

Evermore Global Value Fund

Portfolio Commentary: 1st Quarter 2020

Dear Shareholder,

The novel coronavirus (“COVID-19”) has had a devastating impact across the globe affecting just about every aspect of life – health, economic and social. Our thoughts are with all of you who have been and continue to be impacted by COVID-19, especially the health crisis component of this battle. The health crisis has touched the Evermore family directly – several colleagues in our office had family members with confirmed cases. Thankfully, over the last few weeks, everyone recovered, and our stories did not end with sad outcomes. Hopefully, the same can be said for everyone reading this letter. We wish you all the best – please be safe and healthy.

As far as Evermore’s business is concerned, it continues to operate seamlessly largely due to the robust Business Continuity Plan we have had in place for many years. As we saw the pandemic ramp up in the middle of the first quarter, we again conducted a variety of emergency preparedness drills to confirm our ability to work remotely for the foreseeable future. We had installed our teleconference infrastructure last year, which gives us the ability to efficiently engage with each other, as well as outside parties, on a daily basis. If anything, we’re engaged with each other longer every day, certainly more outside of normal business hours, because of the convenience and ease-of-use of this platform.

So, our foundation is very strong. We’ve been able to focus all of our energies on the markets – and how we can best position our portfolio to take advantage of the fear across them. We are sticking to our stripes and are behaving as we usually do, as informed investors, leveraging the lessons we have learned from previous crisis periods to guide our actions.

This Crisis is Different from Past Crises, But Opportunities Still Abound

Investors, strategists, economists, managements, and politicians have a broad range of opinions of how the COVID-19 crisis will evolve from an economic perspective. The views range from a mild recession to a severe depression.

We’ve all seen that in most crisis periods investor sentiment turns to an “end-of-the-world, this time is different” mode of thinking. Usually, I dismiss that common market chatter, but not now. This time, I do believe, is truly different. Look no further than the unprecedented responses to the crisis. On the healthcare side, we have seen what normally would be construed as draconian measures – school, bar, restaurant, and retail establishment closings; shelter in place and social distancing guidelines; curfews; etc. We are also seeing an aggressive focus on COVID-19 testing, finding treatments, and acceleration of vaccine research. The global healthcare industry is singularly focused on this crisis. There are enormous resources coming from both the public and private sectors to help mitigate the carnage of this pandemic.

On the economic side, in the U.S. and other parts of the world, we have seen governments implement record levels of stimulus and direct cash payments to individuals. They have increased unemployment benefits and are doling out hundreds of billions of dollars in loans to small businesses. There is also the potential for additional bailouts and cash infusions to larger companies in some of the most impacted industries that have huge numbers of employees or national security ties.

All of this is unprecedented.

A resolution to both the health and economic crisis will take time, but I truly believe that the enormous horsepower behind finding solutions will translate into a return to a new normal sooner than the most experts and pundits expect. And so, yes, today's crisis is different. But every crisis brings a chance to find pockets of opportunity – *that* always stays the same.

For Evermore, with a confidence that this crisis will pass like the others before it, the key is to remain calm, keep a long-term perspective, and to buy when others are panicking. That is why we always approach periods of uncertainty ready to respond and take advantage of what we deem to be irrational stock price declines.

And today, this is absolutely the case. The COVID-19 pandemic, because it has impacted virtually everyone on the planet, will likely turn into one of history's greatest special situations events for long term investors. We believe there will be tremendous opportunities in companies going through strategic change, such as refocusing their business lines, restructuring, selling or spinning off non-core assets. In other cases, we expect to see new management teams replace those that are not rising to the occasion to manage their businesses during this crisis period. We also expect to see a new wave of mergers and acquisitions ("M&A"), liquidations and recapitalizations.

In fact, we are already hearing that Chinese companies are looking across Europe for potential M&A opportunities. It seems that these Chinese buyers are seeking to buy assets in developed markets that have scalable businesses. And clearly, both Europe and the U.S. are perfect target areas, except that the U.S. has put up substantial roadblocks for China-based acquirers. So, for now, the Chinese seem to be focusing more in Europe.

So yes, we believe this is a great time to be a special situations investor.

The Market is Trading On Emotion, Not Common Sense and Fundamentals

Big picture, we believe the global markets are trading more on emotion than common sense. Prices are untethered from economic data.

For much of the quarter, we witnessed widespread indiscriminate selling, and we can understand why it happened. We understand people want to preserve capital. We understand that many investors sought the safety of cash. We absolutely know that there were tons of levered portfolios out there that became forced sellers at any price. Margin calls were made around the world. We know exchange-traded fund ("ETF") trading volumes were enormous, adding to the volatility. But because of this disproportionate sell pressure, we believe that the exodus went too far. This is the case around the world, but especially in Europe, which started the year at a much cheaper valuation than the U.S. and other parts of the world. Small-cap Europe is now as cheap as we can remember ever seeing it.

We have seen share prices everywhere fall more than 40%, 50%, and even 60% in some cases. Yes, it is true that earnings in many industries are going to be hit, but will those earnings be hit for several quarters or will it be years? Some industries and companies will be impacted more than others. Some will come back faster

than others. Some will be stronger than before. The truth is, it is still too early to really understand broadly, how steep the recovery will be on a sector basis.

But, at Evermore, we do not own the broad market or sectors. We own companies that were already going through changes of their own design. As the scope of bad news grew over the quarter, we spent a ton of time doing quality control reviews on the portfolio. We believe that the names we own today have the balance sheets to weather this storm. As we get through the healthcare phase of this crisis, we believe the businesses of just about all of our portfolio companies will be just fine within a year from now.

We feel so confident in these statements that we do not believe the long-term intrinsic values of our portfolio companies are going to decline by anything close to what we have seen in their stock prices. The longer-term prospects remain substantial for our holdings in salmon farming, mobile gaming, music streaming, private equity, and higher quality industrial businesses.

Yet, we've reduced intrinsic values in many names across the portfolio. We did that work throughout the quarter, and the outcome of these valuation appraisals was to trim our estimates on a case-by-case basis ranging from no change up to 25% in some cases. Yes, we actually own companies where we did not reduce their intrinsic values at all.

When doing these crisis-time valuations, we generally try to assume the worst. We look three, six, and even twelve months out, and consider what might happen if everything remains shut down over those time periods. As you can imagine, a twelve-month shutdown scenario would not be very pretty, but we also do not believe this to be a realistic scenario.

In the short term, absent answers and defined timelines, the markets generally move toward pricing securities on the basis of worst-case scenarios. And that's exactly what we believe has happened. But, eventually, the markets will get reconnected to updated and more reliable fundamental information, in real time. And as this happens, and especially if the news received is better than the news feared, the markets are going to react positively. That's the type of behavior I have witnessed time and time again during these crisis periods over the last 30 years. And through it all, we put our faith in our process.

Our Reaction to the Crisis in Q1

You are our investor partners, and I believe it is vitally important for you to know the tactics we employed and how we have responded over the last few months beyond simply updating our valuations.

After posting strong performance in 2019, our shipping stocks hurt us right out of the gate in January. Daily fixture rates for tanker and dry bulk companies went down precipitously due to significant declines in demand from China. But then, Saudi Arabia and Russia announced substantial oil production increases. As a result of record levels of oil production and reduced demand, this oil needed to be stored somewhere. So, Saudi Arabia started chartering oil tankers in late January, which drove up day rates from about \$20,000 to over \$300,000 – a boon for Frontline and Scorpio Tankers, two of the Fund's largest holdings.

However, in early February, our (and the world's), focus quickly moved to COVID-19 and the China shutdown, particularly when disruptions in day-to-day life began to move out of China and extend into Korea, Singapore and Japan.

As the crisis continued to worsen in February, we canceled our Q1 research trips to Asia and Europe and ultimately closed our offices to business meetings with outsiders. In March, we decided to postpone an event we planned in Omaha, the international value panel during the Berkshire Hathaway annual meeting.

The investment team's primary focus in Q1 was performing a triage on the entire portfolio. That is how we operate. As fundamentals change, as catalysts change, we reassess. We scrutinized unintended exposures among our portfolio holdings and then rolled up the aggregate exposures related to their businesses, their customers, their suppliers and their finances. We analyzed balance sheet exposures and the runways for any looming debt maturities.

We decided that we needed to have more firepower (i.e. cash) to take advantage of what we expected to see in the coming months. Our aim was to do the same thing we did back in early 2016 – start selling portfolio positions we previously *liked* in order to buy and own the things we currently *loved*. This reconstruction occurred over several weeks and we dramatically changed the complexion of the Fund's portfolio characteristics and exposures. Specifically, we sold investments that were commodity-driven, cyclical in nature, or had catalysts that included balance sheet transformations. These exits included makers of chemicals, certain aerospace-related industrials, offshore oil drillers, Asian casino gaming businesses, among others.

We believe this reduction of cyclical or financial restructuring situations will have a profound impact on the Fund, which is left with a tighter group of names that have real potential to deliver attractive outcomes for investors over time. The changes we made also have substantially reduced the balance sheet leverage in aggregate for the entire portfolio.

In addition to our internal research and analysis efforts, our engagement with management of our portfolio companies has been critical to making better informed decisions. I have to tell you, shelter in place and international travel bans have had one profound effect on our research process – it has made it much easier to get access to management than any time in the last several decades. The ease of scheduling phone and video calls with C-suite management, chairmen, board members, large shareholders, has never been better. Everyone is working from home!

Ease of access has really aided our ability to get finer nuance on our portfolio companies. Because we have many long-term relationships with these business leaders and have been in consistent contact with them in both good and tough times, we find that we are often prioritized to the top of their list of shareholder calls they will take.

So, as we have been cycling through our CEOs in the portfolio, we have gained clarity on how they are thinking today, and, they've provided invaluable perspectives to better inform tomorrow. These calls also help us understand some critical characteristics of our portfolio company management teams. For example, some

CEOs are really what we call “Good Time Charlies” – they are very good at running their business when things are going well, however, the moment there is a stressful period or issue, they really do not know how to function, and often make some terrible decisions.

Other managers rise to the occasion. They showcase fantastic leadership and they get ahead of a problem. They truly exemplify “War Time” leadership.

So, what are our companies doing and saying? Well, across most of our conversations, there is not a lot of panic, that’s for certain. The actions many CEOs are taking are geared more towards preservation rather than growth, right now at least. They acknowledge that they need to be quick, agile, and should double down on their best businesses. They are thinking about their competitive advantages and pressing them. They are also looking ahead and thinking tactically and strategically.

I truly believe, after all of this, there is going to be a new wave of M&A and industry consolidations. There are going to be stronger and healthier big businesses out there buying other participants that are very much hobbled. Right now, there are many companies that do not have a lot of cash on hand, and one by one, those that barely survive are going to be cherry picked, especially if they have franchise value.

Stimulus, Stimulus, Stimulus

By any definition, the economic stimulus plans in the U.S. and across the globe are enormous. In the U.S., forgivable loans for small- and mid-sized businesses is a true first in my lifetime. For those businesses that need more, there is talk about loan guarantees to industries, in some form of a TARP-like bailout. Remember, TARP wasn’t the worst thing in the world – it was actually a money-making proposition for the government (and for Evermore). It is not beyond possibility that when all is said and done, the U.S. Government will have become an equity buyer. In essence, in helping to sustain the economy, the government will have become one giant distressed special situations investor. Welcome to the club.

Every Central Bank is doing things differently, but with the same goals in mind. Internationally, they will all react swiftly and on an unprecedented scale in the form of stimulus. While not officially, I have to believe that most of these stimulus plans will be coordinated in some way. As standalones, some plans will work well, others, less so. But we could see a whole new level of global coordination. We are already seeing that financial systems around the world are better prepared and experienced at handling economic crisis. And, there is surely a new era of data sharing and cooperation underway, on both the medical and economic fronts.

Take for example, Italy, a country that is desperately concerned about the speed in which it can achieve an economic comeback given how important travel, food and retail are to their economy. Investor focus on high yield and investment grade debt there makes sense. Even the best managed companies will struggle in an environment when business is down by close to 80%. What makes less sense is the edging up of default swaps in Italy. The European Central Bank (“ECB”) has already outright confirmed that they will support member states as much as is necessary. It is just really hard for me to imagine that the ECB will allow a repeat of the Euro crisis during a COVID-19 recession. Instead, I have a different and more optimistic perspective

on potential solutions for Italy and the rest of Europe. To me, it feels like there is a good chance that a market recovery will be an *investment driven* recovery.

If you've ever spent time in Europe, you know that their bridges and roads are in need of improvement. There is absolutely a pent-up need to repair infrastructure all over the continent. Think about it, if Pro-European Union ("EU") leaders like Angela Merkel and Emmanuel Macron really wanted to bring everyone together, and cement the EU, this is their chance. If the EU did one big infrastructure project, instead of leaving Italy or Spain to do it on their own, I think it would compel many other leaders to come together. And the people would rally around it because it would be a legitimate opportunity to get people back to work – outside, in non-confined spaces!

We haven't seen anything of interest yet in Italy, but we have a few areas that we will pay attention to if opportunity begins to emerge from this crisis area. But don't ignore a key takeaway from this - the world's financial systems are better prepared, and they are acting faster this time around. This leads me to believe that the economic stimulus that is being provided could serve as a form of jet fuel for the global markets once the COVID-19 health problem is successfully addressed and life returns to some altered form of normal.

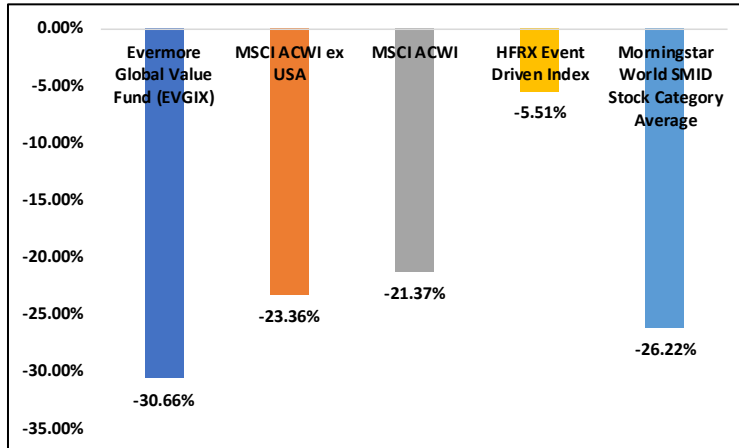
But, successful execution of all this stimulus is absolutely critical. If governments can convince economic and financial market participants that they will act as the financial backstop for vulnerable firms facing severe cash-flow problems, that means severe credit dislocations are unlikely to develop. I really hope that the governments aren't just assuming implementation of their stimulus plans will be easy, because it is the execution that is going to determine how quickly people, businesses and markets recover. The numbers are enormous, but the money needs to get to people yesterday. And, I think we will see additional substantial stimulus packages in the coming months.

On to our Q1 2020 portfolio review.

Portfolio Review – Investment Performance

Institutional Class shares of the Evermore Global Value Fund (the "Fund") were down 30.66% for the first quarter of 2020, which represented the worst period of performance since the Fund's inception in 2010. As shown in the chart below, the Fund's first quarter investment performance lagged the performance of its benchmarks and peers, including the MSCI All Country World Index ex USA ("MSCI ACWI ex USA"), the MSCI All Country World Index ("MSCI ACWI"), the HFRX Event Driven Index ("HFRX ED"), and the Morningstar World Small/Mid Stock Category Average.

Quarter Ended March 31, 2020

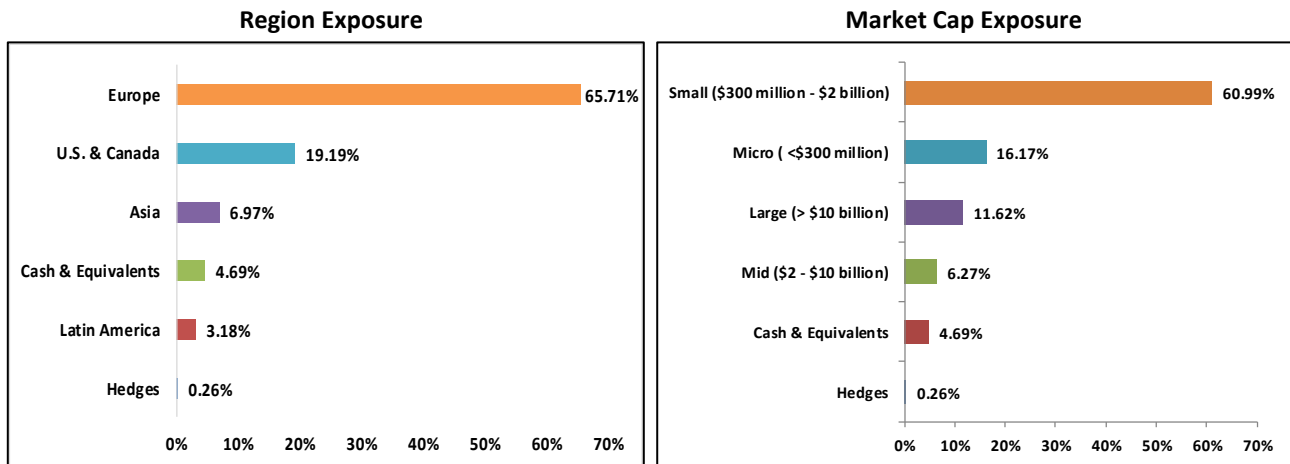


Morningstar World Stock Category Average represents an average of all the funds in the Morningstar World Stock Category.

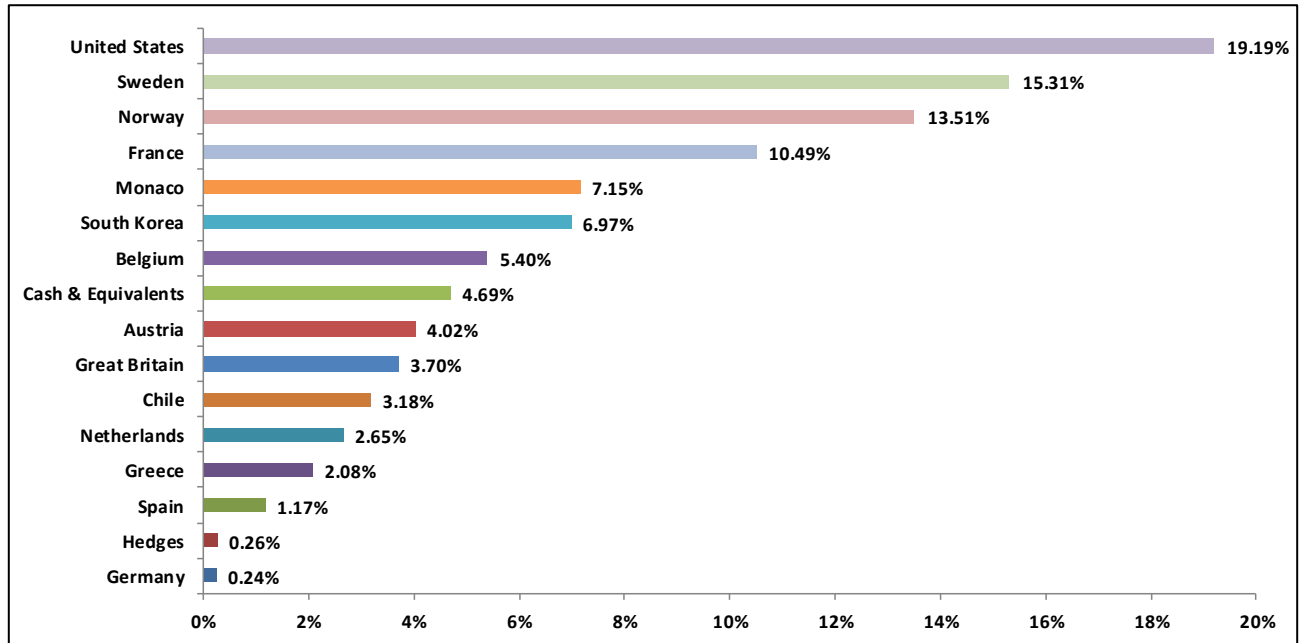
The performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance 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.

Portfolio Review – Characteristics

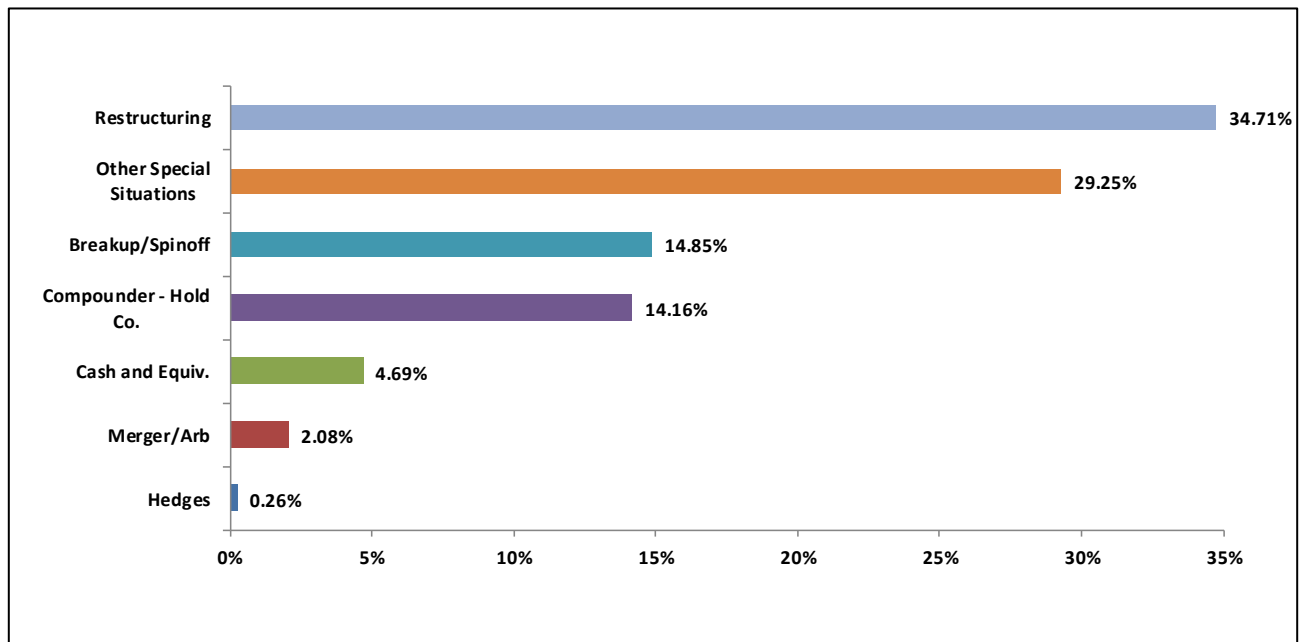
The Fund ended the quarter with \$345 million in net assets, 35 issuer positions and the following geographic, strategy classification and market capitalization breakdowns (as a % of Fund net assets):



Country Exposure



Strategy Classification



Portfolio Spotlight – Gamesys Group plc

Gamesys Group is a \$990 million market capitalization UK-based operator of real-money online bingo and casino games worldwide. During what was a tumultuous quarter for global markets, shares were up marginally (2%). As we discussed in our Q3 2019 commentary, the Fund initiated its position last July via an accelerated book build process, in which a bank placed a large secondary block of stock overnight at a sizable discount to that night’s closing price. Aside from the compelling valuation, at less than 5x free cash flow, what attracted us to Gamesys was the complex merger it was involved in at the time, which we believed was

creating confusion in the market. For context, prior to its late September 2019 name change, Gamesys was formerly known as JPJ Group PLC, and had actually been a subsidiary of privately held Gamesys Limited (“GL”) until GL sold the JPJ business in 2015. However, in a deal announced in June 2019 (and which closed in September), JPJ acquired its former parent, reuniting the customer-facing components of the business historically performed by JPJ (customer acquisition, retention, and service) with the technology platform (game development and backend information technology) that had been retained by GL. Even in the short amount of time since the deal closed, the combination has allowed for better data sharing, stronger revenue growth, as well as margin expansion. Through the deal, Gamesys kept the CEO of GL, Lee Fenton, to lead the combined company. Given his rich history in the online gaming space, we believe this represents an upgrade in leadership.

While we believe it is overblown, the biggest overhang on the stock remains fear over potential future regulatory changes that could add costs and complexity to Gamesys’ businesses. For instance, in recent years the UK has made a number of moves to increase gaming taxes and ensure tenets of responsible gambling are adhered to. However, we believe that these industry-wide burdens are actually proving to be insurmountable for subscale players in the sector, which is leading to a “thinning out” of the competitive landscape. This should ultimately serve to benefit market leaders like Gamesys, which enjoy high customer loyalty and, in what is a highly scrutinized industry, abide by the highest commitment to responsible gambling standards. Historically, online gaming companies in regulated markets have commanded higher trading multiples than those in unregulated markets, as operations in unregulated jurisdictions are more susceptible to unpredictable government actions. On this point, it is worth noting that the vast majority of Gamesys’ revenues are generated in regulated markets (76% in 2019).

The company had already gotten back to organic growth prior to the COVID-19 pandemic. However, given the stay-at-home directives carried across Gamesys’ markets, people are finding new ways to kill time, and management is seeing even stronger-than-expected performance in its businesses. In what should prove to be a period of exceptional cash flow generation, we expect the company to finally engage in share repurchases, and/or look to engage in targeted M&A. For instance, while Gamesys does not have a sports book business, management has long been considering investing in the space. Perhaps now, with the indefinite postponement of professional sports and the havoc it has wreaked on sports betting companies, it may be an opportune time to explore inorganic options in this arena. Overall, with a great management team, a rapidly improving balance sheet, growth across its businesses, and strategic options, we believe Gamesys shares are poised for continued strong performance.

Portfolio Review – New Investments

The Fund initiated two new positions during the quarter – **Calumet Specialty Products Partners, L.P. (Country: U.S.; Ticker: CLMT US)** and **LPKF Laser & Electronics AG (Country: Germany; Ticker: LPK GY)**. We expect to discuss these two securities in more detail in future commentaries.

Portfolio Review – Exited Investments

As discussed above, the extreme volatility and significant declines in stock market prices during the first quarter provided an opportunity to re-evaluate all of our portfolio holdings and re-allocate capital to existing and new positions from investments that were commodity-driven, cyclical in nature, or had catalysts that

included balance sheet transformations. These exits included chemical makers, certain aerospace-related industrials, offshore oil drillers, Asian casino gaming businesses, among others. As discussed above, these moves afforded us the opportunity to reduce the overall leverage across the Fund’s portfolio. During the quarter, the Fund exited the following nine (9) positions: **Aurelius Equity Opportunities SE, Bombardier Inc., Borr Drilling Ltd., Corteva Inc., Dow Inc., DuPont de Nemours Inc., Kraton Corp., Northern Drilling Ltd. and Universal Entertainment Corp.**

With respect to Corteva, Dow and DuPont, COVID-19 related shutdowns that started in China painted an ominous picture for the global macro landscape, and we exited our positions in these three companies that comprised the former DowDupont (DWDP) beginning in February. Additionally, numerous channel checks we performed indicated that various supply chains were being disrupted and stressed, a poor sign for three companies that are very global in nature.

In retrospect, we remain generally happy with managements execution of many of the fundamental tenets of our original investment thesis in DWDP – the separations and spins were completed on time, the restructuring programs were well executed, and capital allocation across the three companies is much more streamlined and shareholder friendly today than in the past. Unfortunately, big picture issues that started with the U.S. - China trade war and remain today with the global collapse in macroeconomic activity has severely impacted each of the former DWDP companies. We will continue to remain close to each company and could reenter on or more of the aforementioned positions should an opportunity present itself.

We decided to move on from our position in Kraton, a specialty chemicals company, for many of the same reasons as discussed above for Corteva, Dow and DuPont. The bottom line is the prospects of the company are tied to global gross domestic product for which we have limited visibility today.

With the severe decline in oil prices, exploration budgets that would continue to be significantly pressured, and balance sheet concerns (pushing out the timing of our original thesis), we decided to exit our positions in Borr Drilling and Northern Drilling. The Fund was able to exit both of these positions at substantially higher prices than where they closed at quarter-end (e.g., we started selling our position in Borr Drilling in late January at NOK 64 and sold our last shares in February at NOK 35.12 as compared to its low of NOK 2.65 on March 18th and closing price of NOK 5.03 on March 31st).

Portfolio Review – Top Contributors & Detractors

Top Contributors	Top Detractors
Emergent Capital Inc. (U.S.)	Atlantic Sapphire AS (Norway)
Match Group Inc. (U.S.) (short position)	Scorpio Tankers Inc. (Monaco)
Angi Homeservices Inc. (U.S.) (short position)	Constellium SE (France)

Emergent Capital Inc. (Ticker: EMGC US) was the Fund’s largest contributor to Q1 performance, with its shares appreciating by 101% in the period. Emergent owns a 27.5% interest in an externally managed portfolio of 533 life insurance policies (life settlements). In times of market panic as we are experiencing

today, we believe investors put a premium on cash flow streams that are uncorrelated to the broader macroeconomic environment.

Atlantic Sapphire AS (Ticker: ASAME NO), the world's first commercial-scale land-based salmon farmer, was the Fund's largest detractor from performance in Q1, with shares falling 30% in the period. The company did have an operational mishap at its Danish test facility, where 227,000 fish died due to elevated nitrogen levels in a grow-out tank. While the mass mortality is unfortunate, we point out that the loss of fish is insured, and the cause of the nitrogen buildup is fully understood. Small design changes in filter placement to rectify the issue have been implemented in Atlantic Sapphire's Homestead, Florida facility, which is otherwise on track for a Q3 2020 initial harvest.

We do not believe the share price reaction can be explained by the incident in Denmark. Ultimately, we believe the selling has had little to do with perceived changes in company fundamentals or its prospects. Instead, we point out that ASAME shares trade on the Merkur exchange in Norway (which sits between the OTC and main boards) and as such, are only 20% marginable among most Norwegian brokers. Given Norway's propensity for leverage in their portfolios (to say nothing of oil-related stocks), as markets fell precipitously, the selling of Merkur-traded securities became indiscriminate as every share sold could unlock significant margin power and keep margin calls at bay.

Questions around salmon demand destruction in our current stay-indoors world are also top of mind, and it is worth noting that shares of traditional salmon farmers have been negatively impacted by the world's response to COVID-19. We believe the industry is actively shifting production/processing to deemphasize away-from-home consumption and toward grocery channels, which is creating some headaches. Further, the sharp curtailment in commercial flights from Europe to the U.S. has created logistical challenges, and increased freight costs, for the industry. We see these readjustments as temporary, and that by the time Atlantic Sapphire begins harvesting salmon in earnest by August, it will have a healthy market to sell into. We took advantage of what we saw as an unjustified dip in the stock to add to the Fund's position.

Scorpio Tankers Inc. (Ticker: STNG), one of the world's largest product tanker operators, was the second largest detractor to Fund performance in the first quarter. Shares of Scorpio Tankers underperformed largely due to the COVID-19 crisis and fears related to a global slowdown in trade. As we got closer to the end of the quarter, we saw the beginning of a fight between Saudi Arabia and Russia regarding cuts to oil production. With no agreement in place, both countries decided to fight each other and announced substantial production increases to incredible levels. While not openly stated, we believe the objective was to destroy the U.S. shale industry by pushing the price of oil to such distressed levels where it would be clearly uneconomical for U.S. competitors to produce. The global shutdown to thwart the spread of COVID-19 then caused the price of oil to implode. With record levels of oil being produced, the demand for oil rapidly waning and limited onshore storage capacity filling up quickly, there was no place to store the excess oil. The only viable solution was to charter oil tankers for floating storage, which led to tanker rates surging to unprecedented levels. For the crude tankers (i.e. Frontline, which the Fund also owns), charter rates for very large crude carrier vessels increased substantially from around \$20,000 per day to over \$300,000 per day virtually overnight before backing off a bit. Charter rates are now still over \$150,000 per day. In the near

term, we believe Scorpio Tankers will continue to benefit from the current situation, as the recent OPEC+ deal to reduce production by 10 million barrels per day will not be enough to offset the current oversupply.

The bottom line is that, in spite of the COVID-19 pandemic, the tanker industry continues to benefit from a record 20-year low order book for new vessels, favorable International Maritime Organization regulatory changes, Saudi Arabia/Russia conflicts that are collectively creating a situation that is extremely compelling and unique for the industry.

Constellium SE (Ticker: CSTM US), a downstream producer of value-added aluminum serving the packaging, automotive, and aerospace markets, was the third-largest detractor from Fund performance in the quarter, with shares falling by a whopping 69% during the period. Make no mistake, the market is spooked by Constellium's leverage, which stood at 3.9x earnings before interest, taxes, depreciation and amortization ("EBITDA") at year-end 2019. But it is important to note the company has no debt maturities until mid-2021 (€200 million) and not again until 2024, with essentially no restrictive debt covenants. The company maintains it has significant liquidity (more than €515 million) and highlights the stability of its defensive can sheet business (used for beverage cans), while pointing out that when business slows down in automotive and aerospace end markets, it unlocks cash from working capital as existing raw material inventories are worked down. As disclosed in a press release dated March 19, 2020, the stay-at-home directive from Emmanuel Macron has forced Constellium to reduce or suspend activities at certain of its plants. But in the same release, the company stressed its flexibility on capital spending and ability to reduce operating expenses, while noting its liquidity picture actually improved in Q1 2020 from year-end 2019. In our conversations with the company, we learned that the French government will be significantly contributing to worker payroll, and that shutdowns/startups of its plants are generally not very costly endeavors. And, we further believe that, if necessary, Constellium would have ample access to the secured debt market, even in times like these.

Zeroing in on Constellium's aerospace business (which represented 20-25% of 2019 adjusted EBITDA), in 2019, we estimate the company had about 2-3% revenue exposure to Boeing, and about 8-9% to Airbus. In fact, Airbus could be the beneficiary of some of the company-specific issues Boeing currently faces, which would be a net positive for Constellium. We are obviously aware of the sharp contraction in the outlook for all businesses tied to commercial aviation and are monitoring this fluid situation carefully. For now, we are of the mindset that the long-term positive trajectory of air travel globally will eventually return, but acknowledge we have no ability to forecast when this might be with precision.

Closing Thoughts

These are trying times for us all. We are all facing a crisis like no other we have ever faced in our lifetimes. It has and continues to wreak havoc from a health, social and economic perspective. Yet, I am cautiously optimistic that we will win this war based on the collective efforts of talented scientists, health care workers, economists, politicians and other individuals across the globe. In what time frame? – I do not know.

As I have told our investor partners many times over the years, crisis creates opportunity – it always has and always will. We continue to work diligently to take advantage of this crisis and find attractive investment opportunities. I believe the rigorous analysis our team did in the first quarter has positioned the Fund's

portfolio for success in the months, quarters and years to come. We remain so appreciative for your continued support and confidence.

Please reach out to me or Adam Ermanis aermanis@evermoreglobal.com with any questions. In this time of home confinement, we are here to be helpful in any way we can, and I'll be happy to join in a call with you.

Wishing you and your families all the best during this challenging time.

Sincerely,

A handwritten signature in black ink that reads "David E. Marcus". The signature is written in a cursive style with a large, stylized initial "D".

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.

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.

S&P 500 – a stock market index that tracks the stocks of 500 large-cap U.S. companies.

FTSE 250 Index – is a capitalization-weighted index consisting of the 101st to the 350th largest companies listed on the London stock Exchange.

Free Cash Flow – represents the cash a company generates after cash outflows to support operations and maintain its capital assets.

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.

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