Evermore Global Value Fund

Portfolio Commentary: 2nd Quarter 2019

Dear Shareholder,

Global markets were generally up in the second quarter, despite a mid-quarter dip. Trade, political and central bank uncertainty all contributed to swings in security prices. In the U.S., the S&P 500 saw a new all-time high, while Eurozone shares also advanced as the European Central Bank hinted at further monetary easing. Asian markets fell as China, and to some extent, Korea and Japan, dealt with the impact and repercussions of tariffs on global supply chains.

Value stocks continued to significantly lag their growth stock counterparts, which has been a decade long phenomenon. In fact, the relative valuation gap today between value and growth stocks is generationally wide. At Evermore, we think this dynamic is about to change, but not necessarily for all value investing. Today there is a confluence of corporate events ("catalysts") underway that could be the trigger to deliver compelling returns in the years ahead. Shareholder activism, operational and financial restructurings, including breakups and spinoffs. There is an abundance of strategic change underway around the world, and we believe that the "tomorrow story" for value stocks is becoming a "today story" for these value stocks with catalysts.

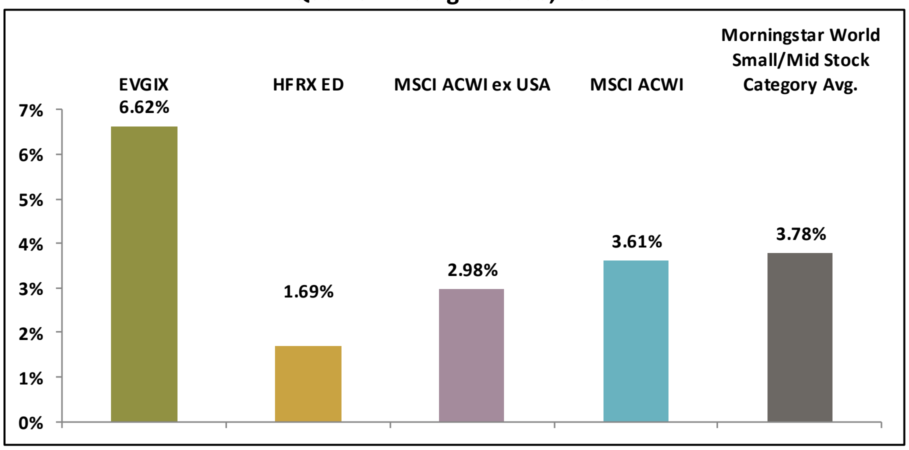
Strategic change is at hand across the globe, but especially in Europe and the U.S., where there are a significant number of large companies consolidating and refocusing their businesses. They are choosing to focus on their "core" operations and are now divesting "non-core" operations. There is also an abundance of strategic acquirers (like cash rich industry competitors, or private equity investors) who are actively looking to deploy capital to grow. Digitalization too is a disruptor that is bringing in an era of rapid change as retail, media, healthcare and industrial businesses are all experiencing aggressive new competition targeting their customer base. And, in Europe and Asia, there are family-controlled businesses that are transferring control to the next generation. These transitions can often breathe new life into a company as fresh leadership brings with it new perspectives and initiatives that may unlock significant value. Each situation is different, but the presence of some or all of the above events can create exceptionally compelling investment cases. The key is to be tactical and take advantage of unique opportunities when presented during this period of unparalleled transformation.

We believe this combination of low valuation and corporate change is going to be a powerful value creation mechanism in the years ahead for those discerning investors who are focus on these special situations. That is what we do at Evermore seek out catalyst-driven investments in the early stages of change for companies trading well below our estimates of their intrinsic values. Without this focus on catalysts, we suspect other traditional methods of value investing (i.e., "relative value," or, "reversion to the mean" strategies) will continue to be beholden to the whims of market, and very well may continue waiting for "value's rebound" for years to come.

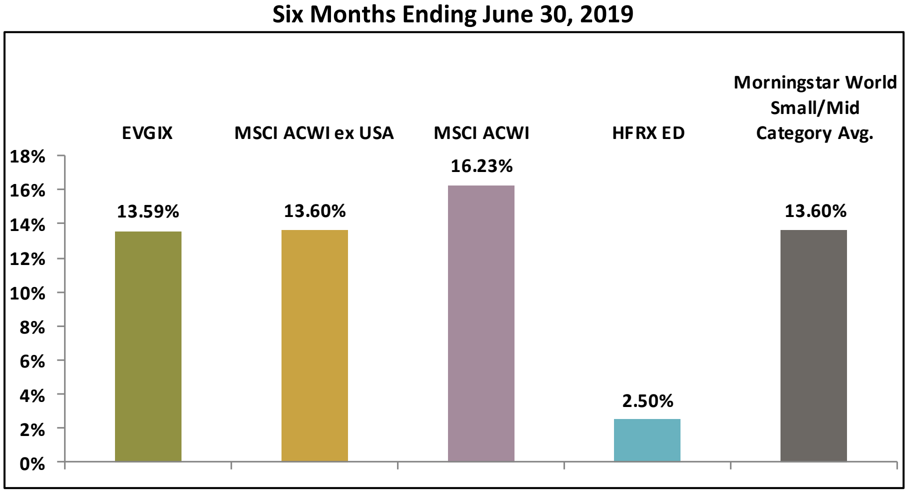
Performance

Institutional Class shares of the Evermore Global Value Fund (the "Fund") were up 6.62% for the first quarter, which compared favorably to the performance of our primary benchmark indices and peer group. The chart below shows 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 June 30, 2019.

Quarter Ending June 30, 2019



Six Months Ending June 30, 2019



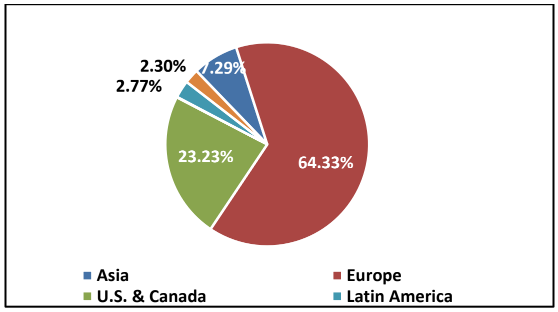
Morningstar World Stock Category Average represents an average of all the funds in the Morningstar World Stock Category.

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.*

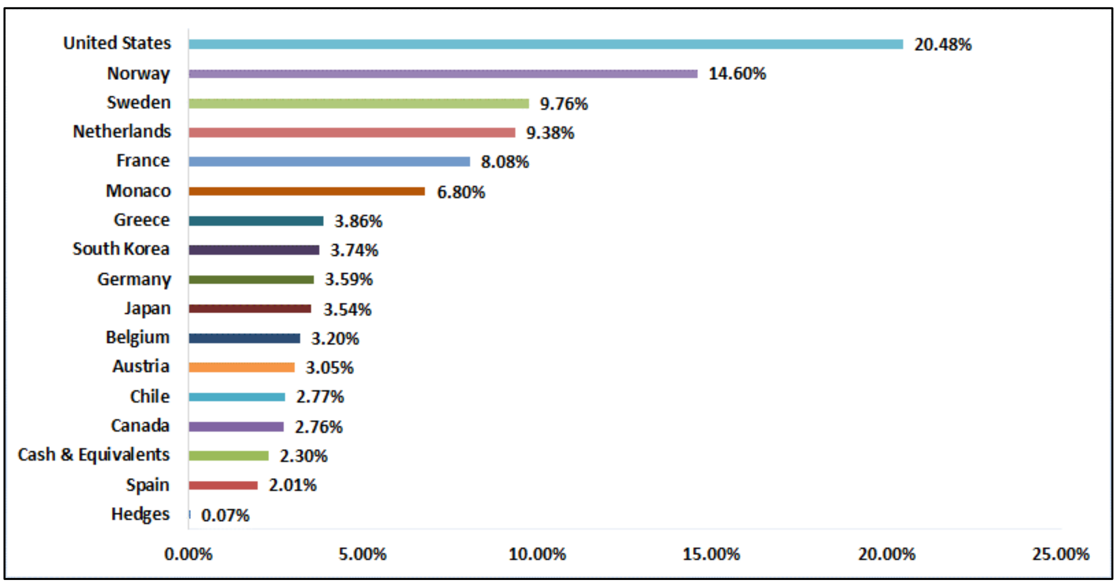
Portfolio Review – Characteristics

The Fund ended the quarter with $577.6 million in net assets, 45 issuer positions and the following geographic, strategy classification and market capitalization breakdowns:

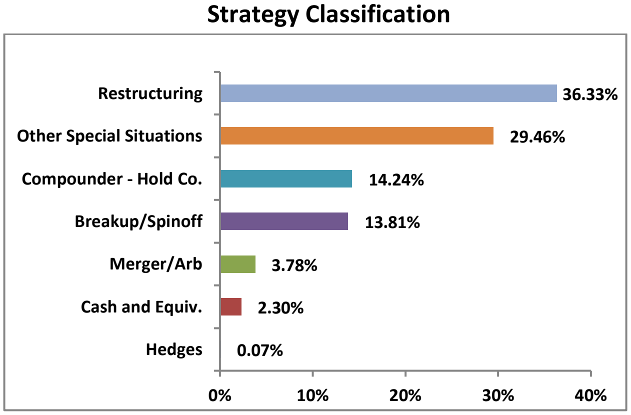
Region Exposure



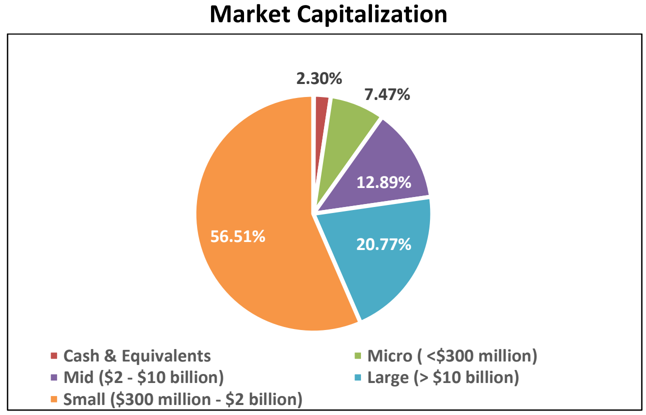
Country Exposure



Strategy Classification



Market Capitalization



Portfolio Review – New Investments

The Fund initiated three new positions during the quarter, and, received shares in two spinoffs from the breakup of DowDuPont. The new buys were Aimia Inc., Tikehau Capital, and The Walt Disney Company. DowDuPont is now three separate companies, Dow, DuPont, and Corteva, and we continue to own all three. As we have not concluded building our positions in Aimia and Tikehau, we will only share a description of Disney in this commentary.

The Walt Disney Company

Disney is an interesting situation (and a bit of an outlier as we do not routinely find opportunities among U.S. mega caps), as there are a number of catalysts underway at the company. Following their acquisition of assets from 21st Century Fox last year, Disney is today embarking on a major corporate transformation as they go all-in on building out their direct-to-consumer services, including their planned streaming business, called "Disney+." After being initially slow to embrace video streaming, the company has really changed course and is today being extremely aggressive (Disney's takeover of Hulu is a good example). We believe the company now understands they can control their own destiny, and in the entertainment industry, no one else has the scale anything close to that of Disney.

The goal of Disney+ is to be the new core for Disney, enabling the company (for the first time ever) to know exactly who interacts with its content, how frequently, in what categories, and through which characters. The streaming business should increase consumption of Disney's content, drive additional sales of its other products and experiences, disintermediate its traditional channel partners (like travel agencies, movie ticket sellers, and other retailers) and improve margins across their businesses.

Disney has always been an intellectual property ecosystem play. It's Theme Parks division, for example, does nearly 100% more revenue than its Studio group, but the latter drives the former. Everything flows together, starting from theatrical releases. Disney's catalog and character libraries are enormous. In addition to all the Disney and Pixar characters, they own the Marvel Comics universe, they bought Lucasfilm and Star Wars, and so their stable of characters has expanded into the thousands. We envision many opportunities ahead even if Disney uses but a fraction of this character base.

Beyond Disney+, they also have a whole host of other potential new businesses that we are not counting in our valuation, such as co-branded credit cards launched in theme parks, etc. We also expect the company to spinoff assets as they continue to digest and integrate the pieces acquired from 21st Century Fox.

Excluding the ~$3 billion in costs that Disney will incur in building out Disney+, we acquired our first shares when the stock was trading at less than 15x next year's expected earnings per share, hardly a rich valuation for perhaps the most dominant name in entertainment. Given the addition of a more subscription-based business model, we believe Disney could follow the same path as others who have gone down a similar road, such as Microsoft and Adobe. With that in mind, we believe Disney stock could trade in excess of $200 per share as Disney+ is rolled out next year.

Portfolio Review – Exited Investments

The Fund exited six positions during the quarter, **Ackermans & Van Haaren**, **Altice Europe**, **Altice USA**, **Gentherm, Safe Bulkers and Songa Bulk**.

While we still regard **Ackermans** as a good "compounder", we concluded that the compounded rate of return was starting to decelerate as they shifted to the investment phase of the business cycle, and so we took a gain to redeploy the capital. We also exited **Safe Bulkers** with a substantial long-term gain, as the stock more than tripled since our initial purchase. We now own shares in Star Bulk as a result of its merger with **Songa Bulk**. **Gentherm**, a position we owned for about a year, was also sold for a small profit. While our original transformation thesis for Gentherm remains intact, and we absolutely believe in their technology taking additional market share, we began to grow uncomfortable with too much cyclical automotive exposures within our portfolio, and so we moved on.

Lastly, our investments in **Altice Europe** and **Altice US** worked out almost exactly as planned, and in the end, the spun-off Altice US shares were worth more than the entire share price of the original Altice at the time of purchase. Altice Europe was, and still is, a cheap call option on consolidation in the French wireless markets, however, after the company sold a number of its easier-to-sell assets, we thought the positive divestment news flow would hit a dry spell. Like several of our sales this quarter, we elected to exit a mature late inning investment to redeploy that capital in to better opportunities.

Portfolio Review – Top Contributors/Detractors

The top contributors and detractors to performance during the quarter were:

Top Contributors	**Top Detractors**
Scorpio Tankers Inc. — **Tanker Ship Operator (Monaco)**	Borr Drilling — **Offshore Oil Drilling (Norway)**
Misunderstood financial restructuring positioned to seek to benefit from recovery of tanker market	Acquiring modern, highly specialized, offshore oil rigs at historically low asset values
MagnaChip — **Semiconductor Designer & Manufacturer (South Korea)**	Northern Drilling — **Offshore Oil Drilling (Norway)**
Aggressive cost-cutting and explosive growth in display and power divisions	Sophisticated international offshore oil drilling contractor specializing in harsh environments

Hapag-Lloyd — CONTAINER SHIP OPERATOR (GERMANY)	CONTAINER SHIP OPERATOR (GREECE)
Fifth largest container transportation company concluding major restructuring and merger	Company formed to seek to take advantage of mispriced, distressed container assets

Scorpio Tankers

After being our largest contributor to performance in the first quarter, Scorpio Tankers followed that up with another excellent period and was again the most impactful position. At quarter end, the stock was up nearly 70% year to date.

With a market cap of $1.5 billion, Scorpio Tankers has seen a number of favorable catalysts occur this year. First, the U.S. has now become a top-four global exporter with current exports amounting to almost 3 million barrels per day. With the U.S. becoming a net long exporter, tanker operators in general are the beneficiaries of longer ton miles from the increasing long-haul Atlantic basin exports.

Second, the new International Maritime Organization's 2020 sulphur cap regulations ("IMO 2020") will go into effect starting in January. This is forcing the industry to make some real changes, and may ultimately lead to longer trade routes, require additional voyage runs, and lead to potential fuel service disruptions, all positives for the tanker operators whose fleets are modern, or retrofitted and compliant. IMO 2020 will also increase pressure on older vessel operators, especially those with ships older than 15 years old because the upgrades will be cost prohibitive. The pace of ship scrapping, and new ship deliveries should lead to close to zero net fleet growth for product tankers in 2020.

Also, in late June, the Philadelphia Energy Solutions refinery announced it will close, as a result of the recent fire at the facility. Accordingly, product tanker rates from Europe to the Atlantic Coast rallied 50% in the days following the massive explosion. With rising rates, Scorpio Tankers has been booking an increasing number of these fixtures going into the summer.

We continue to hold Scorpio Tankers and we believe the business remains meaningfully undervalued.

Borr Drilling

Borr Drilling was this quarter's largest detractor as the stock fell about 35% in the period. Borr Drilling is a $1.0 billion market cap, newly formed oil driller that was created in 2016 with the sole purpose of acquiring modern, highly specialized rigs ("jack-ups") at historically low asset values at a time of poor industry fundamentals. It was established by Tor Olav Troim, an extremely smart investor who was previously John Fredriksen's right-hand man during the building of Fredriksen's vast shipping and drilling empire. Shares in Borr, and other companies across the drilling sector, have lagged general market performance during the first half of this year.

While premium jack-up utilization rates are currently at 85% (up from 70% in early 2019) and day rates across most regions have moved 35% to 40% higher this year, those positive industry fundamental developments have been muted by fears of a global oil demand slowdown and reduced global growth estimates the past few months. We believe these concerns about demand are unfounded (and fairly typical among industry analysts), as there is still another 1.2 million barrels per day of incremental refining capacity coming online before the end of 2019 and an estimated 1.8 million barrels per day slated for 2020. While weaker demand growth could imply a slower ramp-up in this incremental production capacity, the reality is IMO 2020 mitigates this risk as fleet compliance will be necessary for all.

The poor quarter was not all industry specific, however, as in May, Borr announced an unexpected cancellation of two contracts that were executed with Qatar Gas. The cancelations came as a surprise to the company, and to investors, and it is our understanding that it was Qatar breaching their internal obligations by willfully going with a lower-quality rig (and operator) instead of Borr. Despite the loss of those contracts, Borr expects to redeploy their rigs to a number of sizeable opportunities in Mexico, Malaysia, Thailand and West Africa; locations where the company's assets would be most suitable.

However, in an example of cause and effect in action, the Qatar cancellations increased investor anxiety that Borr would be unable to secure future tenders, which would then impede their ability to refinance existing debt. We think these concerns are unwarranted, as the company has already successfully refinanced its debt and pushed out maturities.

Lastly, in July Borr filed to list their shares on the New York Stock Exchange. This should bring a new shareholder base of U.S. investors and should significantly improve trading liquidity and general market awareness. We believe Borr is one of the few pure-play oil drillers, with a clean capital structure, and with no legacy operational costs or balance sheet issues.

We took advantage of the weakness in Borr and added to the position during the quarter.

Closing Thoughts

At Evermore, we go where the catalysts take us. When we occasionally find a large cap business like Disney that fits our investment criteria, we inevitably are challenged by investors who question why we are looking at large caps at all? The implication being, are we changing our focus?

The simple answer is No. The fact is that mid- and small-capitalization companies remain the primary areas of the market that we focus on, and we have a disproportionate number of portfolio investments of that size. After all, there are more small fish than large in your average pond. But when a large cap situation has the characteristics that we demand of all our investments, including a compelling valuation, we will certainly look to take advantage. We have, and always will, invest in opportunities across the market cap spectrum.

As investors tasked with finding opportunistic special situations, owning large caps has worked for us on many occasions over the years, including and not limited to our previous investments in ING Bank, AIG, Kering, and Siemens.

We will always maintain this flexibility with our mandate as doing so affords us access to a much larger global investible universe.

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.
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.

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.