Evermore Global Value Fund

Portfolio Commentary: 4th Quarter 2018

Dear shareholder,

The volatility in the fourth quarter of 2018 was dramatic and, as global markets sold off precipitously, many of our portfolio securities suffered steep price declines. The market sell-off was driven by a long list of investor fears, including a global market slowdown, a China slowdown, an Italy crisis, the looming Brexit and U.K. government instability, a continued trade war, oil price volatility, and increasing interest rates, just to name a few. Investors reacted to these concerns with sheer panic. Asset values appeared to become meaningless as investors just wanted to sell their holdings. The downward spiral in prices accelerated as investors put in their sell notices to all types of investment funds, which in many cases were forced to sell portions of their holdings to meet these redemption requests.

As long-term investors, we are mindful of the macro environment, but try to avoid the noise and the incessant "end of the world" conversations. A multi-year view gives us the ability to focus on many types of special situations and not allow our investment decisions to be driven by short-term thinking. Ultimately, our focus is always on the value we are getting for the price we are paying. When the discount is wide enough we are interested. We want to understand what could happen to close this valuation gap and what could cause it to widen and lose money. This is why we focus on value with catalysts rather than just value on its own.

I do not view the last three months as anything more than an opportunity to take advantage of the gift of more attractive valuations by adding to existing positions and initiating new ones. If history has proven one thing over and over, the best time to buy is when it appears everyone is selling. We are strong believers in buying crisis but not buying it blindly. It has served us well over many years. As a result, we added to many of our positions during the quarter at lower and lower prices. We are confident that this is an excellent time to be investing in the markets where we traffic, although it is vitally important to remember that restructurings and corporate strategic changes take time.

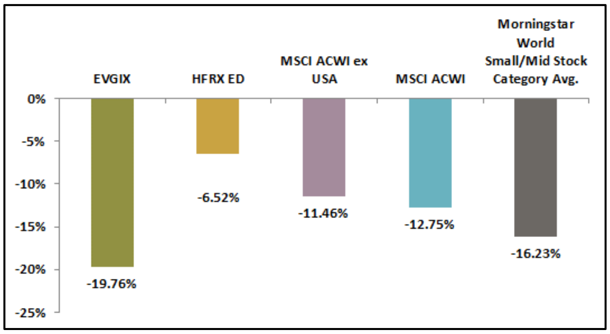
As we go into 2019, we continue to believe Europe offers some of the most compelling investment opportunities, as the region has been a perennial under-performer over the last few years despite the valuation discounts vs. the U.S. and many other markets. In addition, financial and operational restructuring activities continue to accelerate across the region.

Investment Performance

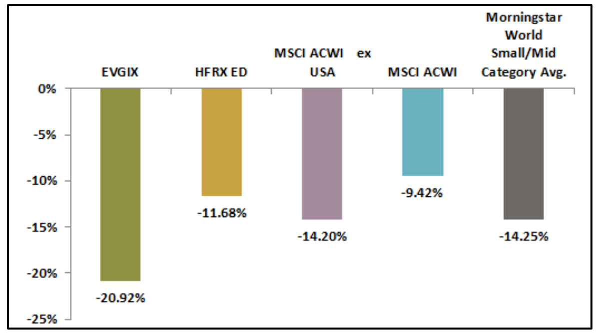
In an extremely difficult 2018 investment environment, few Evermore Global Value Fund (the "Fund") positions made positive contributions to performance for the quarter and year. Most of the Fund's negative performance in 2018 was attributable to the fourth quarter – Institutional Class shares of the Fund were down 19.76% for the quarter and 20.92% for the year.

The charts below show performance of the Fund's Institutional Class shares ("EVGIX"), the HFRX Event Driven Index ("HFRX ED"), the MSCI All Country World Index ex USA ("MSCI ACWI ex USA"), the MSCI All Country World Index ("MSCI ACWI"), and the Morningstar Small/Mid World Stock Category Average for the quarter and year ending December 31, 2018. During both periods, Institutional Class shares of the Fund lagged the performance of each of its benchmark indices.

Quarter Ending December 31, 2018



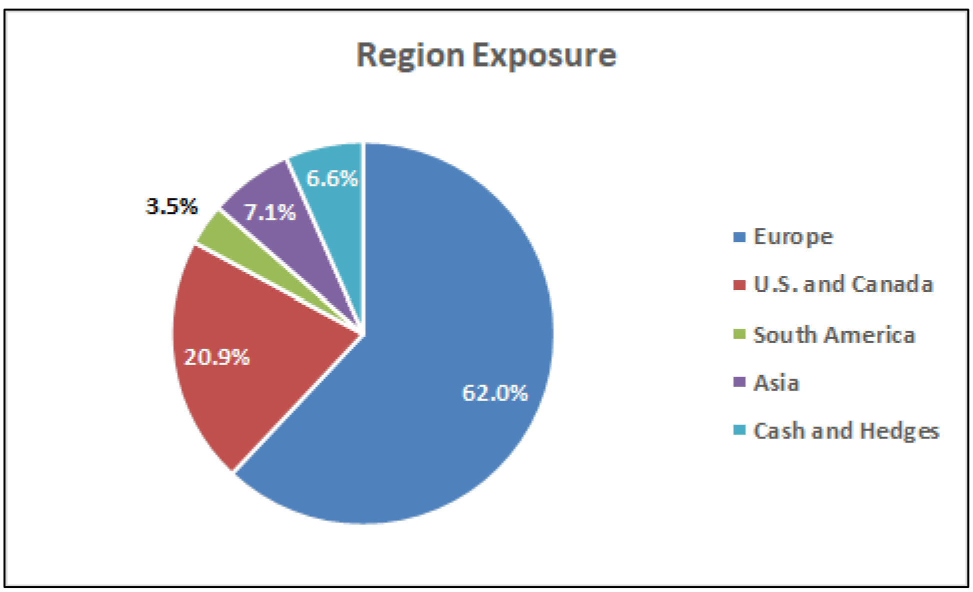
Year Ending December 31, 2018



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

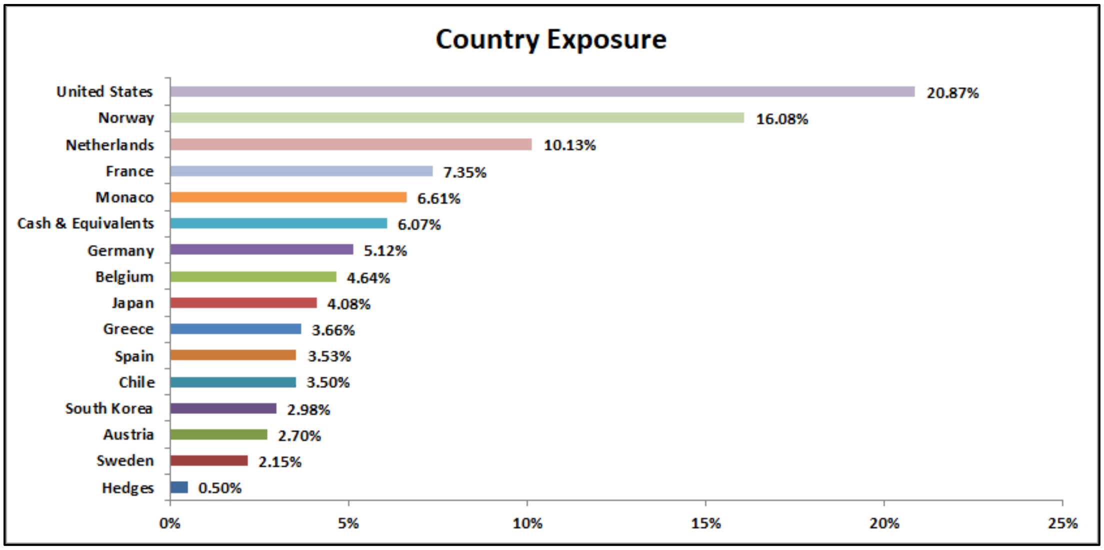
The performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Performance data current to the most recent month end may be obtained by calling 866-EVERMORE (866-383-7667). The Fund imposes a 2% redemption fee on shares redeemed within 90 days. Performance data quoted does not reflect the redemption fee. If reflected, total returns would be reduced. Please ***Click Here*** *for standardized performance of the Evermore Global Value Fund.*

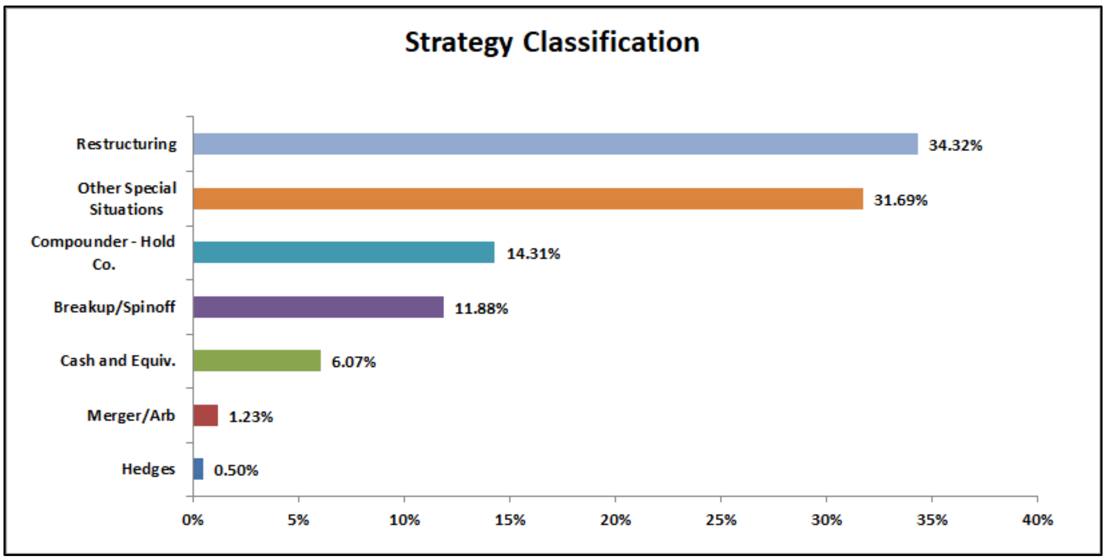
As of December 31, 2018, the Fund had $507.9 million in assets, much of which continued to be invested in European special situations (see Region Exposure chart below).



Portfolio Review – Characteristics

The Fund ended the quarter with 44 issuer positions and the following geographic and strategy classification breakdowns:





Portfolio Review – New Investments

The Fund initiated one new issuer position during the quarter – **MagSeis Fairfield ASA** (Norway).

We participated in MagSeis' December capital raise to fund its acquisition of the *Seismic Technologies* business from Fairfield Geotechnologies, to create what is now known as MagSeis Fairfield. With a pro-forma market capitalization of $390 million, the company is in a clear leadership position within the Ocean Bottom Seismic ("OBS") surveying industry. Specifically, the company manufactures and sells nodes (and associated deployment services) designed to sit at the ocean floor during collection of seismic data, rather than the conventional method of seismic streamers being dragged behind a vessel. Increasingly, offshore E&P companies are shifting seismic budgets toward OBS for the simple reason that it can prove to be a much better mousetrap in certain applications—providing for fuller pictures of underground formations and quicker paybacks when compared to conventional seismic shoots. MagSeis' technological leadership combined with Fairfield's industry-leading sales team, and, customer relationships with oil majors should fit together nicely to secure a de-facto monopolistic market position for some time. Considering the strong cash flow coming from the company's $355 million backlog, and with 2019 shaping up to be a year of tight OBS node supply, we view our 3.25x EBITDA 2019 entry multiple as punitively low, even amid a volatile oil price environment.

Portfolio Review – Top Contributors/Detractors
Our three top contributors and detractors to performance during the quarter were:

Top Contributors		Top Detractors	
Salmones Camanchaca	**FISH FARMING (CHILE)**	ice group	**WIRELESS TELECOMMUNICATIONS PROVIDER (NORWAY)**
Unique beneficiary of Chile's new fish farming regulatory framework		Misunderstood telecom provider with potential for spin-offs, an exchange listing and rapid international expansion	
ATLANTIC SAPPHIRE	**LAND-BASED FISH FARMING (U.S.)**	Kraton Giving Innovators Their Edge	**SPECIALTY CHEMICALS (U.S.)**
Leading edge, under-the-radar, misunderstood and mispriced salmon farmer		Strong management team drives aggressive cost-cutting and debt reduction	
XPERI	**TECHNOLOGY PRODUCTS (UNITED STATES)**	MagnaChip	**SEMICONDUCTOR PRODUCTS (SOUTH KOREA)**
Evolving lines of business, strong cash flow generation and patent enforcement potential		Aggressive cost-cutting and explosive growth in AMOLED display drivers	

Salmones Camanchaca S.A. (SALMON NO) was the Fund's largest contributor to performance in the quarter, with shares appreciating 17.6% in the period. The Fund participated meaningfully in Camanchaca's initial public offering ("IPO") in early 2018, at what we believed to be fire sale prices. Since that time, the company has made consistent progress toward the goals it laid out in the IPO process. Amid a backdrop of strong demand growth, high salmon prices, and a consolidating Chilean landscape, the market has begun to narrow the valuation gap between Camanchaca and its peers. With that said, the company's valuation continues to be compelling, especially given the company's trajectory of low-risk volume growth as it takes back farming sites that had been rented to third parties.

During the quarter, Matt Epstein, an Assistant Portfolio Manager of the Fund, spent a week in Chile with Camanchaca's management team and visited a number of company sites and operations —from hatchery to processing. In addition to getting a sense for the terrific culture at Camanchaca (revolving around employee safety and fish health), it was extremely rewarding to see how the company put the money it raised in its IPO to good use. For example, the company's secondary processing plant in Tomé is achieving up to a 2% yield improvement from its investment in all-new filleting lines, which Evermore helped fund. We believe the company, which is family-controlled and led by very capable managers, has plenty of additional reinvestment opportunities like these ahead. As such, we remain committed and long-term shareholders.

Atlantic Sapphire (ASMAE NO) was the Fund's second-largest contributor to performance in the fourth quarter, with its shares appreciating about 19% in the period. Headquartered in Norway, but with its primary assets in Denmark and the U.S., Atlantic Sapphire is a pioneer in commercial-scale land-based Atlantic salmon production. Specifically, the "grow out" phase of its fish will be completed within on-shore tanks that feature continually-cleaned and recirculating water. This greatly reduces the biological risks inherent in traditional net pen cage farming along coastal waters.

Miami, Florida was chosen by Sapphire to build its large-scale commercial facility given its unique water supply and proximity to demand. It is important to note that the company essentially had its pick of the litter in terms of finding a suitable home, which we believe is akin to a wine producer getting to pick any place on earth on which it will grow its grapes. Thus, if you believe, as we do, that land-based production will always serve a role in the structurally short market for Atlantic salmon, there is no reason why the company's assets shouldn't remain low-cost and cash-flowing for decades.

In Q4, analysts and investors cheered the continued progress at the company's Miami build out, and the late November stocking of 400,000 fish eggs in the facility's recently-completed hatchery. We look forward to mid-2020, when these eggs are expected to turn into sales.

ICE Group AS (ICE NS) was the Fund's largest detractor from performance in the fourth quarter with its shares declining about 47% during the period. Operationally, the company continues to track well against its business plan. For example, in just a few short years, the company has grown to nearly an 8% wireless market share in Norway with very high customer satisfaction rates. With that said, the company is not yet in a position where its cash flows are sufficient to cover capital spending to support its continued growth. The company has never made it a secret that it would need to raise a significant amount of equity capital, but unfortunately it picked one of the most volatile markets in recent memory to move toward its IPO on the Oslo Stock Exchange. After a drawn-out roadshow, where new shares were to be offered within a NOK 40 - 58 range (significantly below where the most recent trades in the stock had taken place), the company decided to postpone the offering, citing market conditions. While we are frustrated with the share price development, we remain steadfast in our belief in the long-term value of a Number 3 player within the Norwegian wireless landscape.

Kraton Corporation (KRA US) was the second largest detractor from fund performance in the quarter, having declined by almost 54% in the period. This brought shares back to the Fund's approximate cost basis. Broad macro concerns around global gross domestic product ("GDP") trajectory, uncertainty around tariffs, and elevated logistics costs weighed heavily on sentiment among specialty chemical producers during the quarter, and shares of Kraton were by no means spared. Amid this backdrop, a slew of one-time company-specific factors exacerbated the pain including: (1) Hurricane Michael destroying the company's Panama City, FL facility and forcing the company to declare force majeure and (2) historically low water levels on the Rhine River causing raw material shortages at the company's Wesseling, Germany plant. Kraton has a sizeable, but in our view, manageable debt-load, though any leverage amplifies market sentiment in good, and unfortunately, bad times. However, we remain convinced the company will be able to generate meaningful free cash flow (FCF) and de-lever, which should lead to a materially higher share price in the future.

Closing Thoughts

As we have said many times, we buy crisis, but we do not buy it blindly. Buying when others are panicking and selling irrespective of valuations has proven successful for me throughout my investment career. Of course, it is frustrating, annoying, and disappointing to go through these drawdown periods. But at the same time, when we see these companies that are cheap and have real strategic change underway with real catalysts for value creation, we do get excited about buying in the midst of the carnage.

The number of restructurings, break-ups, spin-offs, management changes and various M&A announcements is robust. We are not struggling to find situations to focus on. The key is always to sift through many to find those few opportunities that we believe have the ability to be significant value creators over time. My view is that our current portfolio is just about the cheapest portfolios we have had since we started Evermore Global in the summer of 2009, which makes me extremely optimistic going into 2019.

As always, we thank you for your continued support and confidence.

Sincerely,

David E. Marcus
Portfolio Manager

Opinions expressed are those of Evermore Global Advisors and are subject to change, are not guaranteed and should not be considered investment advice.

MSCI All Country World Index is an unmanaged index comprised of 48 country indices, including 23 developed and 25 emerging market country indices, and is calculated with dividends reinvested after deductions of holding tax. The index is a trademark of Morgan Stanley Capital International and is not available for direct investment.

MSCI ACWI ex-US Net Index is a free float-adjusted market capitalization weighted index designed to measure the equity market performance of developed and emerging markets, excluding the U.S. The Index consists of 45 developed and emerging market countries. The Index is net of foreign withholding taxes on dividends.

HFRX Event Driven Index – Hedge Fund Research, Inc. (HFR) utilizes a UCITS compliant methodology to construct the HFRX Hedge Fund Indices. The methodology is based on defined and predetermined rules and objective criteria to select and rebalance components to maximize representation of the Hedge Fund Universe. The HFR Event Driven (Total) Index is being used under license from Hedge Fund Research, Inc. which does not approve or endorse Evermore Global Value Fund.

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) – essentially net income with interest, taxes, depreciation, and amortization added back to it, and can be used to analyze and compare profitability.

Enterprise Value to Earnings Before Interest, Taxes, Depreciation and Amortization (EV/EBITDA) – A financial ratio that measures a company's return on investment. It may be preferred over other measures of return because it is normalized for differences between companies.

Free Cash Flow (FCF) - a measure of financial performance calculated as operating *cash flow* minus capital expenditures. *Free cash flow* (FCF) represents the *cash* that a company is able to generate after laying out the money required to maintain or expand its asset base.

Fund holdings and sector allocations are subject to change at any time and should not be considered recommendations to buy or sell any security. Current and future portfolio holdings are subject to risk.

Please **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.