Evermore Global Value Fund

Portfolio Commentary: 1st Quarter 2018

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Dear Shareholder:

The first quarter of the year was rocky as investors witnessed volatility the likes of which haven't been seen over the past couple of years. As a result, global markets were generally down during the first quarter, with talk of tariffs at least partially to blame. Amidst this heightened market anxiety, we had no shortage of ideas and found several new investments to make on three continents, and, as we have done frequently in the past, took advantage of the volatility and "nibbled" by adding to many of our existing positions at lower prices. Despite the volatility and general stock market declines across the globe, our positions held up relatively well in the first quarter. Also note that our peripheral portfolio hedges contributed to performance during the period.

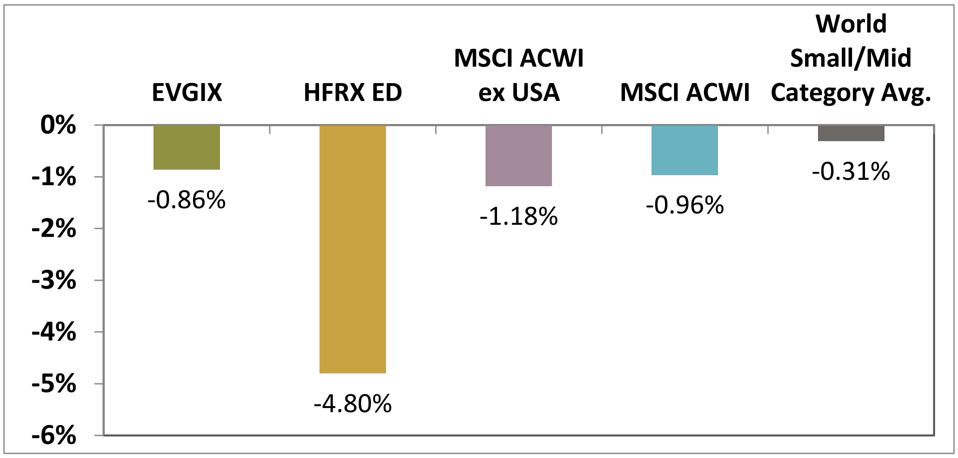
In late March, senior research analyst Tommy O and I made another visit to Europe, where we had numerous meetings with CEOs of existing and prospective portfolio companies in Oslo, London and Paris. We also had the opportunity to meet with two of the great value creators in Europe – John Fredriksen and Vincent Bolloré – two men who generally do not meet with investors. We first met with John Fredriksen, the richest person in Norway, who further educated us on not just the marine transport and drilling companies he controls, but the global marine transport and drilling industries as a whole. As we own several companies in these industries, including Fredriksen-controlled Frontline Ltd., this meeting was invaluable.

We also were fortunate to meet again with Vincent Bolloré who controls both Bolloré SA and Vivendi SA, two of the largest holdings in the Evermore Global Value Fund. I always value his perspectives on media and communication assets, but was also especially interested in his insights on Africa where Bolloré SA has significant port and logistics operations. All in all, it was another fantastic trip that reinforced our belief that catalyst-driven special situation opportunities remain abundant in this region for those investors with a discerning eye.

Investment 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 Small/Mid World Stock Category Average for the quarter ending March 31, 2018.

Quarter Ending March 31, 2018



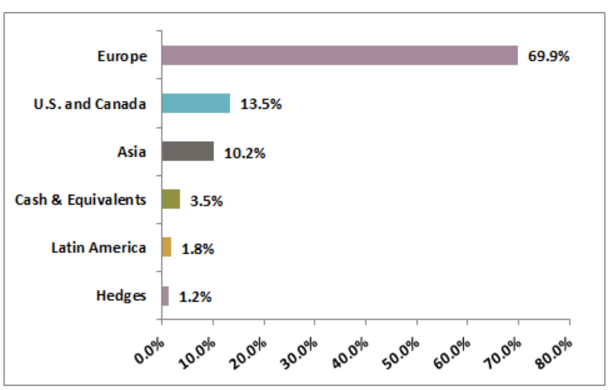
Morningstar World Stock Category Average represents an average of all the funds in the Morningstar World Stock Category.

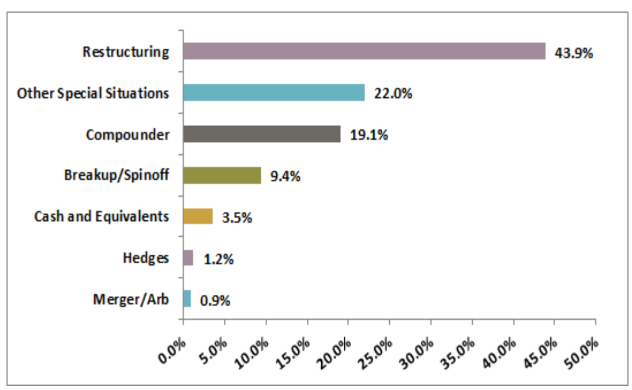
The performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance 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, 2018, the Fund had $646.2 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 38 issuer positions and the following geographic and strategy classification breakdowns:





Portfolio Review – New Investments

The Fund added three (3) new issuer positions during the quarter – **Altice NV** (France), a French telecom and media conglomerate operating in France, Portugal, Israel, the U.S., and Caribbean; **Avaya Holdings Corp.** (U.S.), a global leader in digital communications software, services and devices for businesses of all sizes; and **Salmones Camanchaca SA** (Chile), a Chilean farmer and distributor of Atlantic salmon and trout. We will highlight Avaya Holdings in this commentary.

Avaya Holdings Corp. (AVYA US) is a leading global provider of call center and unified communications products and services. Its offerings span software, hardware, professional and support services, and cloud services. The company has a very strong presence among large enterprises, and, during the past three fiscal years, has serviced more than 90% of the top Fortune 100 organizations.

Spun out of Lucent Technologies in 2000 and subject to a leveraged buyout in 2007, Avaya filed for Chapter 11 bankruptcy protection in January 2017, the result of a crippling debt burden, onerous off-balance sheet liabilities, and deteriorating trends in its legacy unified communications business. The reorganization process gave the company a new lease on life and in December 2017 the company reemerged with a much stronger credit profile, as net debt has been cut in half to ~$2.5 billion (or ~3x 2018 EBITDA) and its under-funded U.S. pension obligation has been slashed by about 75%. In all, the restructuring of these liabilities translates to a per annum cash savings of ~$300 million from pre-petition levels.

We initiated a position in Avaya in January prior to its listing on the New York Stock Exchange. We believe the results of the restructuring have allowed the company to begin to play "offense" for the first time in many years. We expect Avaya to generate close to $300 million of normalized free cash flow in 2018, largely reinvesting that cash in initiatives aimed at building out the company's cloud business unit. In particular, Avaya believes the public cloud is a ~$50 billion market opportunity that has only been approximately 10% penetrated today. With a reinvigorated and aggressive approach, along with the financial flexibility afforded by the restructuring, we believe Avaya will be a major player in the growth of that market for years to come. And, with the stock trading at around 9x our estimate of 2018 free cash flow, we believe we aren't paying much for future growth in its cloud unit. At our initial purchase price, the company was trading at more than a 50% discount to our estimate of its intrinsic value.

Portfolio Review – Investments Exited

During the quarter, the Fund did not exit any positions.

Portfolio Review – Top Contributors/Detractors

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

Top Contributors	Top Detractors
UNIVERSAL ENTERTAINMENT — GAMING (JAPAN)	Enzo — CLINICAL LABS & DIAGNOSTICS (UNITED STATES)
Catalysts include undervalued assets in Japan and Philippines; listing of Philippines casino; and litigation play	Misunderstood sum-of-the-parts valuation; patent portfolio enforcement potential
codere — GAMING (SPAIN)	Nilfisk — CLEANING EQUIPMENT MANUFACTURER (DENMARK)
Post-Reorg equity undergoing a major restructuring, including management changes	New management; non-core asset sales and a possible merger
EXOR — INDUSTRIAL CONGLOMERATE (ITALY)	N — WIRELESS TELECOMMUNICATIONS PROVIDER (NORWAY)
Complex, misunderstood and mispriced Compounder run by Agnelli family member John Elkann	Misunderstood telecom provider with potential for spin-offs, an exchange listing and rapid international expansion
FAGRON — PHARMACEUTICAL COMPOUNDING (BELGIUM)	XPERI — TECHNOLOGY PRODUCTS (UNITED STATES)
Financial and operating restructuring	Evolving lines of business, strong cash flow generation and patent enforcement potential
Salmones Camanchaca — INDUSTRIAL FISHING (CHILE)	thyssenkrupp — INDUSTRIAL CONGLOMERATE (GERMANY)
Unique beneficiary of Chile's new fish farming regulatory framework	Asset sales, steel joint venture, continued significant cost-cutting

Universal Entertainment (6425 JP) is a leading developer and manufacturer of pachinko and pachislot gaming machines in Japan. It is also the owner and operator of Okada Manila, one of the largest casinos in the Philippines. Universal was the top contributor to Fund performance during the quarter (+17.5%). A notable development during Q1 was the long awaited $2.63 billion cash settlement related to the litigation against Wynn Resorts. Universal shares started to react positively ahead of the scheduled April trial date on the news of Steve Wynn's departure from Wynn Resorts, and we also believed that Wynn Resort's new CEO would likely be favorably disposed to settle legacy issues. While one of our numerous catalysts has been realized, we believe there is compelling upside potential at current levels. The proceeds from the settlement will be used to repay the expensive debt obligations which will move the company back into a net cash position. Further, we believe Okada Manila will continue to gain market share (already ahead of targeted trajectory) and will ultimately be publicly listed which will help to crystallize the appropriate value for this prized asset that is embedded within Universal.

Codere SA is a gaming company headquartered in Spain with operations in Europe and Latin America. The Fund owns both publicly traded shares of Codere that trade on the Madrid Stock Exchange **(CDR SM)** and restricted shares that trade in the so-called "gray" market. Codere's gray market shares were the second largest contributor to Fund performance during the quarter.

The company was founded in 1980 by the Martinez Sampedro family and primarily operates gaming machines, bingo halls, casinos, racetracks and sports betting locations in Spain, Italy, and Latin America. Since emerging from the reorganization in April 2016, the founding family/management refinanced the existing debt, acquired minority stakes that Codere did not own to further clean up the structure and improved the liquidity position of the company. In January 2018, the Board decided to replace Jose Antonio Martinez Sampedro with a new CEO, Vicente di Loreto, a seasoned industry veteran who previously was the head of Codere Latin America. While we hold the Martinez Sampedro family in high regard and applaud their recent efforts to restructure the company, we believe this management change is a difficult, but necessary change in order to transition the company from a reorg phase to a turnaround and strategic growth phase. The founding family continues to retain a meaningful 20% stake in the company. We continue to maintain high conviction in our investment in Codere.

Enzo Biochem (ENZ US) is a molecular diagnostics company and operator of state-of-the-art clinical labs. It was the largest detractor to Fund performance during the first quarter. The recent share price performance has been a disappointment. However, there was no meaningful company-specific news to warrant such a decline. While news flow relating to the existing patent infringement cases has been very light during the quarter, we believe the company is well positioned to win the remaining cases and we continue to be cautiously optimistic that additional settlements may be coming later in the year. Importantly, Enzo is now positioned to market and sell AmpiProbe, a game-changing, proprietary detection product that will reduce the cost of molecular testing by up to 50% compared to competitors' prices in the market today. We have been opportunistically adding to our position during the quarter.

Nilfisk Holding A/S (NLFSK DC), a maker of professional cleaning equipment, was the second largest detractor to Fund performance in the first quarter. As outlined in our Q4 investor letter, we initiated our position shortly after Nilfisk was spun off from NKT A/S, a Denmark-based industrial holding company, in October 2017. The shares sold off when Tennant company, its major U.S.-based competitor, said it was not interested in merging with Nilfisk, an idea proposed during Q4 by an activist investor. While we continue to see strong merit in the combination of these two companies, the core of our investment thesis hinges on Nilfisk being attractive as a standalone entity given the transformation the company is only just beginning as a new company. We continue to believe that management can deliver on ambitious medium-term margin targets and grow sales at above-trend organic rates thanks to pushes into autonomous cleaning solutions and to expansion in Asia, most notably in China. We believe this selloff was shortsighted and opportunistically added to our position during the first quarter.

Closing Thoughts

No portfolio manager likes to begin the year with negative quarterly investment performance, but given the extreme volatility in the markets, the Fund's portfolio holdings generally held up very well. My meeting with John Fredriksen served to reinforce my conviction in our marine transport holdings and was a refreshing reminder of the merits of contrarian investing. Overall, I feel that our portfolio remains cheap, and in some cases, discounts to our estimates of intrinsic value have grown. We are working hard on several new and exciting opportunities, a number of which will possibly find their way into the portfolio over the next couple of quarters.

Fund assets continue to grow, which is a testament to our long term investment track record and work of our sales and marketing team which continues to do a great job educating the investing public.

Finally, on a human resources front, our new Evermore team members have integrated extremely well over the past few months and are all already making significant contributions to the company.

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

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.

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.

Enterprise Value to Earnings Before Interest, Taxes, Depreciation and Amortization (EV/EBITDA) – A financial ratio that measures a company's return on investment. It may be preferred over other measures of return because it is normalized for differences between companies.

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.*

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.