales of securities, which involve the risk that losses may exceed the original amount invested in the securities. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investment in lower-rated, non-rated and distressed securities presents a greater risk of loss to principal and interest than higher-rated securities. Due to the focused portfolio, the fund may have more volatility and more risk than a fund that invests in a greater number of securities. Additional special risks relevant to the fund involve liquidity, currency, derivatives and hedging. Please refer to the prospectus for further details.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund before investing. This and other important information is contained in the Evermore Fund's statutory and summary prospectus, which may be obtained by contacting your financial advisor, by calling Evermore Global Advisors at 866-EVERMORE (866-383-7667) or on www.evermoreglobal.com*. Please read the prospectus carefully before investing.*

Please note that the following exchange rates were used to convert the foreign currencies discussed in this document (as of 6/30/16): Euro (1.1097547442) and Norwegian Krone (0.1194921583).

You cannot invest directly in an index.

Evermore Global Advisors, LLC is the advisor to the Evermore Global Value Fund which is distributed by Quasar Distributors, LLC.