AUGUST 2016 | DUE DILIGENCE REPORT

Evermore Global Value

Fund Information		
	EVGIX	**EVGBX**
Asset Class Category	Global	Global
Share Class	Institutional	Retail
Min. Initial Investment	$1,000,000	$5,000
Availability[a]	S,A,F	SIO,SO,AN,FN
Expense Ratio	1.31%	1.55%
Opinion	*Recommended*	*Recommended*
Firm	Evermore Global Advisors	
Manager	David E. Marcus	
Phone	866-383-7667	
Web Address	www.evermoreglobal.com	

[a] Certain restrictions may apply. Please check with your broker/dealer for details.
A = TD Ameritrade; AN = TD Ameritrade, no transaction fee; F = Fidelity; FN = Fidelity, no transaction fee; S = Schwab; SO = Schwab OneSource, no transaction fee; SIO = Schwab Institutional OneSource, no transaction fee.

We are adding Evermore Global Value to our *Recommended List* in the Global stock category. Our research on the fund goes back to 2010, shortly after David Marcus co-founded Evermore Global Advisors. Work on the fund has happened in fits and starts since 2010. This has allowed us to follow, meet, and assess the team over a long period of time. Based on all of our interactions, we have a high level of confidence that the fund will outperform its benchmark, the MSCI ACWI Value Local Currency Index.* Below we lay out portfolio manager David Marcus's investment process and the reasons supporting our positive opinion.

Firm Background

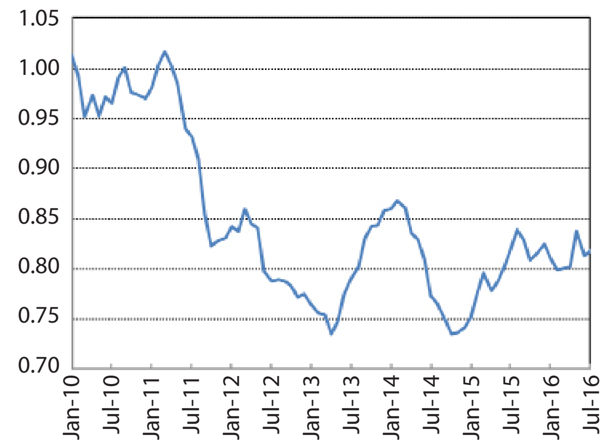
Marcus and Eric LeGoff founded Evermore Global Advisors in 2009. Marcus heads the investment side of the business and LeGoff leads operations and business management. The firm is based in Summit, New Jersey. Firm-wide assets under management currently stand at around $500 million.

Team

Marcus leads the four-person investment team that includes himself; two senior research analysts, Thomas O and Matthew Epstein; and a research analyst, Brett Boshco.

Marcus's investment career started in the late 1980s at Mutual Series. At Mutual Series, he worked with renowned value investor Michael Price, whose investment process and stock-picking ability we held

Relative Strength: Evermore Global Value vs. MSCI ACWI Value Local Currency Index*



The relative strength charts above display the relative performance of the fund compared to its benchmark. A rising line indicates outperformance.
**Index selected by Litman Gregory for benchmark purposes.*

in very high regard. Our initial interest in Marcus came about because of his background at Mutual Series and experience working with Price. Marcus started in the operations group, but within a year he became the team's junior analyst. As he learned from Price and other members of the team, Marcus's contributions and responsibilities expanded. By the time Price left Mutual Series, Marcus was the portfolio manager on Mutual European, as well as co-portfolio manager on two other funds. While at Mutual Series, much of Marcus's focus was on European companies.

Marcus left Mutual Series in the early 2000s to start Marcstone Capital in partnership with Jan Stenbeck (a well-known Swedish entrepreneur). Marcstone Capital was a long/short Europe-focused hedge fund. Stenbeck passed away unexpectedly in 2002, leading Marcus to liquidate the Marcstone hedge fund so that he could help Stenbeck's eldest child, Cristina Stenbeck, manage the family's various businesses. For about a year and a half, Marcus became heavily involved operating and restructuring many of the private and public businesses under the control of the Stenbeck family. This gave Marcus extensive business operating experience, which he leverages to this day when assessing different investment opportunities.

In 2004, Marcus founded MarCap Investors with the backing of private-equity firm Reservoir Capital. The MarCap strategy was long-biased, investing in small and mid-cap European special situations. Marcus adopted an activist, private-equity type approach at MarCap—typically taking large positions in companies in order to facilitate restructuring. In 2008, Reservoir Capital decided to exit its investments in all equity managers, including Marcus's MarCap strategy. This served as a catalyst for Marcus to start thinking about building a mutual fund company. A year later, in 2009, Marcus co-founded Evermore Global Advisors.

The various capacities in which Marcus managed money prior to Evermore Global have been too short in duration and/or too different to derive meaningful conclusions about his performance. Therefore, in addition to analyzing the track record of Evermore Global (see the "Performance Analysis" section below), our positive opinion is largely driven by the extensive qualitative due diligence we have done on Marcus over the past several years.

Investment Philosophy

Marcus and his team employ a deep-value, opportunistic investment approach. They look for special situations around the globe and are not constrained to investing in a single asset class, geography, or market capitalization. Although the fund has invested predominantly in equities over the years, at times it will opportunistically invest in distressed debt situations and risk or merger arbitrage. This special-situation approach leads Marcus to complex and misunderstood areas of the market. He seeks to purchase companies at steep discounts to their intrinsic value and looks for catalysts that will unlock value for shareholders.

Evermore Global Value Top 10 Holdings (7/31/16)	
Enzo Biochem	6.3%
Aurelius	4.8%
Vivendi	4.6%
Telecom Italia	4.5%
NN Group	4.4%
Bollore	4.3%
Ambac	4.3%
FIS	4.0%
Lifco	3.8%
Scorpio Bulkers	3.4%
Total	**44.4%**

Evermore Global Value Top Five Sectors (6/30/16)	
Industrials	32.0%
Financials	31.2%
Health Care	13.8%
Consumer Discretionary	7.8%
Telecommunications Services	4.8%
Total	**89.6%**

Evermore Global Value Top Five Countries (6/30/16)	
United States	21.8%
Germany	13.9%
France	13.0%
Belgium	9.7%
Italy	9.5%
Total	**67.9%**

Investment Process

Ideas are generated through a number of different avenues. Over the years Marcus has built a strong network of relationships with many management teams, brokers, and investors. He leverages this network for new ideas or to cross-check data points. Marcus also looks to identify companies that may be undergoing strategic change (e.g., spin-offs, restructurings, management changes, or M&A).

Marcus wants a substantial discount to his estimate of intrinsic value, but he also wants to see a catalyst that he thinks will help unlock value. He will not buy something just because it's cheap, no matter how deep a discount to his estimate of intrinsic value a stock trades at. How these catalysts play out often depends on the execution of underlying company management teams, so he spends a lot of time getting to know them. Given these factors, the key moving parts of his investment approach are valuing a business (this includes assessing the quality of the business and its assets), assessing catalysts, and assessing management.

Intrinsic Value Assessment

Valuation assessment depends upon the type of business or special situation. It involves evaluating private transactions and/or how peers trade on relevant valuation metrics such as cash flow or earnings. He also considers the liquidation value of underlying assets. Typically, he does not factor future cash flow growth when determining his estimate of intrinsic value, instead wanting to see whether a company is cheap based on current or next year cash flows. He evaluates what the company has done in the past, where it is now, and where it might be headed. As he says, "If we know the business is growing, is it compelling based on what they are doing now? If we have to go out three to five years to make it cheap, it's not cheap." While he does not factor future business growth explicitly into his valuation framework, it does influence the discount he is willing to make a purchase at. For example, if he is highly confident the business is stable and growing, in part because of the quality of its assets or competitive advantages, then he will be willing to accept a lower discount to his intrinsic value estimate than he would for a less stable business.

For special situations, Marcus seeks at least a 30% discount to his estimate of intrinsic value. When investing in highly indebted companies—where debt restructuring can be an important element of his thesis—he may want to see a larger discount. He may also be willing to accept a discount as low as 20%–25% for businesses he calls "compounders." These have historically compounded value at a relatively high rate due to their collection of businesses in growing markets and/or because they have moats that protect against competition. These businesses are often well managed (i.e., run by what Marcus calls "value creators" who consistently compound value for shareholders). In the case of liquidations or risk-arbitrage investments, he may accept discounts as low as 5%–10%, provided he is confident these events are likely to occur over a short period and could yield high annualized returns. These investments are also dependent on how their implied rate of return compares with other investment opportunities. In these cases, he thinks like a merger-arbitrage investor.

Catalyst & Management Assessment

Prior to investing in any company, Marcus wants to be able to identify a catalyst or a series of catalysts that he believes will unlock the value or narrow the discount between the share price and his estimate of intrinsic value. Typically, he enters these situations when these catalysts or actions have already been announced, or if some changes have taken place to suggest a high likelihood that value-enhancing steps will occur.

Marcus makes the distinction between "hard" and "soft" catalysts. The former refers to catalysts where there are transactions such as asset sales, spin-offs, or M&A. Soft catalysts tend to be regular dividend payments and share buybacks. Financial restructurings (such as debt reduction or recapitalizations) and operational restructurings (such as cost-cutting measures, mergers, or asset sales) encompass many of the catalysts the team looks for. Depending on the situation, certain catalysts may assume greater significance in his mind. On their own, soft catalysts are typically not enough to get him excited about a beaten down special situation. He likes to see harder catalysts, and he wants to see multiple ones. He says this gives him a cushion in the event one catalyst does not work out.

Marcus is well aware that in most special situations he is taking on execution risk. Therefore, management can have a material impact on the outcome of an investment. He does many of the usual things to evaluate management, such as analyzing the paper trail of past actions and understanding incentive structures. Over the years he has built a good network of contacts, and he taps into this network to perform reference checks, to help facilitate meetings with management, or even to vet ideas.

Portfolio Construction

Marcus constructs a focused portfolio of 30–40 positions and maintains a high degree of concentration. As of July 31, 2016, the fund's top 10 positions made up more than 40% of holdings. The fund invests in companies of all market capitalizations and may be heavily tilted toward smaller-cap stocks at any point in time.

The fund takes an opportunistic and flexible approach. Through the fund's history it has predominantly invested in equities. However, Marcus invests in fixed-income securities (typically in distressed situations) when a better risk-adjusted return potential exists. The fund also invests in derivative securities. For example, Marcus opportunistically purchased warrants on a handful of U.S. banks in the wake of the financial crisis. Derivatives are primarily used to hedge the fund's exposure to foreign currencies. Marcus aims to hedge the fund's foreign currency risk and allow security selection to be the main driver of returns.

From time to time, the fund will invest in short positions, generally to take advantage of opportunities to short one of the companies involved in a merger-arbitrage situation. In addition, on rare occasions, the fund may take short equity positions in an effort to hedge security and/or portfolio risk, or when, in the team's search for long investments, it finds significantly overvalued securities that have negative catalysts at work. Collectively, short positions cannot represent more than 10% of the fund's total assets and have typically represented between 0% and 3% of total assets. The gross exposure of the fund at any point in time will not exceed 100% (i.e., Evermore will keep aside liquid collateral for shorts).

Evermore Global Value will look significantly different than its benchmark. The fund's active share is typically near 100, meaning there is close to zero overlap with its underlying benchmark. The fund's performance can and will vary from that of its benchmark given the minimal shared holdings. Marcus builds the portfolio solely through bottom-up security selection and pays little to no attention to the benchmark's allocation.

Performance Analysis

Evermore Global Value's track record since inception does not stand out. Marcus has had a relatively strong focus on European companies, in part due to the cheap valuations he sees there. Throughout its history, the fund has maintained a large overweight to this region. For example, today over two-thirds of the portfolio is invested in Europe-domiciled companies (nearly triple that of the MSCI ACWI Value Local Currency Index). This overweighting to Europe has clearly been a major headwind to performance; with Europe in the midst of a multiyear debt crisis in 2010 and 2011, the region's equities woefully underperformed other markets. Additionally, one of Marcus's largest positions, Spanish media group **PRISA**, had an outsized negative impact on performance during this time period. His experience with this stock has resulted in a greater appreciation for the importance of prudently sizing holdings that are heavily leveraged.

Since inception (1/1/10) through July 31, 2016, the fund has gained 4.2% (annualized) compared to the 7.4% (annualized) return of the MSCI ACWI Value Local Currency Index. However, since the start of 2013, performance has been significantly better. The fund has gained 10.9% since 2013 versus 9.2% for its benchmark. The fund outperformed its benchmark over the trailing three-year period (through 7/31/16). It has gained 7.4% over the last three years, which compares favorably to the 6.1% return of its benchmark and the 5.5% gain of its Morningstar World Stock category peer group.

It is important to note that our opinion of this fund (or any fund, for that matter) is not based on a backward-looking assessment of returns. Our qualitative analysis of this fund leads us to believe that Marcus's investment skill will shine through going forward, as it has in recent years. Given the fund's uniqueness and investment in special-situation stories, we'd expect idiosyncratic performance to be one of its characteristics. Returns are likely to be lumpy and uncorrelated to the fund's benchmark. We expect Evermore Global Value to outperform over the long term; however, the path to this outperformance is likely to come with high tracking error.

Litman Gregory Opinion

We believe Marcus has the ingredients to be a great investor. He has a well-defined investment process. He is exceptionally disciplined in that he

Performance Table

		Calendar Year Returns					Trailing Returns[a]			
	YTD thru 7/31/16	2015	2014	2013	2012	2011	1-Yr	3-Yr	5-Yr	Since Inception
Evermore Global Value	3.56%	8.18%	-6.58%	38.37%	7.43%	-19.82%	-1.57%	7.38%	5.56%	4.21%
MSCI ACWI Value Local Currency Index	4.42%	-2.71%	7.97%	25.05%	15.26%	-6.44%	-1.38%	6.09%	8.36%	7.44%

[a]*Inception Jan-12010.*

buys only deep-value situations that have a catalyst associated with them. Marcus and his team are also willing to do the work to analyze complex, less covered companies, and they are not afraid to look at businesses that are stressed and ignored by many investors. This leads to a focused and eclectic portfolio.

We find Marcus brings a strong mindset that values learning from mistakes. He also brings a private-equity mentality to his investments. We believe his operational experience in the early 2000s has likely equipped him with the ability to gauge the quality of catalysts and management teams better than the average investor. His involvement in the running and restructuring of private and public businesses gives him superior insights into different business models and what it may take to restructure them.

There is also likely a small advantage stemming from his extensive network. He has spent years maintaining and growing this network of contacts. In some cases, this superior awareness of value creators may give Marcus an edge over his peers.

We have had our concerns about his willingness to buy leveraged businesses and the potential downside related to this. This concern has been largely mitigated for several reasons. Having learned from his past mistakes, Marcus is now more conscious of the way he sizes these positions. He is aware that leverage in a business model combined with a bad management team can be toxic.

Another concern relates to the business side of things. While Evermore Global Advisors has been around for more than five years now, another bout of poor performance could impact the firm's ability to raise assets and ultimately retain the investment team. Our conversations with the analyst team leave us confident they believe in the process and have bought in for the long haul.

Putting everything together, Marcus strikes us as a disciplined, intellectually honest, and independent-minded investor. His passion for investing comes through every time we meet with him. Marcus's unique approach to investing could lead to outsized returns for the long-term investor. Given these positives outweigh our concerns, we are adding Evermore Global Value to our list of *Recommended* funds.

–Rajat Jain, CFA, and Kiko Vallarta

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The opinions expressed are those of the author and are subject to change, are not guaranteed and should not be considered investment advice.

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 Funds' statutory and summary prospectuses, which may be obtained by contacting your financial advisor, by calling Evermore Global Advisors at 866-EVERMORE or (866-383-7667) or on our website at www.evermoreglobal.com. Please read it carefully before investing.

Mutual fund investing involves risk. Principal loss is possible. The Fund invests in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. These risks are greater for emerging markets. Investing in small and mid-sized companies involves additional risks such as limited liquidity and greater volatility. The Fund may make short sales of securities, which involves the risk that losses may exceed the original amount invested. 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 our Fund involve derivatives and special situations. Please refer to the prospectus for further details.

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

Fund holdings and/or sector allocations are subject to change at any time and are not recommendations to buy or sell any security.

It is not possible to directly invest in an index.

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

MSCI All Country Indexes include both Developed Markets and Emerging Markets countries across particular regions. For example, the MSCI AC Far East Index includes Developed Markets countries such as Hong Kong and Singapore along with Emerging Markets countries such as Indonesia and Thailand. The MSCI ACWI Index covers 46 countries.

The MSCI Global Value and Growth Indexes cover the full range of MSCI Developed, Emerging and All Country Indexes across large, mid and small cap size segmentations. They are also cover large and mid-cap size segments for the MSCI Frontier Markets Indexes. The indexes are constructed using an approach that provides a precise definition of style using eight historical and forward-looking fundamental data points for every security. Each security is placed into either the Value or Growth Indexes, or may be partially allocated to both (with no double counting). The objective of this index design is to divide constituents of an underlying MSCI Equity Index into respective value and growth indexes, each targeting 50% of the free float adjusted market capitalization of the underlying market index.

The intrinsic value is the value that the option would pay if it were executed today.

Cash flow is what a company makes minus what it spends. A company's cash flow is its income (minus investment earnings) less what it spends on rent, equipment, and other costs. Some investors use cash flow instead of earnings to judge how well a company is doing.

Correlation, in the finance and investment industries, is a statistic that measures the degree to which two securities move in relation to each other. Correlation is computed into what is known as the correlation coefficient, which has value that must fall between -1 and 1.

Active Share is the percentage of fund holdings that is different from the benchmark holdings. A fund that has no holdings in common with the benchmark will have an Active Share of 100%, and a fund that has exactly the same holdings as the benchmark considered will have an Active Share of 0%.

Annualized Returns as of 3/31/2017	Q1 2017	1-Year	3-Year	5-Year	Since Inception
Evermore Global Value Institutional	8.55%	33.11%	8.24%	11.11%	6.90%
MSCI ACWI ex USA Index	7.86%	13.13%	0.56%	4.36%	3.91%
MSCI ACWI USD Index	6.91%	15.04%	5.08%	8.37%	7.99%
Morningstar World Stock Category	7.39%	13.63%	4.08%	8.27%	7.80%

Inception: 01/01/2010. The current gross expense ratio for the Investor and Institutional share classes are 1.51% and 1.26%, respectively, per the 2016 annual report.

The performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. 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. Performance data current to the most recent month end may be obtained by calling 866-EVERMORE or (866-383-7667). Total return figures include reinvestment, if any, of all dividend and capital gain distributions. Investment performance reflects expense limitations in effect. In the absence of such expense limitations, total return would be reduced. 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.