Evermore Global Value Fund

Portfolio Commentary: 2nd Quarter 2020

Dear Shareholder,

Global markets generally posted solid returns in the second quarter, as economic stimulus plans, easing of COVID-19 lockdowns, and early signs of economic recovery fueled investor optimism. U.S. markets posted the strongest gains in Q2, with Europe following close behind. The European Union ("EU") recently updated its rescue package and increased the total size of the Recovery Fund program to €750 billion. This is an unprecedented collaboration amongst the EU member countries for a stimulus package that includes significant grants and loans.

The Evermore Global Value Fund (the "Fund") also posted solid performance in the quarter, although it considerably lagged the performance of its benchmark indices. While the Fund's year-to-date performance has been disappointing, I am very pleased with how the Fund's portfolio is currently constructed. I believe the modifications we made to the portfolio in Q1 and Q2 to address the impact of the pandemic, combined with the new positions we added, has the portfolio well-positioned to outperform over the coming months and beyond.

Despite the strong gains achieved in the second quarter, volatility remained high, which gave us the opportunity to add to existing positions, reduce and exit certain positions, and initiate new positions. Our second quarter investment performance, as well as several of the portfolio moves mentioned above, are highlighted in the portfolio review set forth below.

The impacts from the COVID-19 pandemic are still being digested, with so many potential outcomes for so many aspects of our daily lives. From an investing standpoint, while the pandemic has had and will continue to have dire consequences for many businesses across the globe, it also has and will continue to present opportunities for others. We are seeing a dramatic acceleration in the types of corporate catalysts that have historically generated some of the best returns in the portfolio and we believe the stage is set for this to continue with a potentially steeper trajectory than in years past.

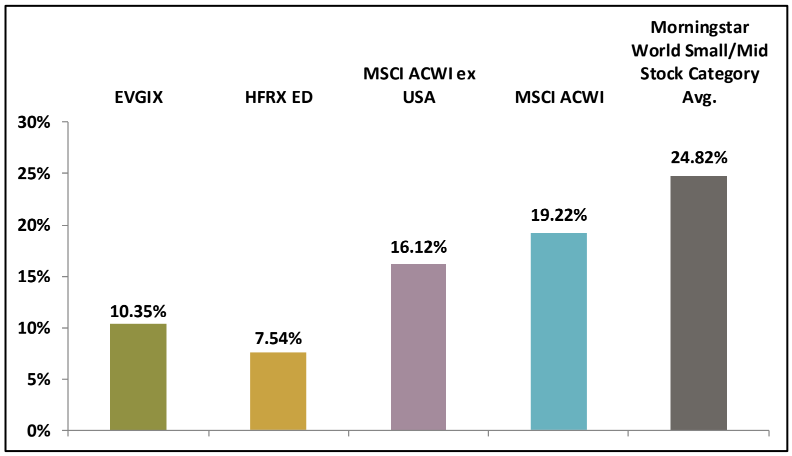
As an example, just look at some of the news across our portfolio: Atlantic Sapphire, the land-based salmon farming group, will begin harvesting the first of what will ultimately be record levels of this unique means of production from its U.S.-based facility in the coming weeks. Modern Times Group has grown its mobile and online gaming businesses at far higher rates than it (or we) anticipated as gamers of all ages look for alternatives to their normal activities during this unprecedented time. IAC/InterActive Corp. spun-off to shareholders its stake in Match.com. KKR & Co. continues to deploy, harvest and raise record levels of capital.

While our offices still remain closed, we continue to operate very effectively remotely. I am in continual contact throughout each day with members of our research and trading team. We have been able to actively engage with our portfolio management companies as well as management teams from many of the companies we are evaluating for investment. We also had the opportunity in June to conduct an investment team virtual offsite meeting, continuing our quarterly practice of conducting thorough reviews of our portfolios and investment processes.

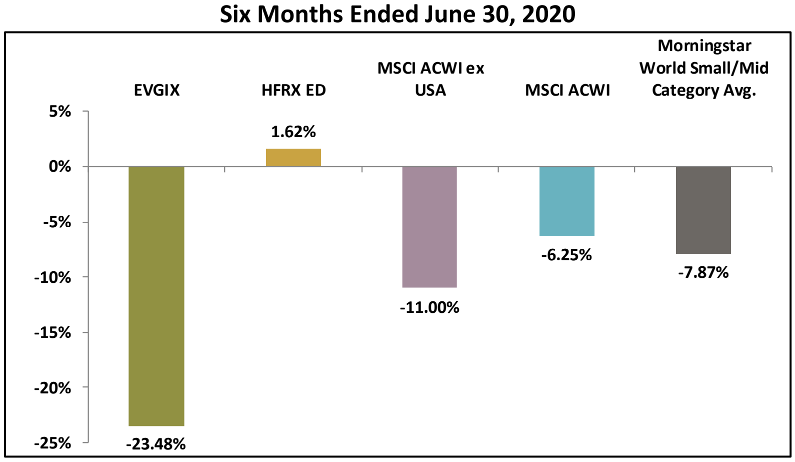
Portfolio Review – Investment Performance

Institutional Class shares of the Evermore Global Value Fund ("EVGIX") were up 10.35% and down 23.48% for the quarter and six months ending June 30, 2020, respectively. As shown in the chart below, the Fund's second quarter and year-to-date investment performance generally 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 June 30, 2020



Six Months Ended June 30, 2020



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

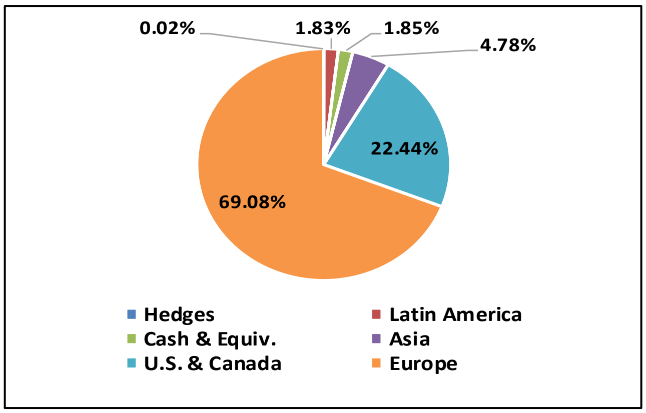
The performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance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

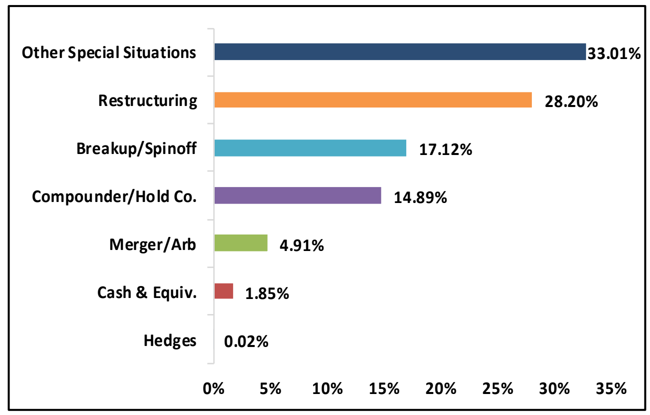
The Fund ended the quarter with $276 million in net assets and 36 issuer positions. As of quarter-end, **71.7%** of the Fund's invested assets were in micro capitalization (< $300 million) and small capitalization (between $300 million and $2 billion) companies; **15.2%** were in mid capitalization (between $2 billion and $10 billion) companies; and **13.1%** were in large capitalization (> $10 billion) companies.

Set forth below please find the following geographic and strategy classification breakdowns (shown as a % of Fund net assets) as of quarter-end.

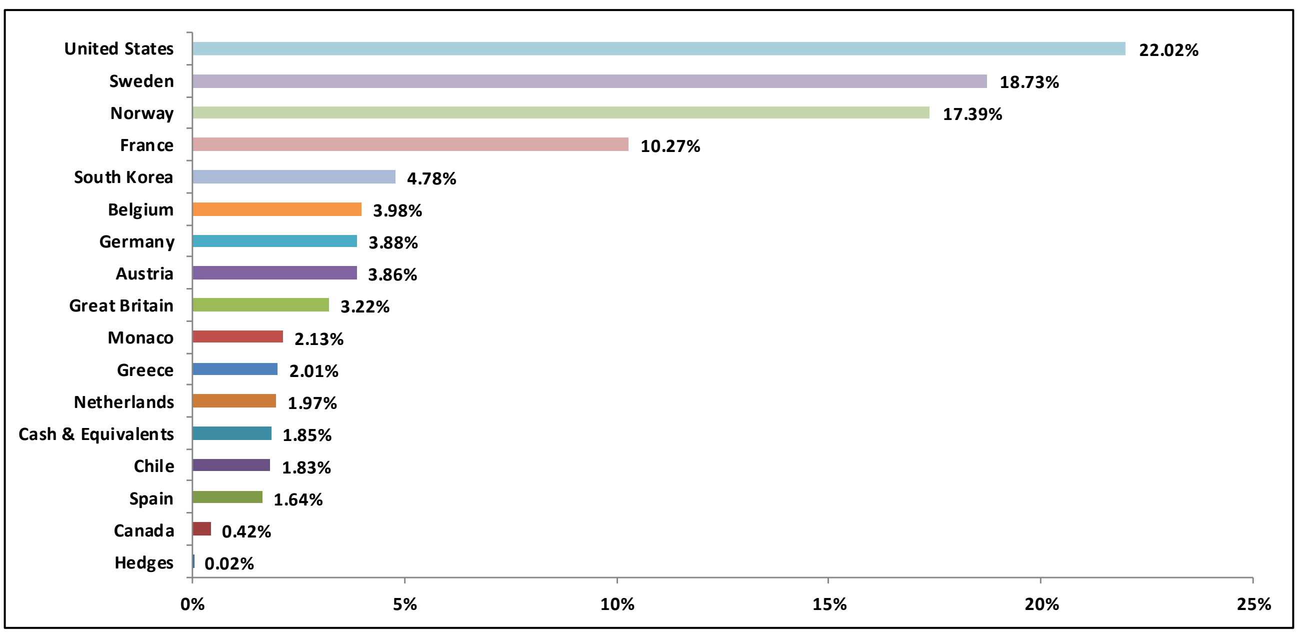
Region Exposure



Strategy Classification



Country Exposure



Portfolio Review – New Investments

The Fund initiated four new positions during the quarter:

- **Aimia (Country: Canada ; Ticker: AIM CN)**, a tax-asset-rich, publicly-traded investment vehicle which, under recently reconstituted leadership, is diversifying away from its history as a customer loyalty solutions provider
- **Aker BioMarine AS (Country: Norway; Ticker: AKBMME NO)**, a vertically integrated producer of krill-based animal feed additives, nutritional supplements, proteins, and pet foods (see investment summary below)
- **PharmaSGP Holding SE (Country: Germany; Ticker: PSG GY)**, a manufacturer of non-chemical, over-the-counter drugs, and other healthcare products (see investment summary below)
- **Telia Co. AB (Country: Sweden; Ticker: TELIA SS)**, a provider of communication services in Sweden, Finland, Norway, Denmark, Lithuania, and Estonia.

Aker BioMarine AS Investment Summary

Based in Norway, Aker BioMarine ("ABM") had been wholly owned by Aker ASA prior to its initial public offering ("IPO") in late June, whereby approximately 20% of the company was listed on the Norwegian Merkur exchange. The Fund participated in this IPO, which we believe was completed at a compelling valuation given the company's clear market leadership, strong management, and long runway of demand growth for its high-margin products.

Krill are paperclip-sized crustaceans that sit squarely at the bottom of the food chain. While they can be found in all the world's oceans, they gather in massive swarms in Antarctic waters, which is the only economically viable area for krill fishing. Krill oil and krill meal have long served a role in aquaculture feed, but in recent years have become "superfoods" of sorts for the unique forms of omega-3 fatty acids they contain, and their association with heart, joint, and brain health. For instance, whereas the fatty acids (DHA and EPA) in fish oil are in triglyceride form, the same fatty acids in krill oil are found in the form of phospholipids, which is widely believed to help increase their absorption and effectiveness. Further benefits unique to krill oil include: (1) the antioxidant astaxanthin, which has been shown to have anti-inflammatory properties; (2) choline, which supports proper cell structure and promotes cardiovascular, liver, and cognitive health; and (3) an ability to reduce "bad" cholesterol (LDL) levels among users.

ABM has three krill harvesting vessels and captures approximately 70% of the world's krill catch, whereas the remaining 30% is shared among 13 vessels from all the other operators. This clear scale advantage is actually not due to vessel size, but around know-how and ABM's unique processing technologies aboard its ships that allow for the removal of significant water weight from the harvest (ABM holds 76 industry patents). The result is an operation with unmatched cost and carbon footprint efficiencies. The $200+ million combined price tag for each of a harvest and support vessel appears to us as cost prohibitive for a total market this modest in size. And as a result, we do not expect fights over market share, and that price competition will stay muted for the foreseeable future.

Once harvested, ABM converts its krill into feed additives as well as krill oil, the latter through its Houston, TX processing plant *which produces fully 80% of the world's krill oil*. Already with significant control over the raw material, ABM moved to vertically integrate with its 2019 acquisition of Lang Pharma Nutrition. With Lang, ABM brought in-house a full service, mass market private label and corporate brand manufacturer for dietary supplement and pharma nutrition products. Founded in 1984 and based in Rhode Island, Lang has built strong relationships with retailers such as Walmart, Target, CVS, Walgreens, Sam's Club, and Costco. The end result is margin stability: retailers purchase branded krill oil under contracted pricing and terms from the firm that has long helped to manage the broader—and very profitable— vitamin and supplement category for them. And on the cost side, some 65-70% of the company's costs are fixed (and with a hedging program in place for a portion of its expected fuel consumption). As a firm with considerable experience investing in aquaculture, we at Evermore find this type of stability to be extremely unique within the industry.

Pro-forma for the IPO, the company had a quarter-end enterprise value of 12 billion in Norwegian Krone (NOK). Looking out to 2024, we believe the company can generate north of NOK 2 billion in earnings before interest, taxes, depreciation and amortization ("EBITDA"), which includes zero EBITDA contribution for the valuable brands it is building – *Kori* krill oil and *QPAWS* dog food. It also excludes any contribution from its for-human-consumption protein business which shows significant promise. We believe the combination of its leading market share and margins, backdrop of significant growth, strong and ESG-aligned management team, and real optionality around investments in new ventures over the medium term, creates a situation that will reward shareholders for years to come.

PharmaSGP Holding SE Investment Summary

We initiated our position in PharmaSGP Holdings, a newly listed pure-play pharmaceutical health company with a €380 million market cap. The company has a broad portfolio of chemical free, over the counter ("OTC") healthcare products with core brands that cover chronic indications including pain, erectile dysfunction, vertigo and age-related ailments. As a result of our extensive relationship network in Europe, Evermore was afforded unique access to one of the biggest IPOs in Germany this year. Our due diligence was the culmination of numerous meetings and discussions with the company's CEO, CFO and Founder over the past five months leading up to the IPO.

PharmaSGP has secured a first-mover advantage and has one of the largest portfolio of products and pharmaceutical marketing authorizations for new products in Europe. In Germany, and in the core markets in Western Europe in which the company operates, OTC healthcare products can be only sold exclusively in pharmacies. The regulatory environment serves as a natural barrier to entry as the sale of these products are strictly controlled. Specifically, under the German Pharmacy Act, large pharmacy chains or consumer multinational companies are prohibited from entering Germany.

The company is the market leader in its core markets in Europe (Germany, France, Italy, Spain Belgium, Austria). PharmaSGP has a solid business model (asset light, highly scalable) and is characterized by a high free cash flow conversion (over 90%) with minimal capital expenditure requirements and working capital needs. We believe PharmaSGP came to the market at a compelling valuation trading at a 25% discount to its closest comparable peer and at least a 45% discount to our intrinsic value estimate.

Portfolio Review – Exited Investments

During the quarter, the Fund exited the following three (3) positions:

- **Navios Maritime Partners LP (Country: Greece; Ticker: NMM US) –** After a comprehensive review of the Fund's portfolio, we decided to exit this position in order to initiate several more compelling new positions that we have been closely monitoring that became significantly cheaper during the COVID-19 crisis.
- **Par Pacific Holdings Inc. (Country: U.S.; Ticker: PARR US)** – Although we have respect for the company's management and its long-term strategy, during the quarter, the investment case for PARR became overwhelmed by two simultaneous factors. First, the stay-at-home directives resulting from the pandemic meaningfully dampened gasoline and jet fuel demand in Par's markets, pressuring crack spreads and reducing fixed cost leveraging across the company's refining network. Second, the gyrations in global oil markets created significant uncertainty as to Par's ability to capture positive differentials across its crude slate. As a result, we decided to exit the position. We plan to reassess this investment when the dust settles, but in the meantime, we have redeployed the proceeds into more compelling situations.
- **The Walt Disney Company (Country: U.S.; Ticker: DIS US)** - The Fund exited its position in The Walt Disney Company ("DIS") in Q2. DIS faces challenges of unknown duration in several businesses due to COVID-19; theme parks around the world are shut down or operating at a very limited capacity, Hollywood studio production has come to a standstill, professional and collegiate sports leagues in the U.S. are attempting to operate in uncharted waters, and movie theaters face an increasingly unknown future. While we remain constructive on the transformation that is ongoing at DIS, we made the decision to allocate capital to other ideas in the portfolio given the aforementioned business challenges.

Portfolio Review – Top Contributors & Detractors

Top Contributors	Top Detractors
Atlantic Sapphire AS (Norway)	Scorpio Tankers Inc. (Monaco)
Modern Times Group MTG AB (Sweden)	Frontline Ltd. (Norway)
IAC/InterActive Corp. (U.S.)	Scorpio Bulkers Inc. (Monaco)

Atlantic Sapphire AS (ASA NO) was the Fund's top contributor to performance in the quarter, with shares appreciating by 39% in the period. Based in Norway, but with its major assets in the US and Denmark, Atlantic Sapphire is a pioneer in land-based salmon farming, a method whereby the entire lifecycle of the fish takes place in a series of above ground tanks that feature recirculating water at varying levels of salinity. By producing fish closer to consumption growth, enormous transportation cost and carbon footprint advantages emerge. Further, we expect the company to be able to price its salmon at a premium to spot prices as it will offer a fresher and more sustainable product that is free of disease, parasites, antibiotics, and microplastics.

During the quarter the company continued to make substantial progress on its Homestead facility construction. It was able to refinance an existing term loan and credit facility with an upsized facility on favorable terms, thereby securing the financing for its next 10,000 tons of capacity at the Florida site. Lastly, it up-listed its shares to the main Oslo stock exchange from the Merkur exchange, which has helped to increase liquidity and expand the company's potential shareholder base. It seems that investors are looking past the February 2020 mass mortality incident the company suffered at its Danish test facility, seeing this as a one-off event, and have shifted their focus to the imminent start of US commercial harvesting. While Atlantic Sapphire is expected to exit Q3 2020 with approximately 13,000 tons of annual capacity, it has longer term plans for more than 200,000 tons of capacity. We expect this to provide a long runway of profitable growth which we do not believe is being properly accounted for in today's stock price.

Modern Times Group MTG AB (MTGB SS), this Swedish holding company with Esports competition and gaming assets, was the Fund's second largest contributor to investment performance during the second quarter. While the Esports segment continues to face a tough environment with large scale venue competitions shut down due to COVID-19 directives by local governments, we believe MTG's online and mobile gaming businesses continue to be strong as more people stay home during the pandemic crisis. During the quarter, a Germany-based activist fund called Active Ownership Capital amassed a 6.75% stake in MTG and is now pushing for board representation to accelerate the transformation of this undervalued group of assets. In June, MTG announced a one-year agreement with Epic Games for a new Fortnite tournament series. The deal follows numerous successful test events with Epic Games over the past year. This deal will encompass tournaments that will initially be held online and then later combine with Dreamhack's (Esports subsidiary) physical events as COVID-19 restrictions are lifted.

During the recent Annual General Meeting, there were substantial changes made to the board of directors. The board is now comprised of three new, highly credentialed professionals that can provide fresh perspectives. Further, MTG has temporarily suspended its Strategic Review due to the COVID-19 crisis. The company is currently working to determine if they should sell, list or spin off the gaming assets to shareholders. We continue to believe that MTG, with its growing Esports and gaming businesses, as well as a net cash position representing almost 25% of its market cap, continues to be misunderstood by the market. We believe MTG is extremely well positioned to take advantage of M&A opportunities as both the gaming and Esports industries evolve.

IAC/InterActiveCorp (IAC US) was the Fund's third largest contributor to performance in the quarter. IAC is a holding company, with equity stakes in Angi Homeservices (ANGI US), Vimeo, Dotdash, Care.com, and many other internet and technology-based businesses. As we described in our Q4 2019 letter, we entered the second quarter of 2020 with a long position in the IAC "stub"; that is, a long position in IAC against short positions (commensurate to their stakes) in Match Group (MTCH US) and ANGI. The extreme volatility in the second quarter presented us with an opportunity to cover our short positions, and we realized an aggregate gain on the short side of the trade. On the long side, IAC rallied strongly into the spinoff of its stake in MTCH on June 30th. We remain shareholders of IAC, as the stock reflects little or no value for its "stub" assets, which we believe are quite conservatively worth around \$4 billion. And, with about \$4 billion in net cash sitting on IAC's balance sheet, we look forward to seeing how Barry Diller and company choose to shape the "new" IAC.

Scorpio Tankers (STNG US), one of the world's largest product tanker operators, was the largest detractor to Fund performance during the second quarter. COVID-19 has caused significant demand destruction in oil and other refined oil products which resulted in contango for diesel, jet fuel and gasoline forward prices that made floating storage an attractive option for traders and refiners. We saw the positive impact on spot rates at the end of March and April, which pushed rates higher to unprecedented levels.

Starting in late April, Saudi Arabia, Russia and OPEC+ eventually agreed to cut oil production which led to the contango trade to dissipate, which negatively impacted spot rates and STNG's stock price. While current rates are no longer at record high levels, we believe STNG secured attractive rates during the second quarter and we expect the company to generate significant cash flows, a view that has been dismissed by the broader market. In addition, STNG has reached an agreement with scrubber manufacturers to delay the purchase and installation of 19 scrubbers until at least 2021 in order to take advantage of the current environment.

Frontline (FRO US), one of the largest crude tanker vessel operators led John Fredriksen, was the second largest detractor to Fund performance during the second quarter. Despite the limited company-specific news flow, the aggressive production cuts by Saudi Arabia, Russia and OPEC+ have put pressure on Frontline's share price. Short-term traders and retail investors have interpreted this development as an immediate destocking of inventories that will reduce the absolute demand for seaborne transportation of crude. While frustrating, it is important to note that there have been several port disruptions and logistical dislocations related to COVID-19 that we believe will take more time than anticipated to destock the oil that was stored on floating storage (tankers) from the recent contango and demand. History shows that it did take longer than one expected when the destocking kicked off during the last time when there was a prevalence of floating storage on the water. In the end, the longer wait time to load/unload cargoes will maintain the reduced effective crude tanker fleet supply in the market. In addition, we believe Frontline has secured attractive rates during the second quarter which imputes strong free cash flow generation. Frontline paid a quarterly dividend of $0.70 per share in June, implying an annualized dividend yield in excess of 35%. We believe the company will continue to pay out excess cash flow as dividends as it has done historically.

Scorpio Bulkers (SALT US), a dry bulk cargo operator, was the third largest detractor to Fund during the quarter. The most notable news occurred in June when the company raised $76 million of additional equity. While an equity raise was not a dire necessity in our view, Scorpio Bulkers wanted to establish a strong liquidity runway and flexibility well into 2023 (at current depressed levels) in case there is a prolonged recovery from COVID-19. With this cash raise, SALT boosted its liquidity position to over $200 million, of which $180 million is in cash and its residual stake in Scorpio Tankers. We believe the equity injection should allow SALT to refinance its debt and prepay some of its scheduled amortization, which in turn should help to negotiate future debt amortization relief from a position of strength. Management and insiders participated in the deal (at the same terms) and contributed to 20% of the equity raise.

Closing Thoughts

Although we are very frustrated with the Fund's performance thus far this year, we believe the changes we made to the Fund's portfolio over the past five months leaves the Fund well-positioned to benefit from the abundance of value creating catalysts that exist across the portfolio. Our decision to exit a number of positions provided the opportunity to take advantage of some extreme dislocations in the market caused by the COVID-19 pandemic. This allowed us to deploy capital into a number of compelling new investments, a couple of which were discussed above. Overall, we believe our portfolio has never been as “cheap” or catalyst-rich since we started the Fund in 2010.

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’m happy to join in a call with you.

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

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.

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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