Evermore Global Value Fund

Portfolio Commentary: 2nd Quarter 2022

Dear Shareholder,

The second quarter saw no shortage of substantial headlines as the war in Ukraine intensified, oil and other commodity prices surged then plummeted, the U.S. dollar grew strong against other global currencies, and most every sector and industry around the world recorded huge spikes in inflation as supply chains were strained. It is no wonder that the quarter saw volatility not seen by many investors in a decade and nearly every corner of the globe was impacted. As investors look to the conclusion of 2022, analysts are cutting profit estimates at a faster pace, and some anticipate another stretch of market turbulence. Needless to say, the second quarter was extremely challenging for the Fund. This has continued what has been incredible three-year run of frustrating under-performance as our largest area of focus (under-the-radar European special situations), have largely remained downtrodden since the start of 2020.

We have spent a lot of time speaking with company managements about how the business and investment landscape may develop over the coming several quarters. While we continue to watch the impact of new potential disturbances like the impact of energy prices as the winter months approach (particularly in Europe), we remain hopeful that the gloomy prognosticator's worst-case scenarios may prove to be a bit too pessimistic.

The intent in writing our investor commentaries is not to opine on macro details beyond how they may impact the businesses that we own. This quarter's commentary will inform our investors of our recent portfolio positioning and it will describe why we believe the companies the Fund continues to own have significant upside opportunity when rediscovered by the market in the quarters ahead.

At Evermore, we believe we have thoughtfully prepared for the next disruption. Our portfolio positioning reflects it. At quarter end, the Fund had more than 7% in cash, its highest total in years, and was trading at a discount of between 55% and 60% to our calculation of intrinsic value. It is perhaps as cheap a portfolio as we have ever managed at Evermore and is certainly among the cheapest of my career.

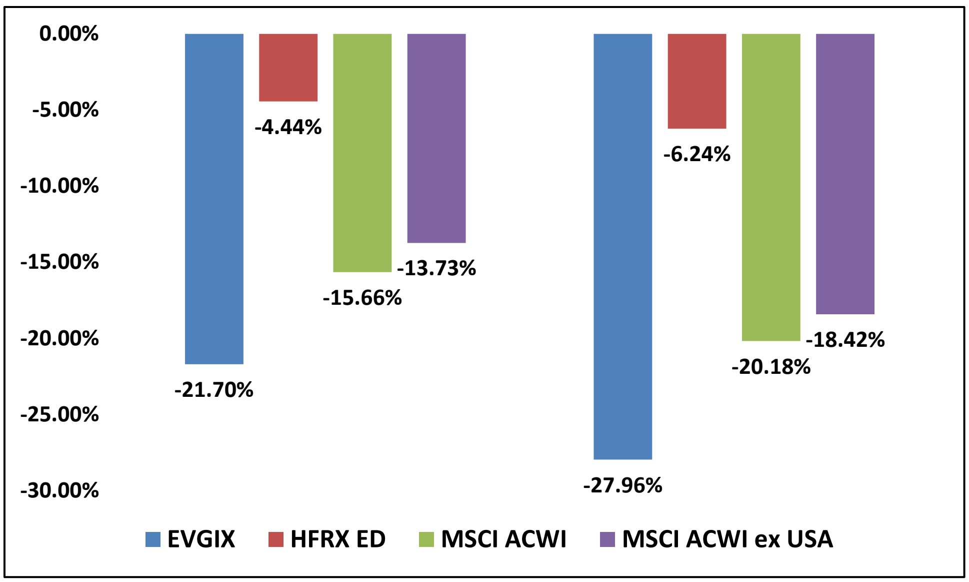
The financials of many Fund holdings are also very strong. Nearly 25% of the portfolio holdings have net cash, and that number is increasing. Another 60% have low or modest leverage. Simply put, amidst this difficult market, the drawdowns we've seen in some stock prices does not reflect anything company-specific to blame for those price declines. During the quarter, the fund trimmed our number of portfolio holdings, removing some that we felt did not have as robust an upside as others. For example, we removed some Restructurings from the portfolio in favor of other businesses, that we believe are on the cusp of boom times, like perhaps those that may benefit from M&A. While short-term uncertainty is never well received by market participants, we do know that fear, crisis and stress have routinely created incredible opportunities for knowledgeable, long-term, patient and price conscious investors. Confident in what we own and armed with a fair amount of cash to deploy, we look ahead to the remainder of the year content to do what we always do, remain steadfastly focused on the portfolio and thoroughly explore any new and interesting opportunities that may evolve from market stresses.

Portfolio Review – Investment Performance

Institutional Class shares of the Evermore Global Value Fund were down 21.70% and 27.96%, respectively, for the quarter and six months ended June 30, 2022. As shown in the chart below, it was a difficult quarter for global markets in general, as the Fund's benchmark indices also posted double digit negative returns.

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.***

Quarter and Six Months Ending June 30, 2022

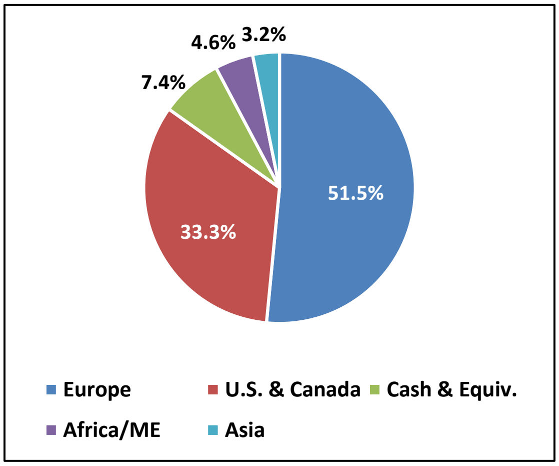


Morningstar World Stock Category Average represents an average of all the funds in the Morningstar World Stock Category.

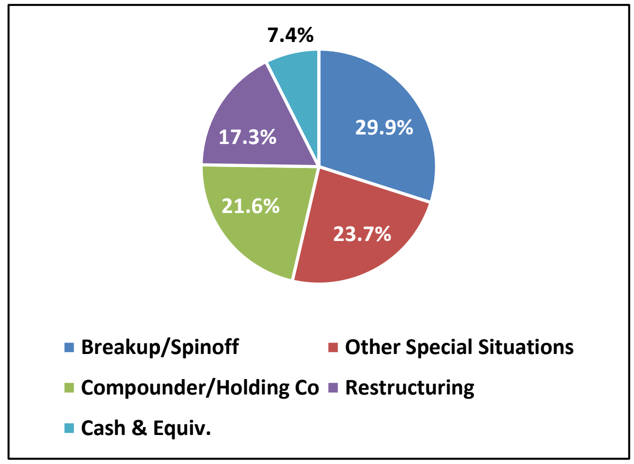
Portfolio Review – Characteristics

The Fund ended the quarter with **$133.7 million in net assets** and **33 issuer positions**. As of quarter-end, 62.3**%** of the Fund's net assets were in small-capitalization (up to $2 billion) companies; 16.4% were in mid-capitalization (between $2 billion and $10 billion) companies; and 13.9% were in large-capitalization (> $10 billion) companies. The Fund had 7.4% of its net assets in cash and equivalents as of June 30, 2022. Set forth below please find the following geographic and strategy classification breakdowns (shown as a % of Fund net assets) as of quarter end.

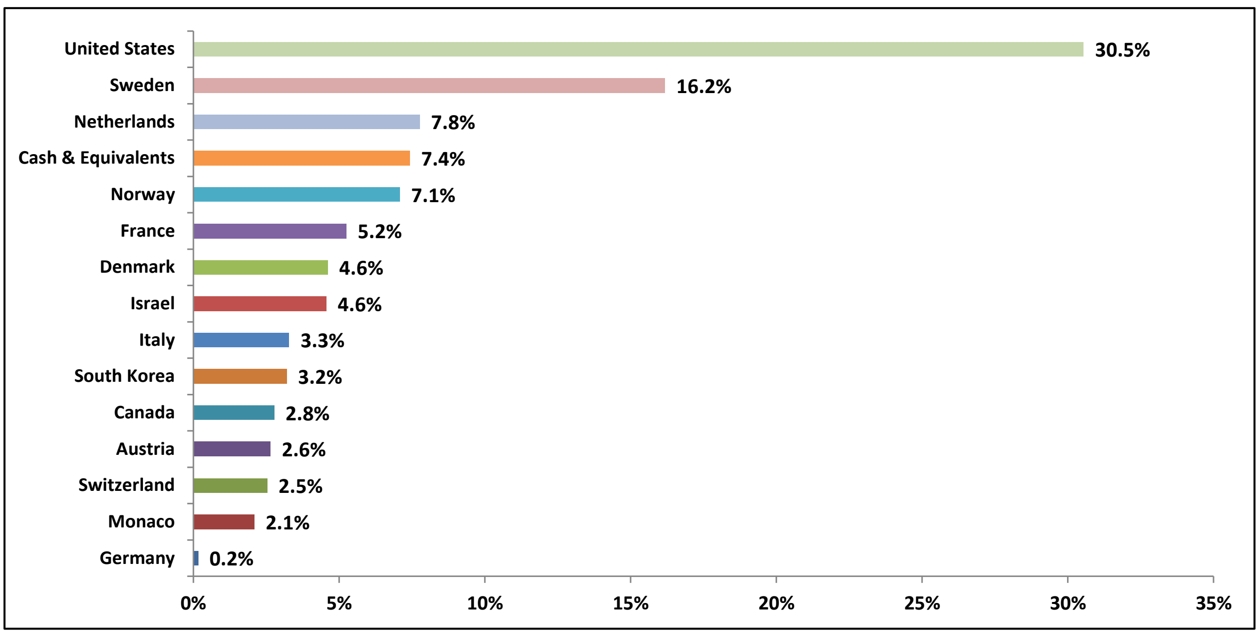
Region Exposure



Strategy Classifications



Country Exposure



Portfolio Review – New Investments

On April 5th, **Enovis Corp.**, which was formerly known as **Colfax Corporation** (a position the Fund initiated in Q1 2022), spun off ESAB Corp. to Enovis shareholders. As of June 30, 2022, the Fund held positions in both Enovis Corp. and **ESAB Corp.**, and we believe the breakup of this conglomerate into two more focused businesses will lead to higher valuations for both companies.

Colfax was a $6.1 billion market cap holding company that was comprised of their FabTech business (that sells consumables and equipment for welding and gas control), now called “ESAB”, and their MedTech business (that develops and distributes medical devices for reconstructive surgery and rehabilitation) which is now called “Enovis.”

Colfax was founded by the billionaire Rales brothers, who co-founded Danaher Corp., a $200 billion market cap conglomerate. The Rales brothers have an exceptional track record of building businesses to critical mass through organic growth and acquisitions, and then, unlocking shareholder value through spinoffs or asset sales. Similar to the playbook for Danaher (when it spun off its industrials-related segment, Fortiv), Colfax spun off 90% of ESAB in April while retaining a 10% stake and renaming itself to Enovis. ESAB is the industry leader in the welding equipment space and, now as an independent entity, trades at a marked discount to its peers. The company will have a refocused strategy and better investor alignment as a pure play publicly traded company. Enovis, now consists of the MedTech businesses and that 10% stake, which is expected to be sold in the next year. We believe Enovis is well positioned to further improve margins and refocus its strategic platform. We view both standalone companies to be compelling opportunities and significantly undervalued at the current levels. Mitchell Rales will remain the Chairman of both entities going forward, and we are very confident investing alongside him and his leadership.

Portfolio Review – Exited Investments

The Fund exited six positions during the quarter. These sales raised about 10% cash in the Fund, and it is important to note that this migration to a fewer number of Fund holdings didn't happen over one or two quarters, but rather, over the course of three years. In 2018, at one point, we had 46 positions in the Fund. Now, as the portfolio has evolved, we were down to 33 positions at quarter end, as we seek to keep the Fund focused on our highest conviction names. Below are brief details on the decisions behind our sales during the quarter:

Acacia Pharma Group Plc. ("Acacia"). The Fund exited its position in Acacia, a UK and US-based commercial stage pharma company. Unfortunately, during the quarter, Acacia was acquired by Eagle Pharmaceuticals, a U.S. specialty pharmaceutical company as a bolt-on new line of business for their already established platforms. While we believed that the takeover price represented a significant discount to the true value of Acacia, we reassessed the situation and likelihood of higher recoveries and decided to move on.

Another sale was, **Group Nine Acquisition Corp. ("GNAC").** GNAC was a corporate-sponsored special purpose acquisition company that was formed to solely pursue opportunities in the rapidly evolving and consolidating digital media sector. The founder of the acquisition vehicle was an operating company, Group Nine Media. We decided to exit our position when Vox Media acquired Group Nine Media itself as it introduced a level of uncertainty for GNAC and when we learned that the founder, Ben Lerer, was no longer going to be the final decision maker.

LPKF Laser & Electronics AG ("LPKF"). The Fund also exited its position in LPKF, as the confluence of both recessionary forces globally, along with Covid lockdowns in China, caused us to conclude that the company's strategic goals and forecasts would be pushed out further than our original expected timeline. We felt it would evolve into a disappointing 2022 and beyond for LPKF, and so we decided to exit the holding and redeploy proceeds into better-positioned opportunities.

Portfolio Review - Top Contributors & Detractors

Out of 33 Fund positions at quarter end, only the Fund's Euro/USD currency hedge registered a small gain. MTG, one of our largest holdings was very close after factoring-in their large dividend from the sale of their Esports business, but even it had a negative return for the quarter. In lieu of an extensive review of every detractor from performance, below we will summarize the three most impactful.

Calumet Specialty Products Partners, LP (CLMT US) was the Fund's largest detractor during the second quarter. Calumet is a producer of both branded and unbranded specialty petrochemicals, as well as refiner of petroleum-derived fuels. Beyond these core businesses, Calumet also owned 100% of the equity of a renewable diesel and sustainable aviation fuels called, Montana Renewables ("MRL"). In recent quarters, the company has actively sought to monetize a portion of MRL, which is located in Great Falls, Montana.

The quarter started out well for Calumet given the very favorable crude oil pricing environment. It was so good, the company pre-announced that the June quarter would likely see north of $100mm in adjusted EBITDA, which is up more than 4x from the first quarter. These strong earnings have aided the company's ability to de-lever its balance sheet, which has been a major positive in our view.

During the last few weeks of June, oil prices began to plummet and most any business in the energy space suddenly and sharply fell out of favor. Calumet was not spared as the stock was down a bit more than 25% in the last couple of weeks.

However, Calumet remained the largest position in the Fund at quarter end because we believe the deleveraging potential inherent in the completion (and monetization) of their Montana Renewables project, is not understood by the market.

The company has engaged Lazard, who is now running the process to sell a portion of Montana Renewables, and while the timing, price, and percentage of the asset that might be sold are all unknowns at this point, we believe the market valued the company as if the project would fail to receive a bid.

With the core existing operating businesses of Calumet being worth at least the current enterprise value in our view, and with the Montana project being worth literally, billions of dollars, the upside here in the stock remains highly asymmetric, and we anticipated that the company could conclude the sale process of MRL by year end.

Atlantic Sapphire ASA (ASA NO), a Norwegian land-based salmon farmer with operations in Homestead Florida was the second largest detractor from Fund performance. In recent years, the company has had a number of setbacks in building out their operations. Some were due to impacts from the pandemic, like getting key people to the site for construction, but others were self-inflicted wounds.

At present, the company is on track to achieve their goal of full run rate 10,000 tons of annual salmon harvest capacity over the coming months, which represents the completion of their Phase 1 buildout.

Phase 2 construction is well under way, however, its construction was a leading cause of concern during the quarter as investors saw uncertainty around the financing of Phase 2. So far in 2022, supply chain issues and cost escalations for things like concrete, steel and other construction materials have exploded well beyond the company's budget, and the company was left to make a difficult decision. Should they stop Phase 2 construction temporarily, or, should they slow their plans and delay the construction time materially to avoid short-term higher cost elements in their plans. Both decisions were not without their consequences.

We have been shareholders for several years now, and have developed a good relationship with the founders and management team. From our extensive conversations with them, we came to understand that the profitability and growth prospects for the company and their salmon are exceptional, yet, to stay on course, they needed additional financing. Initially the company restricted only a few large shareholders to have frank and direct conversations, and we got involved. We had some aggressive discussions and gave our perspectives. In addition to helping them make their decisions to press ahead with construction, we also encouraged the founder to think about adding to their board of directors with more business expertise rather than fish expertise.

Ultimately, the company decided to move forward and raise the capital to stay on plan with their build out of Phase 2. We committed to invest additional capital at close to the all-time low for the stock to protect our percentage ownership in what would be a dilutive capital increase. The company closed the transaction by raising 1.2 billion Kronor which is about $125 million dollars. While this represented about a 40% overnight dilution to shareholders, our assessment was that the stock price reflected this expected dilution and more, so that it would likely trade up as investors saw that they were able to easily raise the capital in a matter of days. Sapphire is today trading about 10% above the deal price.

After we committed, the company approached other key investors, both existing and new, including some well-respected investors from Norway, several of which became new investors. In fact, one of these new investors, Strawberry Group, was announced several weeks ago that their CEO would take a board seat at Sapphire. This is in line with our push for the company to bring on solid businesspeople that can add real value to the board and management.

Without overly belaboring the discussion of this investment, the bottom line is that in spite of the increase in shares outstanding the potential for Atlantic Sapphire to be a multi-bagger over the coming years remains. Management is smarter from the previous issues, the balance sheet is now very strong, especially since the input costs for construction have already come down precipitously since the capital raise. We believe that this company has perhaps a 7 year lead against other emerging land based participants, and that Sapphire is very much a real target for other protein producers as well and we expect that other strategic investors may vie for these incredibly undervalued and game changing assets in the quarters ahead.

And our last detractor to discuss is **Viaplay Group (VPLAYB SS),** formerly known as Nordic Entertainment Group. Viaplay is a $1.6 billion market cap Nordic broadcasting and media company comprised of free

TV, Pay TV, distribution platforms (satellite, IPTV, cable networks, streaming) and a leading content portfolio. It was spun out of the former parent, Modern Times Group, in April 2019.

Viaplay was the third largest detractor to Fund performance during the quarter, largely due to the broader weaker markets and negative drag from Netflix's poor Q1 performance (and its worse-than-expected guidance of 2 million subscriber losses estimated for the second quarter). Viaplay's Q1 earnings were drastically different compared to Netflix, with continued strength in subscriber growth in the Nordics and international markets, plus, potential uplift from being included in every Tele2 TV package from April onwards, which could add 400,000 subscribers in Sweden.

As a reminder, Viaplay embarked on a multi-year strategic expansion plan in 2021 to become the European preeminent streaming champion by expanding its Viaplay streaming service to 10 new markets over the next three years. Viaplay successfully expanded as scheduled into the Baltics, Iceland, Poland, the Netherlands and the U.S. (via a Comcast partnership). There was strong subscriber growth in 2021 – Viaplay added almost 1 million subscribers and surpassed the 4 million milestone. For 2022, Viaplay targets 6.5 million total subscribers, of which 4.3 million subscribers will be located in the Nordics (incremental 850,000 intake) and 2.2 million will be in other international markets (1.65 million intake). Viaplay recently changed its name and rebranded from Nordic Entertainment Group (NENT Group) to Viaplay Group, in order to reflect the company's strategic focus on the Viaplay streaming service and its ongoing international expansion. The company's aggressive goal is to have approximately 12 million Viaplay subscribers by the end of 2025. Despite the share price underperformance, Viaplay has performed well operationally and is off to strong start in 2022 after achieving the notable developments during 2021.

Closing Thoughts

Subsequent to the end of the calendar quarter, but before this commentary was published, there were two August 2022 changes announced that directly impact the Evermore Global Value Fund. As such, we felt it prudent to delay this quarter's commentary until we could freely share this information with our investors.

First, at a special meeting held on August 12, 2022, the Board of Trustees (the "Board") of Evermore Funds Trust (the "Trust") unanimously approved an Agreement and Plan of Reorganization pursuant to which the Evermore Global Value Fund (the "Fund"), a series of the Trust, will reorganize into a newly created series (the "New Fund") of The RBB Fund Trust (the "Reorganization"), with investment objectives, investment strategies, policies and a portfolio management team that are the same as that of the Fund. Evermore Global Advisors, LLC (the "Adviser"), the investment adviser to the Fund, will be the investment adviser to the New Fund. The Adviser has committed to maintain the expense limitation arrangements that are in place for the Fund for the New Fund until December 31, 2023. The New Fund will utilize nearly all of the same service providers as the Fund, including for administrative, accounting, transfer agent, custody, distribution, legal and audit services. As such, the Fund's daily operations and management activities are not expected to be affected in any way. For more information, please see the *Evermore Funds Trust Supplement dated August 15, 2022,* to the Evermore Global Value Fund Prospectus, Summary Prospectus and Statement of Additional Information. This effort is focused on simplification and cost cutting measures for the Fund and the Adviser.

And second, effective August 4, 2022, Thomas O was promoted to Co-Portfolio Manager of the Fund and effective August 11, 2022, Matthew Epstein has departed Evermore Global Advisors. While I will remain the final authority and decision maker as Lead Portfolio Manager when buying new positions in the Fund, I am thrilled to have such a strong investor and analyst like Tommy supporting me as Co-Portfolio Manager.

As always, we appreciate your confidence in the work we are doing at Evermore Global Advisors, and if you have any questions, please reach out to Adam Ermanis or myself and we will be quick to answer.

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.

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.

The MSCI ACWI ex USA Index captures large and mid-cap representation across 22 Developed Markets countries.

The HFRX Event Driven index utilizes a UCITSIII 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.

EBITDA – Earnings before interest, taxes, depreciation, and amortization.

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 Compass Distributors, LLC.