Evermore Global Value Fund

Portfolio Commentary: 3rd Quarter 2021

Dear Shareholder,

The third quarter started out well for Eurozone equities amid strong Q2 earnings, positive investor sentiment, and growing vaccination rates that made travel across Europe much safer and easier. However, inflation concerns and rising energy prices chipped away at stock market gains as the quarter progressed. The U.S. recorded slightly positive returns, with strong earnings results increasing market returns through August and renewed fears regarding growth, inflation combined with the Federal Reserve indicating hesitancy to tighten monetary policy too quickly. China experienced a significant sell-off, largely driven by the government's regulatory crackdown on technology and education companies. Investors remain concerned that the combination of slowing economic activity and further government regulatory policies could adversely impact growth in China. Japan, driven by strong Q2 earnings results and despite Prime Minister Suga's announcement of his intention to resign and Toyota Motor's disclosure of production cuts in September and October due to semiconductor shortages, showed solid returns for the quarter.

Although supply chain issues still abound across the world, we are very pleased to see companies reporting such strong earnings. We expect both supply chain issues and strong earnings results to continue into 2022.

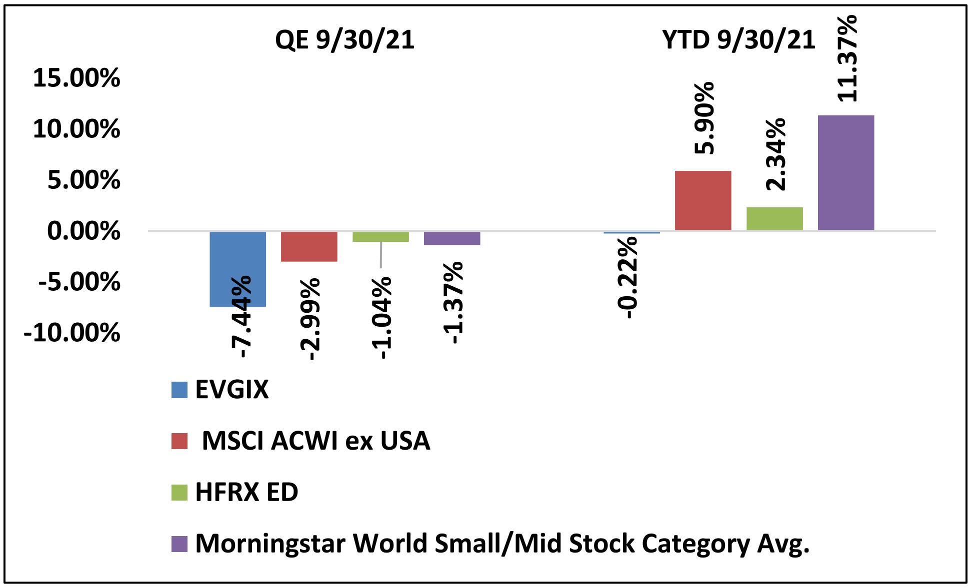
The Evermore Global Value Fund had a disappointing quarter of investment performance, posting a 7%+ loss, which was largely due to continued poor performance of Atlantic Sapphire and Modern Times Group AB (discussed below).

Portfolio Review – Investment Performance

Institutional Class shares of the Evermore Global Value Fund ("EVGIX" or the "Fund") were down 7.44% for the quarter ended September 30, 2021. As shown in the chart below, the Fund's performance in the third quarter lagged the performance of its benchmark indices and peer group.

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 YTD Period Ending September 30, 2021

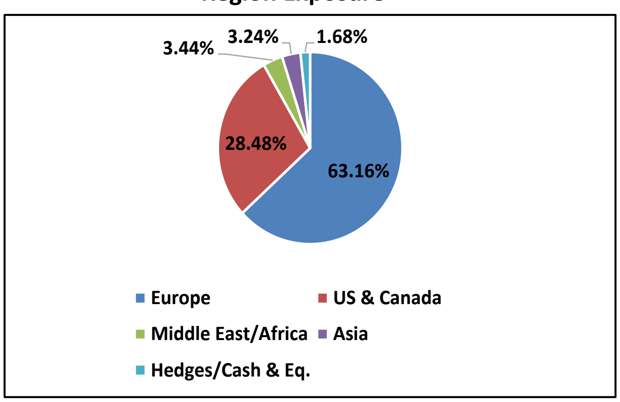


Morningstar World Stock Category Average represents an average of all the funds in the Morningstar World Stock Category.

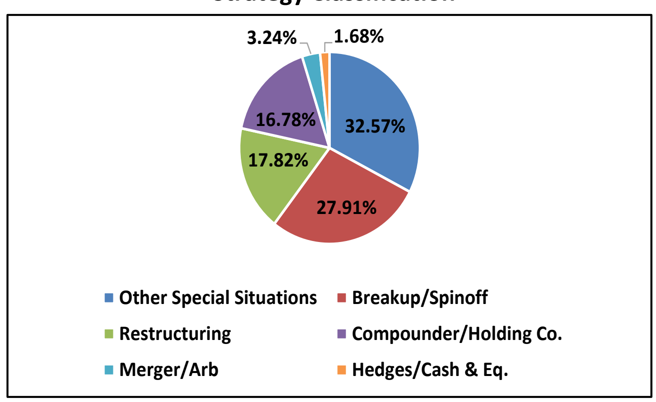
Portfolio Review – Characteristics

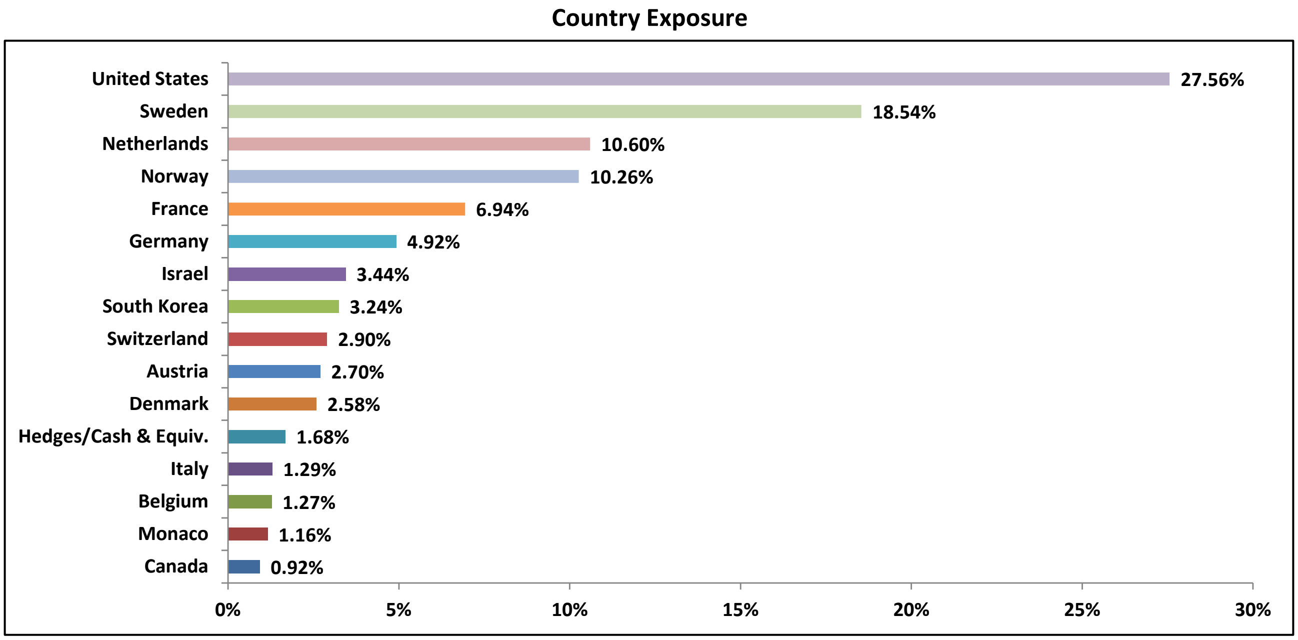
The Fund ended the quarter with $230.5 million in net assets and 36 issuer positions. As of quarter-end, **66.9%** of the Fund's net assets were in micro- and small- capitalization (up to $2 billion) companies; **13.9%** were in mid-capitalization (between $2 billion and $10 billion) companies; and **17.5%** 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





Portfolio Review –New Investments

The Fund ended the quarter with three new positions – **Italmobiliare SPA** (ITM IM; Italy); **MPC Container Ships AS** (MPCC NO; Norway); and **Universal Music Group BV** (UMG NA; Netherlands). Below please find a summary of our investment in MPC Container Ships. Also find a summary of our investment in Universal Music Group in the *Portfolio Review - Top Contributors & Detractors* section below.

MPC Container Ships AS (MPCC NO) ("MPCC") is a $1.1 billion market capitalization large container ship operator specializing in intra-regional trade routes. It is the largest owner and operator of feeder container vessels (1,000-4,000 twenty-foot equivalent unit ("TEU"), smaller end of the range) globally with a total fleet of 74 vessels and approximately 155,000 TEU of total carrying capacity.

We have been closely monitoring MPCC since it was founded and listed in June 2017. While we were invited to participate in the initial and subsequent equity raises, we decided to pass as it was in its formative stages and the then newly formed vehicle was created to opportunistically acquire new and secondhand vessels. Starting in late 2015 we have gained a deep knowledge of the shipping space, and specifically the container segment, through our past investments (and current investment in ZIM Integrated Shipping Services that was initiated this past January).

MPCC's recent acquisition of its competitor, Songa Containers, was the impetus for us to revisit the investment case. We believe this was a transformational and highly accretive acquisition that added 11 vessels ranging from 1,000 TEU to 4,250 TEU to MPCC's fleet that now marks the company achieving its critical mass and optimal level of operational scale. Songa Containers was privately owned by Arne Blystad, a well-regarded Norwegian billionaire investor and shipping magnate who we have gotten to know extremely well. Arne Blystad was the founder and chairman of one of Evermore's past investments - Songa Bulk – a dry bulk operator that eventually merged with Star Bulk (larger competitor). Going forward, he will own 5% of MPCC.

Like the strong cash flow generation that we have observed at ZIM, we believe MPCC is positioned similarly with its focus on value creation for shareholders through dividends and potentially special dividends. Based on the current strong backlog and continued positive charter rate development, we believe MPCC could become net debt free / net cash early next year. We believe the market is not giving any credit to the near- and medium-term charters that MPCC has already secured and is too fixated on the "high" container rates that the industry is currently benefiting from today. While we fully appreciate and recognize that these peak rates are unsustainable, the reality is that port congestion continues to worsen and that supply chain disruptions persist (with bigger spillover issues that span beyond the ports).

MPCC is a compelling opportunity, trading at 2.5x our estimate of next year's earnings before interest, taxes, depreciation, and amortization ("EBITDA"), much of which has been de-risked through near-term charters that have been secured. Further, we believe that MPCC can opportunistically sell its older feeder vessels at significant premiums based on recent transactions in the secondhand vessel market.

Portfolio Review – Exited Investments

The Fund exited the following three positions during the second quarter:

- **Mudrick Capital Acquisition Corp. (MUDS US)** ("MUDS")**.** MUDS' deal to merge with The Topps Company fell apart prior to deal close when Major League Baseball informed Topps it would not renew its licensing agreement with the company. Given this development, the decision was made to sell the MUDS position at a nominal loss.

- **Telia Co AB (TELIA SS)**. The Fund exited its position in Telia around its average cost basis. While Telia is a classic Evermore investment case characterized by a restructuring, breakup, and potential spinoff of the largest telecom operator in the Nordics and Baltics, we reassessed the importance of time value of money. The share price has yet to reflect the significant restructuring milestones achieved by new management that took the helm over 1.5 years ago. Ultimately, we decided to redeploy the capital into new investments with more attractive risk/reward profiles. We remain avid supporters of Lars-Johan Jarnheimer (Chairman) and Allison Kirkby (CEO). To that end, we will continue to monitor Telia, as the share price has continued to drift lower from where we liquidated the position.

- **Xperi Holding Corp (XPER US)**. The Fund exited its long-term holding in Xperi Holding Corp. during the period with a modest loss. Given the malaise impacting supply chains among a number of Xperi's end markets and customers, we assessed that shares would be under pressure and decided to recycle this capital into more compelling opportunities.

Portfolio Review - Top Contributors & Detractors

Below, please find the top three contributors to and detractors from Fund performance in the third quarter and summaries for two of the most impactful contributors and detractors.

Top Contributors	Top Detractors
Universal Music Group BV (UMG NA) Music recording, publishing, distributing *Breakup / Spinoff*	**Atlantic Sapphire ASA (ASA NO)** Land-based salmon farming *Other Special Situations*
Calumet (CLMT) Specialized lubricants and solvents *Breakup / Spinoff*	**Modern Times Group (MTGB SS)** Holdco (online/mobile gaming & Esports) *Breakup / Spinoff*
Nordic Entertainment (NENTB SS) Nordic broadcasting and media *Breakup / Spinoff*	**MagnaChip Semiconductor (MX)** Semiconductor pureplay *Other Special Situations*

Universal Music Group (UMG NA) ("UMG") was spun off to shareholders from its parent company, Vivendi (owned by the Fund), in late September. With a market cap of €42 billion ($48 billion), UMG is the largest music company in the world with 40% market share of total revenues globally. UMG has produced more stars and hit songs than its rivals, Sony Music Entertainment and Warner Music Group, where nine out of the top 10 selling musicians worldwide were UMG artists last year according to IFPI, the global recording industry body.

Vivendi retained a 10% stake and its shareholders received 60% of UMG via a special share dividend (one share of UMG for each share of Vivendi held). In the preceding months leading up to the initial public offering, Bill Ackman's hedge fund, Pershing Square purchased 10% of UMG at a price that implicitly valued UMG at €35 billion ($40 billion). The remaining 20% stake is owned by Tencent, the China-based media powerhouse. To that end, UMG had a strong listing debut on the Amsterdam exchange, well in excess of the initial listing reference price of €18.50 ($21.44) per share. We are very excited to see one of our catalysts materialize which unlocks the value of a prized asset that was buried within Vivendi. We also believe the remaining assets at Vivendi continue to trade at an extremely attractive valuation.

The Fund's position in **Calumet Specialty Products Partners, LP (CLMT US) ("Calumet")**, a B2B and B2C producer of specialty lubricants, waxes, solvents, and fuels, was the second-largest contributor to Fund performance in Q3, with units appreciating 15.1%. As discussed in some detail in the Fund's Q1 2021 commentary, investors are rightfully excited about the partnership's Great Falls, Montana fuels refinery, and the positive implications a partial monetization of this non-core asset should mean to Calumet's stretched balance sheet.

Coming off a messy first quarter, which included $30 million in repair costs and volume losses stemming from the aftermath of polar vortex Uri in February, Calumet's second quarter results, announced in August, demonstrated significant resilience. The company's core businesses ran on all cylinders and demonstrated significant pricing power during a period of global supply chain chaos. In our view, these business units alone justify Calumet's quarter-end enterprise value of $1.85 billion. But the tremendous upside we see largely stems from the above-mentioned Great Falls refinery, and specifically, its reconfiguration so that it will be capable of producing up to 18,000 barrels per day of renewable diesel over time, though with more modest production beginning as early as spring of next year.

Renewable diesel, which we highlight is NOT analogous to biodiesel, is a highly sought-after fuel which can serve as up to a 100% drop-in replacement for petroleum-derived diesel without any engine modification or excess wear and tear. Renewable diesel is playing an ever-increasing role in the decarbonization of truck and aircraft fleets alongside other diesel users, and its production is highly incentivized through tax credits and other governmental programs. Given Great Falls' location, in close proximity to key inputs to production (soy, corn, animal tallows), as well as end-demand in the Pacific Northwest, *we believe this asset may be the single most advantaged renewable diesel project in all of North America*. Management has back tested the economics of the Great Falls renewable diesel project and believes $350 million in annual EBITDA potential is certainly achievable. Renewable diesel businesses currently trade at high multiples reflecting solid profitability and end-market demand growth, with Neste of Finland trading at approximately 17x 2022 Bloomberg consensus EBITDA at the time of this writing. Thus, it not inconceivable that Great Falls may ultimately see a value north of $3 billion on a 100% ownership basis.

With an over-extended balance sheet, Calumet had communicated to the market that it sought a partner to carry the bulk of the $200 million or so of low-risk conversion costs the project entails. However, even prior to finding a partner, the company made significant progress carrying the torch by itself. Top engineering and construction firms in the renewable diesel space such as Burns & McDonnell, Holdor Topsoe, and Matrix Service have been active in the conversion for months, with things progressing on time and on budget thus far. In addition, Great Falls received its first cargoes of renewable diesel feedstock for testing purposes in August, with the Governor of Montana attending the associated ribbon-cutting ceremony.

And though the process of finding a partner had taken longer than some had expected, we were pleased to see that after quarter-end, Calumet was able to close on a $300 million convertible debt investment by funds associated with Oaktree Capital Management, LP. Uniquely structured, this transaction comes at an overall cost of capital even lower than we had hoped, with Calumet retaining 100% ownership of the project. Monies received should be enough to fund the conversion and pay off Calumet's outstanding 2022 bonds, while simultaneously preserving significant renewable diesel upside for unitholders. Though Calumet has grown into a top Fund holding, we continue to see tremendous upside from here and eagerly await the renewable diesel unit at Great Falls coming online early next year.

Shares in **Atlantic Sapphire ASA (ASA NO) ("Sapphire")** were under continued pressure during the quarter, falling 62% in the period, and bringing YTD performance through September to -71%. As such, Sapphire was the largest detractor from Fund performance in Q3 and the first three quarters of the year. As those that have been following Evermore likely know, we have long been excited about Sapphire's revolutionary and patented approach to raising salmon on land. Phase 1 of its Homestead, Florida facility is capable of producing 9,500 kilotons ("KT") of salmon annually, with the company expecting to achieve this run-rate by the second half of 2022. While the company has a great deal to prove in terms of operational stability, its business plan makes sense to us: in a tightly supplied market, offer a salmon that is safer for consumers and better for the planet, that once at scale, will be cost competitive with net pen farmed products.

But as Mike Tyson famously said, "everybody has a plan until they get punched in the face." In what has been a barrage of right hooks and body blows, 2021 has been a year Sapphire would soon like to forget. Negative headlines stemming from mass mortalities, Phase 1 Homestead design and workmanship issues, and even a devastating fire at its major Danish facility, have all served to overwhelm investor sentiment. The fact that seafood trade publications and even other salmon industry executives go out of their way to cast doubt on the viability of Sapphire's ambitions, only compounds the market's trepidation. And for their part, sell side analysts seem to have little desire to stick their necks out to recommend shares now, while blood appears to still be running in the streets (in the face of Warren Buffett's sage advice). Investors are thus left asking a number of questions, including: (1) is management capable of executing its plans?; (2) will Phase 1 ever become economically viable?; (3) will the Phase 2 buildout be funded?; and (4) will Sapphire's assets ever run reliably and consistently?

It is our job as investors to assess this investment absent the substantial amount of noise revolving around this situation. What we do know is that Sapphire's Phase 1 project is capable of producing a healthy and great-tasting salmon that commands a significant price premium on the store shelf. Further, the market for salmon in North America will remain undersupplied, and we have no reason to believe that deficit won't grow considerably into the future. Phase 2 looks to benefit massively from the lessons learned from mistakes made in Phase 1; with Sapphire's much upgraded engineering and construction teams already demonstrating better control over the new buildout. Lastly, the company has north of $100 million in cash on the balance sheet, which gives it time to demonstrate Phase 1 viability. And in this vein, the team has committed to providing monthly key performance indicators so that the market can regain confidence that the company will achieve scale.

Time is not necessarily our enemy here, and management has clearly laid out a thoughtful roadmap for how the company could, and might, defer Phase 2 capital expenditures. The benefits of such an extension include: (1) reducing the overall budget; (2) allowing cash flow buildup from Phase 1; and (3) demonstrating operational consistency, which should help bring down Sapphire's cost of future capital. We also note that the issues Sapphire has sustained have only served to chill the capital raising efforts of other nascent would-be land-based farming projects, which do not have the same access to high quality water (part of Sapphire's patented process).

Value investing demands discipline – as such, Evermore's first inclination when times get tough is not to run from out-of-favor situations. Rather, we constantly compare market capitalization against our views of intrinsic value. Of course, Phase 1 and beyond will need to demonstrate viability, but in this case, we think today's entire enterprise value is justified by the run-rate economics of the 9,500 kiloton of Phase 1 alone. Future buildouts will carry lower design, construction, and operational risks – and with Homestead capable of supporting more than 200,000 KT in annual production, we see tremendous growth being offered for free. The Fund added to its position during the quarter, alongside a number of insiders including the CEO, CFO, Interim COO, Chief Development & Infrastructure Officer, and two non-executive Directors of the company.

Modern Times Group AB (MTGB SS) ("MTG") underperformed during the third quarter. MTG is a $1.3 billion market cap, Sweden-based holding company involved primarily in online and mobile gaming and Esports. In our view, MTG's underperformance was attributable to factors outside the company's purview. There has been a broad sector rotation out of gaming-related stocks in response to the post COVID-19 recovery play. We believe the market is incorrectly assessing MTG through the same sentiment and thematic driven lens, as MTG's gaming segment has actually grown both organically and through acquisitions in spite of people starting to return to work and back to some normalcy.

In addition, the market appears to be awaiting the announcement of an acquisition in the Esports segment. During the first half of 2021, MTG closed on two transformative acquisitions: Hutch Gaming (free-to-play mobile racing games) and Ninja Kiwi (tower defense strategy games). While we believe these were compelling, attractive acquisitions, the broader market has expressed disappointment as underscored, in part, by the share price development. In July, MTG announced the acquisition of PlaySimple, a rapidly growing and highly profitable gaming publisher that is the global leader in mobile word, casual games. In our view, this is a good, accretive acquisition that further diversifies MTG's gaming portfolio and provides an analytics platform, which can be applied to other games in its portfolio. Investors reacted well to this acquisition with stock price appreciation of over 7% on the day the transaction was announced. Based on discussions with the company, we believe management continues to be concurrently focused on Esports and, importantly, making the "right" acquisitions.

Closing Thoughts

We continue to have much engagement with the management teams of our portfolio companies, as well as companies that our investment team are researching for possible investment. As we mentioned in our last quarterly update, there appears to be a considerable amount of optimism about business prospects going into 2022. Strong earnings reports seem to back up this sentiment. We remain committed to finding and investing in undervalued, misunderstood, and catalyst-driven opportunities, where the companies also have what we assess to be growing core businesses. We strongly believe our current portfolio companies have these elements and, as a result, should perform well in the near and longer terms.

We wish you and your families continued health. Please feel free to contact me or Adam Ermanis,aermanis@evermoreglobal.com, with any questions.

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.

Cash flow – the net balance of cash moving into and out of a business at a specific point of time.

Run rate – refers to the financial performance of a company based on using current financial information as a predictor of future performance.

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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