Evermore Global Value Fund

Portfolio Commentary: 1st Quarter 2017

Dear Shareholder:

The first quarter of 2017 was a solid start to the year for the Evermore Global Value Fund and generally for U.S. and global markets as well. The "Trump Rally" continued unabated in spite of increased foreign policy concerns regarding the situations in Syria and North Korea. European markets were up nicely overall in the face of the initial steps by the U.K. (triggering Article 50) to kick-off the process to leave the European Union (EU).

The most significant gains in the Fund's portfolio were generated from its European holdings and in particular, from its marine transportation holdings, which produced 3 out of the top 5 contributors to performance in the quarter. On the negative side, the Fund's biggest hit to performance came late in the quarter after a short-selling research boutique, issued a report stating why they had taken a new short position in Aurelius Equity Opportunities SE, the German private equity investment firm and holding of the Fund. I will provide more details about the situation later in this letter.

While we are not thematic investors there are times where we find opportunities in several companies in a given industry/sector. This has been the case with shipping and, more specifically, in the Dry Bulk sector. We normally shy away from cyclical businesses, but, when assets and asset values get to the point of extreme distress, we will roll up our sleeves and look to learn more. Just over a year ago, right about the time market fears were focused on the slowdown in Chinese growth, we started to look closely at the companies impacted by the carnage unfolding in the dry bulk cargo arena. Historically, like many cyclical/commodity type businesses, this sector has gone through good and bad times. For some context, dry bulk shipping was extremely profitable for quite some time in the years leading up to the US and European financial crises. As a result, many of the industry players decided to order new cargo ships. New shipyards began popping up in Korea and China. This led to new entrants, overbuilding and a huge oversupply of vessels, just as China was seeing their aforementioned slowdown. The industry imploded, sending day rates sharply lower, and shipper balance sheets down the sewer with them. The stock prices followed and in some cases were down over 90%. Investors were literally abandoning ship.

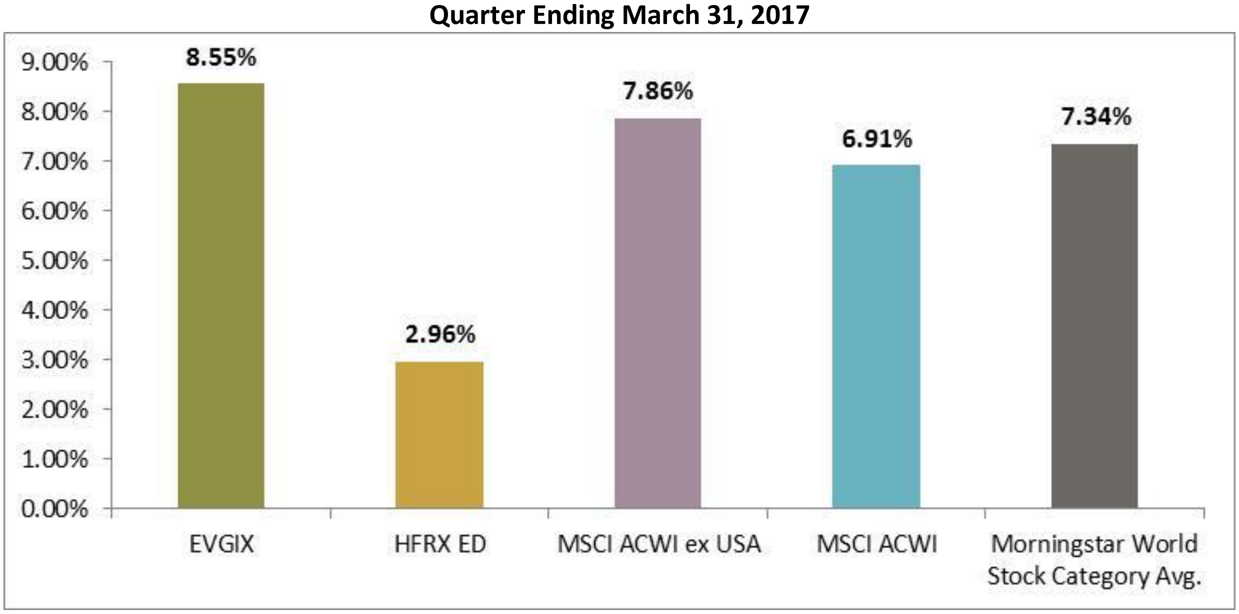
As we began exploring companies in this sector, we quickly understood that the good companies (e.g., those with strong management, younger fleets of ships, solid cost management practices) were being valued in the market at the same levels as the companies that might not make it (e.g., ones with poor cost controls, older ships, and weaker management). In order to best take advantage of the opportunities in this sector, we focused on initially getting involved on the recapitalization of a select few balance sheets -- a situation where prior equity owners were being diluted, but where we could come in after the dilution as significant shareholders. We learned, watched and waited until we felt it was the right time. We took advantage of recaps in Scorpio Bulkers and Safe Bulkers in 2016 and again in this quarter with Navios Maritime Partners. Also during the quarter, we had the opportunity to invest in Songa Bulk as it was being created to purchase ships from distressed sellers. More on this later where I discuss our new Fund investments.

The key for our shareholders to remember is that we aim to be patient and to methodically take advantage of opportunities that arise from the carnage. Today, with stronger balance sheets, we believe these companies are well positioned to weather another crisis, given just how much work they have done, and, how much the industry has changed in just twelve months. As shipyards have failed or closed, and scrapping of older (less efficient) ships has increased, the supply imbalance has shifted dramatically. We have seen compelling returns in these companies and believe we are still in the early stages of their specific transformations and consolidation in this industry.

Investment Performance

The Evermore Global Value Fund posted a good quarter of absolute and relative 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 ex USA ("MSCI ACWI ex USA"), the MSCI All Country World Index ("MSCI ACWI"), and the Morningstar World Stock Category Average for the quarter ending March 31, 2017.

Quarter Ending March 31, 2017



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 90 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 March 31, 2017, the Fund had $440.4 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 35 issuer positions and the following geographic and strategy classification breakdowns:

Region	% Net Assets	Strategy Classification	% Net Assets
Europe	69.9%	Restructuring/Recap	47.3%
U.S.	16.4%	Other Special Situations	21.1%
Asia	8.7%	Compounder	20.3%
Other (Cash, Options, Hedges, etc.)	5.1%	Breakup/Spinoff	5.0%
		Liquidation	1.2%
		Merger/Arbitrage	0.0%
		Other (Cash, Options, Hedges, etc.)	5.1%

Portfolio Review – New Investments

The Fund ended the first quarter with three (3) new issuer positions – MagnaChip Semiconductor Corporation (U.S.), Navios Maritime Holdings Inc. (Greece), and Songa Bulk AS (Norway).

MagnaChip Semiconductor Corporation (MX US)

Korea-based MagnaChip (MX) is a $320 million market capitalization designer and manufacturer of analog and mixed-signal semiconductors. In addition to manufacturing its own semiconductors, its two foundries also serve as third party device manufacturers for other semiconductor customers (i.e. customers without their own foundries).

In an increasingly technological world, analog and mixed signal integrated circuit manufacturing capacity has become tight. Amid this backdrop, MX's third party Foundry Services Group segment has seen its capacity utilization increase by nearly 50% over the last few quarters, leading to a commensurate boost to segment gross margins. Meanwhile, in its proprietary segment, MX has emerged a leader in highly specialized (AMOLED) display drivers, and has had explosive sales growth (+125% year over year) as a result. Given its significant intellectual property and technological know-how, MX should continue to benefit from increased demand growth for these AMOLED display panels.

While MX's profit engine has been firing on all cylinders, the market has not been paying much attention. We believe shares may still be tainted from the company's 2009 bankruptcy or its lengthy accounting restatement beginning in 2014 (the blame for which rests with prior management). There may also be some shareholder activism fatigue as a recent strategic review failed to culminate in an outright sale of the company.

Though industry trends appear favorable going forward, company management (which we assess as top-notch) is hardly complacent. They are engaging in a second round of aggressive cost-cutting while shifting what remains of internally-manufactured AMOLED designs to external foundries. This will not only boost gross margins, but should also free up foundry capacity to make room for additional third party foundry business.

At our cost basis, MX's stock trades for just 7x our estimate of next year's earnings, or more than a 40% discount to our estimate of NAV. Viewed differently, applying recent transactional metrics to MX's capacity implies investors are getting MagnaChip's thriving AMOLED display business for free. Additional catalysts include the recent initiation of a meaningful share repurchase program, as well as the company's first round of investor outreach since 2013.

Navios Maritime Partners (NMM)

Navios Maritime Partners is a Greek dry bulk and container vessel operator with a market cap of $280 million. It has a modern diverse fleet of 31 vessels comprised of 24 high-quality dry bulk vessels with an aggregate capacity of 2.7 million deadweight tons and 7 container vessels with a total capacity of approximately 50,400 twenty-foot equivalent units.

We participated in a $100 million equity offering in mid-March, the proceeds of which will be used to opportunistically buy second-hand dry bulk vessels. This placement was offered on a limited basis to existing shareholders and select new investors (including Evermore) that have an extensive knowledge base about the company and the dry bulk market. The underwriter's book was oversubscribed and ultimately was not opened for broader market participation. The new shares were priced at a 16% discount to the previous closing price, or a 20% discount to the 52-week high that was reached two days prior to the announcement. We took advantage of this mispriced deal that implicitly "created" the company at approximately 0.8x Price/Net Asset Value, one of the cheapest dry bulk companies in the sector. NMM operates on a unique platform where the contracted revenues from their container vessels provide stable cash flow and substantially lowers the effective cash breakeven level. During 2016, the company successfully refinanced its balance sheet and has a solid financial footing with a liquidity runway through the second half of 2020. We took this opportunity to take advantage of a situation that to us is clearly mispriced and likely ignored or misunderstood by investors in general.

Songa Bulk (SBULKME NO)

Also during the first quarter, we initiated a position in Songa Bulk, a new dry bulk shipping entity formed in November 2016 by Arne Blystad, a highly-regarded Norwegian shipping investor, and CEO, Herman Billung, the former CEO of Golden Ocean (another successful Norwegian bulk operator). The company has a simple three-pronged strategy: (1) take advantage of the current pricing dislocation in second-hand versus new-build vessel values to opportunistically buy second-hand tonnage; (2) use only equity funding initially and place the ships on 1-year time charter contracts to reduce operational and financial risk; and (3) sell assets once dry bulk fundamentals improve in order to return the monetized value to shareholders through dividends and share buybacks within a targeted 2-year period.

We have met with Herman Billung on many occasions, but initially passed on the first $75 million private placement that took place last November. While we had a high level of confidence in management, we wanted to closely monitor the situation and assess management's ability to execute before getting involved.

In February 2017, Songa Bulk came back to the market to raise another $100 million to fund additional second-hand acquisitions. The deal was priced at NOK 42.00 ($4.89), the same price as their November placement, but now at a 5.6% discount to the previous closing price, or about, 1x Price/NAV. We participated in the February capital raise because the company now had a comparatively lower risk profile given management's successful execution to date. Since the inception of our position through the end of the first quarter, Songa successfully acquired five vessels, all of which have secured contracted revenues, at extremely attractive prices.

Finally, Songa has been initially listed on the Norwegian Merkur (OTC) market. The Company is targeting to list on the regular Oslo Axess exchange by the second or third quarter of 2017, which should bring the company to more radar screens.

Portfolio Review – Investments Exited

During the quarter, we exited one U.S. position, Fidelity National Information Services, Inc., at a nice long term gain. We sold the position in order to deploy the capital into other opportunities.

Portfolio Review – Top Contributors/Detractors

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

Top Contributors	Top Detractors
Scorpio Bulkers — **Dry Bulk Carrier (Monaco)**	Ambac — **Municipal Bond Insurer (United States)**
Trades below carrier replacement value; recapitalization; radical cost cutting	Municipal business in run-off; potentially significant litigation settlements
AINMT — **Wireless Telecommunications Provider**	Aurelius — **Business/Company Acquisition & Restructuring (Germany)**
Misunderstood telecom provider with potential for spin-offs, an exchange listing and rapid international expansion	Acquirers of broken businesses for little to no cash and fix them; Compounder investors

Top Contributors (continued)		Top Detractors (continued)	
Enzo	CLINICAL LABS & DIAGNOSTICS (UNITED STATES)	BARNES & NOBLE education	COLLEGE BOOKSTORE AND SPECIALTY RETAIL OPERATOR (UNITED STATES)
Misunderstood sum-of-the-parts valuation; patent portfolio enforcement potential		Restructuring; college bookstore management and textbook rental expansion	
SAFEBULKERS	DRY BULK CARRIER (GREECE)	codere	GAMING (SPAIN)
Recapitalization with long debt repayment runway; low-cost dry bulk operator with a modern fleet of cargo ships		Post-Reorg equity undergoing a major recapitalization,	
Hapag-Lloyd	CONTAINER LINER SHIPPING COMPANY (GERMANY)	marineharvest	FARMED SALMON PRODUCTS (NORWAY)
Major operational and financial restructuring underway		Global leader of farmed salmon products; vertical integration underway	

Scorpio Bulkers (SALT)

Our investment in Scorpio Bulkers was the biggest contributor to performance in the first quarter, with its stock price increasing approximately 80% during the quarter. Scorpio Bulkers is a $690 million market cap dry bulker with 47 modern vessels on the water and 1 Kamsarmax new-build that will be delivered in the second quarter of 2017. During the quarter, the company took delivery of 5 new-build vessels and management was able to reach agreements with the shipyards to further reduce the price on 2 vessels by $5 million in aggregate. The company also recently put six vessels into short-duration charters for Q1 2017 through Q3 2017 at attractive daily rates.

The company has approximately $142 million of cash on their balance sheet and is very well positioned with excess liquidity and modest leverage (50% loan-to-value ratio). Industry fundamentals continue to improve with both daily rates (across all fleet sizes) steadily rising and asset values slowly increasing as underscored by recent transactions for second-hand tonnage.

AINMT AS (AINMT NS)

AINMT was the Fund's second largest contributor to quarterly performance, with its stock price appreciating over 40% during the quarter. The company continues to execute in line with its lofty goals, and the market has begun to take notice. During the quarter, the company announced a number of operational milestones, including approximately 300,000 gross subscriber adds per year in its Norwegian mobile telephony business and the migration of its Norwegian mobile telephony business to AINMT's own systems. They also benefitted from, a ruling of "tech neutrality" for 450MHz bandwidth by the Indonesian telecom regulator (paving the way for 4G/LTE connections on AINMT's spectrum). Further, the company was awarded additional spectrum in the Philippines.

We believe AINMT continues to trade at a significant discount to its NAV, and that a number of potential catalysts for shares continue to exist. These include a spin-off of AINMT's international business to shareholders, entry into additional international markets, an up-listing of shares from the OTC market, and the widespread adoption of 450MHz capabilities into mobile handsets.

With respect to the last point, we believe that should these higher bandwidth capabilities in handsets become standardized, AINMT would be able to offer additional wireless services in its international markets and reduce network costs in its Norwegian mobile telephony operations. It is worthwhile to note that in our original investment thesis, we did not ascribe any value to the potential for mobile handset 450MHz connectivity.

Aurelius Equity Opportunities SE (AR4 GY)
Aurelius was the largest detractor to Fund performance in the first quarter falling over 20% in the period. Aurelius is a German publicly traded private equity firm that seeks to buy non-core, non-performing assets often from large conglomerates and works on turning the companies around. The company will only purchase businesses when the problems are the kind they have the expertise to solve. They do not typically pay much, if anything, for these assets and even sometimes get paid to acquire assets. As an example, in 2016, Aurelius acquired the European operations of Office Depot, which had approximately $2.25 billion of revenues, for nominal consideration. We believe that Aurelius' founder and CEO, Dirk Markus, is a proven value creator, who will continue to take advantage of the opportunities that the high level of restructuring activity in Europe and even Brexit may present.

In late March, a short-selling firm issued a report stating why they had taken a short position in Aurelius. The company's stock tumbled over the next couple of days before showing a slight movement higher. We carefully evaluated the report and felt that most of their allegations were off the mark and without merit. We also carefully evaluated the company's formal response, which we found to be an excellent rejoinder to most of the claims. The company's response, along with conversations we have had with the company and other market constituents, continue to give us confidence in our investment in the company. We used the decline in the company's stock price as an opportunity to add to our Aurelius position, and learned a few days later that the short seller had apparently covered most of their short position far away from their stated target price.

We continue to believe in the value of Aurelius' business model and their solid history of value creation.

Ambac Financial Group Inc. (AMBC)
Ambac was another detractor to performance during the first quarter. The overall weakness in the stock price was due a confluence of factors, but much of the decline started in mid-December when Nadar Tavakoli was forced to resign from his CEO position. In addition, the debt concerns stemming

from Puerto Rico began to resurface as creditor negotiations were underway. Further, the lack of clarity on the timing of the rehabilitation exit and potential disruptions from a CEO transition exacerbated the situation.

We have recently met with the new CEO, Claude LeBlanc, who was previously the CEO of Syncora, an insurance holding company that underwent similar restructuring initiatives. Claude oversaw the restructuring of preferred and senior tranches of debt, commutated guarantees and successfully restructured Syncora resulting in the share price to appreciate from $0.25 to over $2.00 today. We believe Claude is a very capable, proven value creator that will continue the positive trajectory of the company. We added opportunistically to our position during the quarter.

Closing Thoughts

Overall, the first quarter was a good quarter for the Fund. I do, however, believe that the U.S. and global stock markets could see considerable volatility throughout the remainder of this year, as the Trump administration continues to pursue major domestic policy initiatives, while having to deal with serious foreign policy matters involving North Korea, Syria, Russia and China. In addition, yet another wave of important elections are set to take place across Europe over the coming months with nationalist, anti-EU candidates seemingly positioned to make strong showings. But, as I have said on many occasions, with volatility comes opportunity, so stay tuned.

Finally, in other positive news, there continues to be developments in Japan that have sparked our interest. Prime Minister Shinzo Abe's administration has been focused on helping companies improve returns to shareholders. This month, companies in Japan are now able to spin-off businesses to shareholders tax-free under new tax rules that were recently adopted. This could provide the Fund with a new set of investment opportunities and Japan might finally emerge from its reputation as a "value trap" market over the past several decades. We plan on paying at least one visit this year to the region.

As always, we thank you for your continued confidence and support.

Sincerely,

David E. Marcus
Portfolio Manager

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.

MSCI ACWI ex-US Net Index is a free float-adjusted market capitalization weighted index designed to measure the equity market performance of developed and emerging markets, excluding the U.S. The Index consists of 45 developed and emerging market countries. The Index is net of foreign withholding taxes on dividends.

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.

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.

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 3/31/17): Euro (1.0668032175) and Norwegian Krone (0.1164659570).

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.