Evermore Global Value Fund

Portfolio Commentary: 2nd Quarter 2018

EVERMORE GLOBAL ADVISORS
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Dear Shareholder:

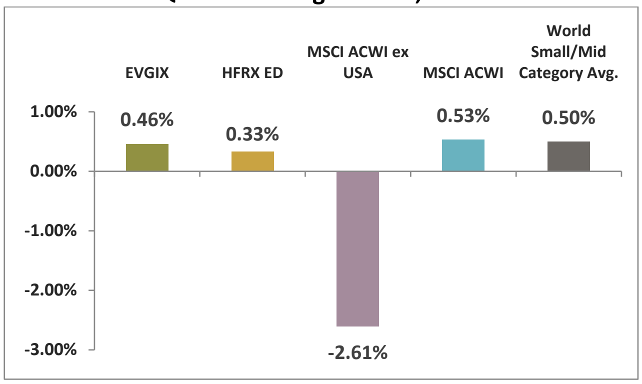
The threat and eventual imposition of tariffs continued to negatively impact global markets, which in turn negatively impacted a number of our portfolio positions in the second quarter of 2018. On June 1st, the U.S. imposed 25% and 10% tariffs on imports of steel and imports of aluminum, respectively, on some of our closest allies: the European Union, Canada and Mexico. In addition, the Administration announced that it plans to roll out an additional $50 billion of tariffs on Chinese goods and trade penalties on India in early July. In retaliation, China announced that it would impose tariffs ranging from 15 to 25% on over 200 U.S. products, and Canada and the European Union also announced billions of dollars of tariffs that would be imposed in early July. We remain optimistic that the current trade war will be a short-term problem that will result in longer term favorable trade agreements for the U.S. Regardless, we believe our portfolio investments can weather the trade war storm.

Confidence in the European markets once again came into question with the political instability in Italy amid concerns that they might be next to want to leave the European Union. We don't believe this will be the case and continue to see tremendous potential for value creation in European companies. As we have stated previously, we believe an operational and financial restructuring revolution is underway in industrial businesses across the region, and any pullback of substance should be viewed as a buying opportunity. The financial crisis gave European companies the opportunity to close or sell non-performing plants and businesses, as well as push back on the unions, which was never possible prior to the crisis. Additionally, European governments stepped up by changing rules and regulations to help companies survive, lower their cost structures, and modernize their operations, which we believe can ultimately lead to dramatic increases in earnings.

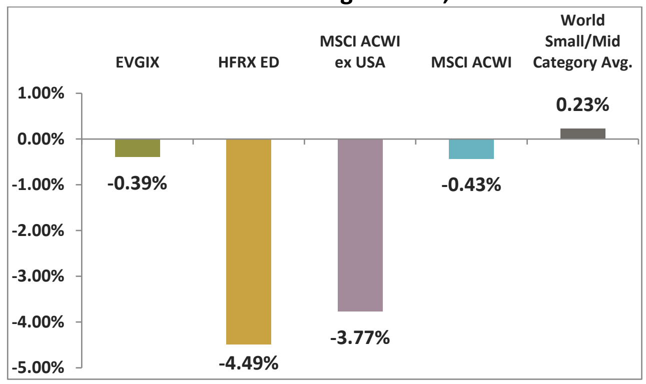
We initiated a number of new positions in the quarter and have found several interesting special situations in the large cap space, both in the U.S. and abroad. Large cap special opportunities can often create other compelling special situations investment opportunities, as we saw was the case in the past with a former Evermore Global Value Fund (the "Fund") position in ING Groep NV, which led us to investments in two former ING subsidiaries – Voya Financial and NN Group.

Global market performance was mixed for the quarter. The Evermore Global Value Fund ended the quarter with a small gain. 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 and six months ending June 30, 2018.

Quarter Ending June 30, 2018



Six Months Ending June 30, 2018



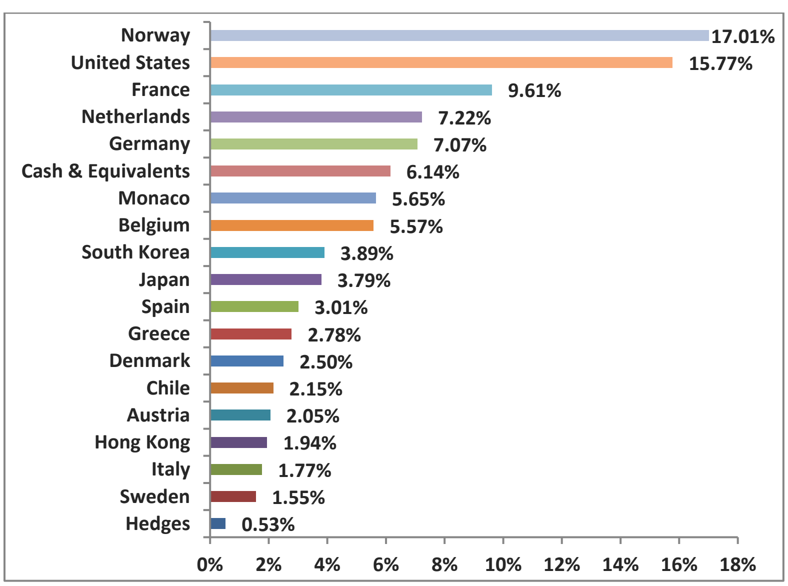
Morningstar World Stock Category Average represents an average of all the funds in the Morningstar World Stock Category.

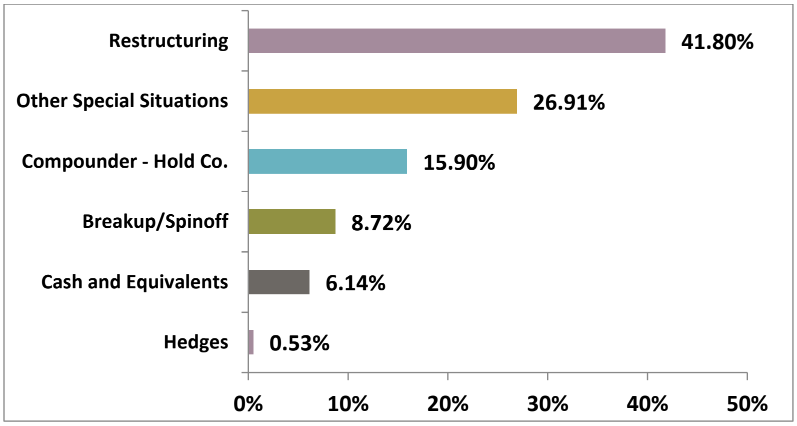
The performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance 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 June 30, 2018, the Fund had $678.4 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 44 issuer positions and the following geographic and strategy classification breakdowns:





Portfolio Review – New Investments

The Fund added six (6) new issuer positions during the quarter – Atlantic Sapphire AS (Norway), a leading edge land-based salmon farmer; DowDuPont Inc. (U.S.), which engages in agriculture, materials science, and specialty products businesses worldwide; Genco Shipping and Trading (Marshall Islands), which engages in ocean transportation of dry bulk cargoes worldwide; Gentherm Inc. (U.S.), which designs, develops, and manufactures thermal management technologies in North America, Europe, and Asia for the automotive and industrial sectors; Northern Drilling (Norway), a drilling contractor that focuses on acquiring and operating offshore drilling rigs for the oil and gas industry; and Scorpio Tankers Inc. (Monaco), which engages in the seaborne transportation of refined petroleum products worldwide. We will highlight DowDuPont and Scorpio Tankers in this commentary.

DowDuPont Inc. (DWDP) was created in September 2017 as the first step in a process of "merge to break up". In step one Dow Chemical and DuPont combined to create powerhouse verticals in specialty chemicals, agriculture chemicals and commodity chemicals businesses. Now that the various verticals have been combined, in step two they will be peeled off and distributed to shareholders, which will create three dominant and independent companies. We believe there is an enormous amount of shareholder value that will be created throughout this process.

The architect and overseer of this compelling transformation is Ed Breen, an executive whose experience in large scale break-ups provides a textbook fit for his current role as CEO. DWDP represents a highly compelling and timely investment given a series of well-defined catalysts over the next 12 to 24 months. Such catalysts include spin-offs, asset sales and a massive operational restructuring. With investor day events and SEC filings slated to begin in the Fall, we expect investor complacency towards DWDP shares to abate, and the market to begin focusing its attention on valuing each of the three spin-off companies more in-line with their respective comparison companies. Assuming achievement of both the company's cost and revenue synergy goals, we derive a base case sum-of-the-parts value estimate of ~$100 per share, more than 50% above its closing June 29th price of $65.92. Moreover, given a materially under-levered balance sheet and the potential of further spin-offs from new DuPont (DD), an amalgamation of four unassociated businesses, we believe there will be plenty of value creating levers for the new management teams to pull one each spun off company begins operating on its own.

Scorpio Tankers Inc. (STNG US) is the world's largest pure play product tanker operator with a market cap of $930 million. The company has the youngest fleet of product tankers in the industry, which is comprised of all product tanker asset classes. At the time that we initiated our position, STNG's share price was down about 40% year to date and at the lowest share price level since its listing in April 2010. This opportunity is a unique restructuring story that has been dismissed by investors and sell-side analysts due to the continued weak spot market, looming debt maturities in 2019 and concerns for a potentially dilutive equity raise to shore up its balance sheet. An extreme dislocation and misunderstanding by the market afforded Evermore a compelling entry point in an investment case we have been monitoring and assessing over the last six months.

Based on our assessment, it appears that the company will have a sufficient liquidity runway to meet its cash flow needs without having to come back to the equity markets for additional money. Given STNG's high quality, young fleet of fuel efficient vessels and management's longstanding relationships with lenders, we believe the Company would be able to secure additional bank debt capacity, enter into sale leasebacks and sell older vessels, if needed. The proceeds could be used to redeem the tranches further down the capital structure, specifically the convertible notes that have been the negative overhang dragging down the share price. Tanker stocks (both crude and product) are currently in the phase of the cycle where dry bulk was about two years ago. We believe STNG is extremely well positioned to take advantage of the recovery in the tanker market.

Portfolio Review – Investments Exited

During the quarter, the Fund did not fully exit any positions, though we did trim several as they begin to approach our intrinsic value estimates.

Portfolio Review – Top Contributors/Detractors

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

Top Contributors	Top Detractors
Salmones Camanchaca — **Fish Farming (Chile)**	codere — **Gaming (Spain)**
Unique beneficiary of Chile's new fish farming regulatory framework	Post-Reorg equity undergoing a major restructuring, including management changes
FRONTLINE — **Shipping (Norway)**	XPERI — **Technology Products (United States)**
Recent recap; opportunistically acquiring secondhand vessels at very attractive rates	Evolving lines of business, strong cash flow generation and patent enforcement potential

MARINE TRANSPORTATION (MONACO)	**FIXED AND MOBILE TELECOMMUNICATIONS PROVIDER (ITALY)**
Misunderstood financial restructuring with shares trading at all-time lows since 2010 IPO	Financial and operational restructuring, including new management, asset sales and spin-offs
TELECOM & MEDIA (FRANCE)	**INDUSTRIAL CONGLOMERATE; PORTS AND LOGISTICS (FRANCE)**
Spin-off of Altice USA and receipt of large dividend to pay down debt	Complex, misunderstood and mispriced Compounder run by value creator Vincent Bolloré
PHARMACEUTICAL COMPOUNDING (BELGIUM)	**PRIVATE EQUITY / VENTURE CAPITAL (FRANCE)**
Financial and operating restructuring	Compounder trading at large discount to value of underlying investments

Salmones Camanchaca S.A. (SALMON NO), a family-controlled Chilean farmer and distributor of Atlantic salmon and trout, was the largest contributor to Fund performance during the quarter. Its shares trade on the Oslo Bors and advanced 34.7% in Q2. The Fund participated meaningfully in Camanchaca's IPO in February 2018, which we believed was coming to market at what amounted to a distressed price despite the company's operating efficiency being very much in-line with its more fully-valued Norwegian and Chilean peers. Though some of the valuation gap has since closed, Camanchaca is one of the only salmon farmers globally expected to see significant organic volume growth within a market characterized by tight supply. Further, we believe we will see continued industry consolidation in Chile amid a more stringent regulatory environment, which should help perpetuate best fish-farming practices in the region. Trading at a significant discount to peers, with a strong management team and opportunities to reinvest in operational efficiency measures, capacity additions, and processing capabilities, we believe Camanchaca is well-positioned to reward investors for years to come.

Frontline Ltd. (FRO US) is a crude tanker vessel owner and operator with a fleet of 63 vessels, of which 46 vessels are owned with an aggregate capacity of approximately 12.3 million dead weight tons. Frontline was the second largest contributor to Fund performance during the quarter – shares were up 31.8%. The company has extended its loan facility of up to $275 million and pushed out maturities by 12 months to November 2019. Frontline continues to have a strong balance sheet with $249 million of liquidity and maintains one of the lowest cash breakeven levels among its comparable peers. The company has also acquired a 20% stake in Feen Marine, a privately-held scrubber manufacturer that will also retrofit up to 36 of Frontline's vessels. We believe this is a strategically smart decision to not only comply with the upcoming

2020 sulphur emission standards, but also to ensure that Frontline will have access to the important scrubber technology for its own vessels. A notable development during the quarter was the decision by OPEC to reverse its oil production cuts. Increased oil production would push oil prices down, which bodes well for tankers as this translates to higher exports and longer ton miles.

Codere SA (CDR SM), a $1 billion market cap gaming company headquartered in Spain with operations in Europe and Latin America, was the largest detractor to Fund performance during the quarter. The company primarily operates gaming machines, bingo halls, casinos, racetracks and sports betting locations in Spain, Italy, and Latin America.

The recent share price performance has been disappointing. It has been a relatively quiet quarter relating to company-specific news flow. Since becoming the CEO in January 2018, Vicente di Loreto has been getting acclimated to his new position and he has limited his engagement with shareholders and investors. In a short period of time, new management has identified and realized approximately €30 ($35) million of run-rate cost savings and reiterated full year EBITDA guidance of €300 - €305 ($350 - $356) million. We continue to maintain high conviction in our investment in Codere.

Xperi Corporation (XPER US) is a U.S. based research and development incubator, engaged in developing and licensing technologies within semiconductor manufacturing, as well as delivering audio and imaging solutions across home, mobile, and automotive markets. Xperi was the second largest detractor to Fund performance during the quarter – its shares declined 22.9% during the period. A portion of this decline came after the company reported first quarter earnings whereby management reiterated 2018 guidance. Oddly-enough, results were at or above management guidance and analyst expectations in all material respects, most notably, billings growth. However, the optics of the headline revenue numbers were not good, as the company's adoption of ASC 606 went into effect. ASC 606 is an accounting framework which renders GAAP accounting largely meaningless in gauging the company's underlying business performance.

A second, larger drop in the company's stock price later in the quarter appears to be the result of an unfavorable venue ruling in Xperi's International Trade Commission ("ITC") case against Samsung. While changing the venue for the case is certainly a real setback, the final word on the matter has by no means been written, as the company pursues enforcement of its IP against Samsung in myriad legal venues outside the ITC. While the headlines might be ugly, we believe a total loss of the Samsung matter is already more-than priced into today's share price.

Accounting optics and legal bumps aside, we believe the market will eventually begin to focus on what matters most—Xperi's significant future cash flow generation. We remain comfortable owning out-of-favor situations like Xperi for long stretches should valuations remain compelling and catalysts exist to close the gap between price and intrinsic value. We took advantage of the weakness in the stock and added to our position during the quarter.

Bolloré SA (BOL FP) was also a detractor to performance during the quarter, largely as a result of the announcement in late April of the indictment of Vincent Bolloré, who controls Bolloré SA, by a French judge based on allegations brought by French investigators. The indictment relates to allegations that Havas, a subsidiary of Bolloré SA undercharged for consulting work performed for presidential candidates in Togo and Guinea, Africa and in return Bolloré won port concessions in those countries. Although we are closely monitoring this situation, please note that the port concessions in question represent a small percent of Bolloré revenues, as well as a small percent of our estimate of its net asset value. We believe that even if the company and/or Vincent Bolloré have to pay a significant fine and the company loses one or both of its port concessions, Bolloré shares remain extremely attractive at current share price levels. We will hopefully be able to provide you with an update in our next quarterly commentary.

Closing Thoughts

As we have said many times in the past, volatility and uncertainty often creates opportunity for patient, thoughtful investors. Over-reaction to tariffs and trade wars might very well result in a sell-off in global markets and will certainly adversely impact a number of positions in the Fund's portfolio. However, as we usually do, we would look to take advantage of lower share prices to add to existing positions and acquire new ones.

Although we are disappointed with the Fund's absolute investment performance during the second quarter and first six months of 2018, we believe this is an exciting time to be a special situations investor. While a majority of our investments over the past 8+ years have been in smaller market capitalization companies, we are beginning to see special situation opportunities abound in larger market capitalization companies. Huge industrial companies are spinning off various business lines and selling non-core assets. Such is the case with a recent addition to the Fund – DowDuPont. The recent expansion of our investment team has given us the ability to work on these larger, often more complex special situations.

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 note that the following exchange rates were used to convert the foreign currencies discussed in this document (as of 6/30/18): Euro (1.167801).

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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