Evermore Global Value Fund

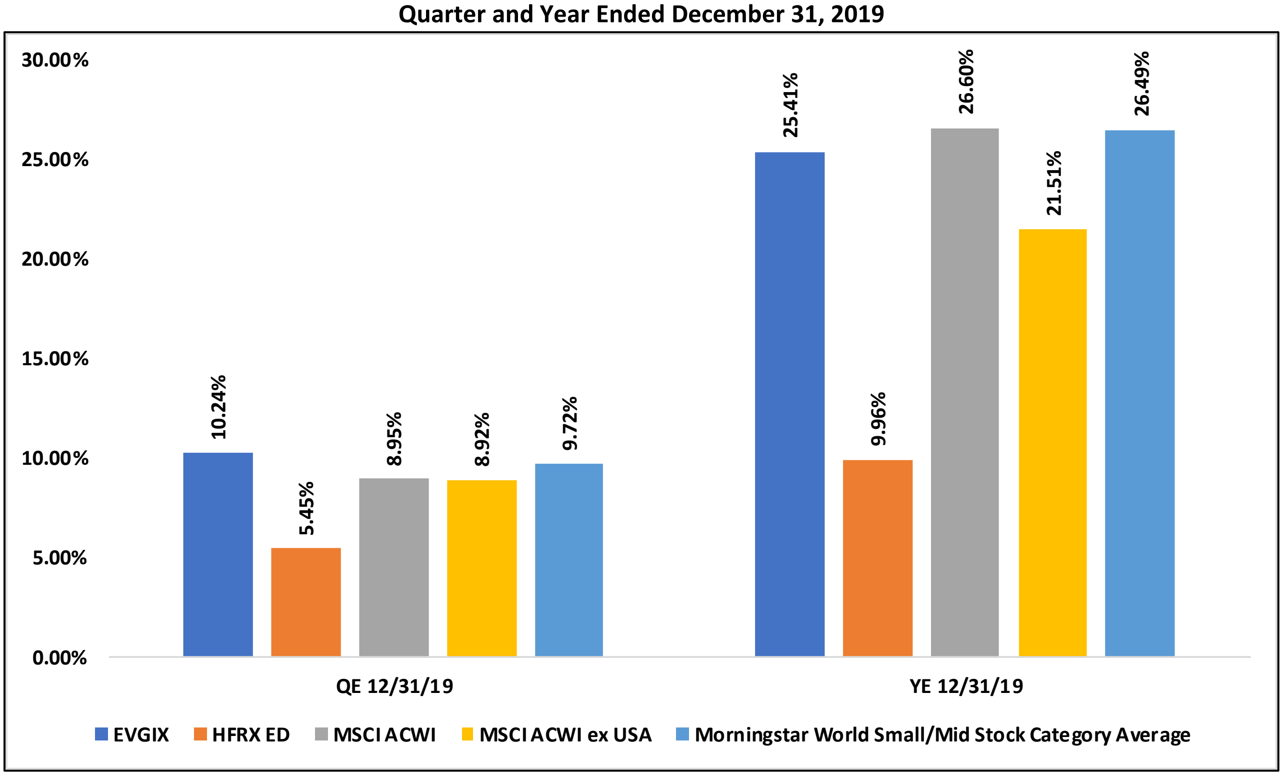
Portfolio Commentary: 4th Quarter 2019

Dear Shareholder,

In stark contrast to 2018, the fourth quarter of 2019 ended on a strong note as trade tensions between the U.S. and China eased once again. The so-called Phase One trade deal halted the previously announced increased U.S.-imposed tariffs on China that were set to go into effect in mid-December. At the same time, central banks across the globe continued to pursue policies to stimulate their respective economies rather than raising interest rates. For example, both the U.S. Federal Reserve ("Fed") and ECB expanded their balance sheets and the Fed cut interest rates once again. As a result of largely positive economic data, global markets posted a strong quarter and year, as did the Evermore Global Value Fund (the "Fund').

For the quarter and year ended December 31, 2019, Institutional Class shares of the Evermore Global Value Fund (the "Fund") were up 10.24% and 25.41%, respectively. The chart below shows performance of the Fund's Institutional Class shares ("EVGIX"), the HFRX Event Driven Index ("HFRX ED"), the MSCI All Country World Index ex USA ("MSCI ACWI ex USA"), the MSCI All Country World Index ("MSCI ACWI"), and the Morningstar World Small/Mid Stock Category Average for the quarter and year ended December 31, 2019.

Quarter and Year Ended December 31, 2019



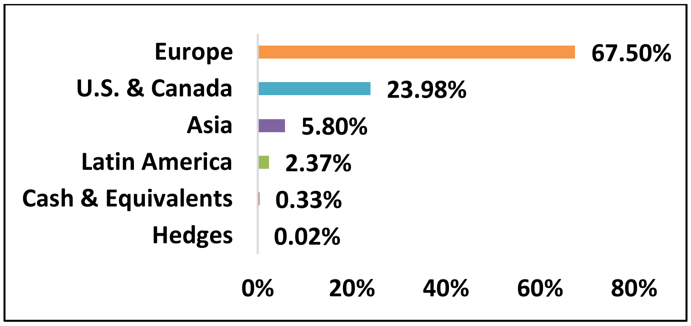
Morningstar World Stock Category Average represents an average of all the funds in the Morningstar World Stock Category.

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

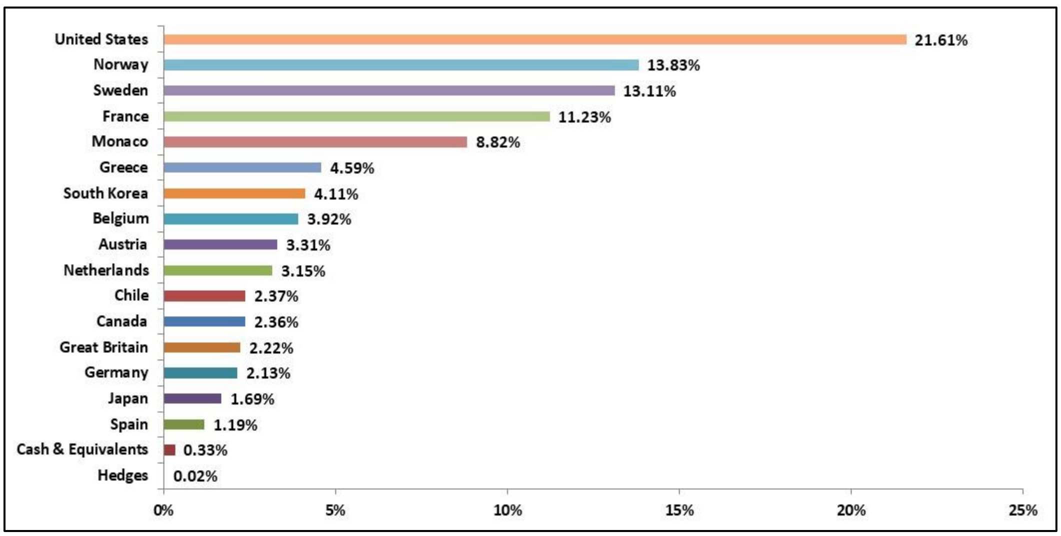
Portfolio Review – Characteristics

The Fund ended the year with $595 million in net assets, 42 issuer positions and the following geographic, strategy classification and market capitalization breakdowns (as a % of Fund net assets):

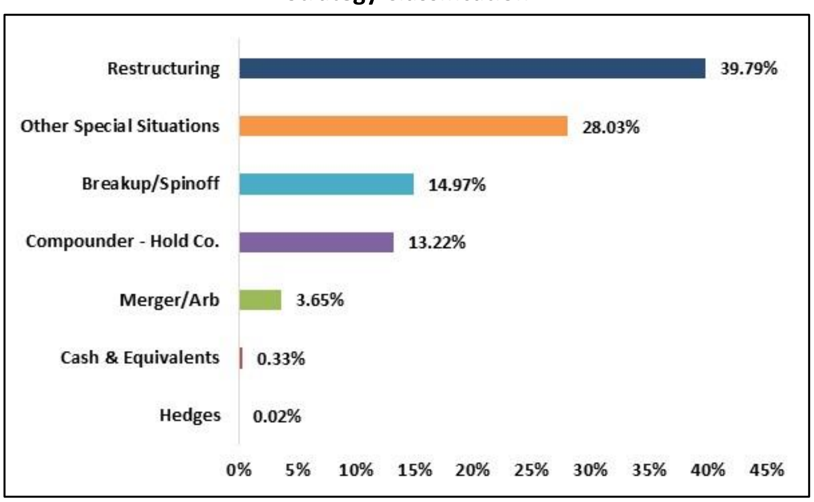
Region Exposure



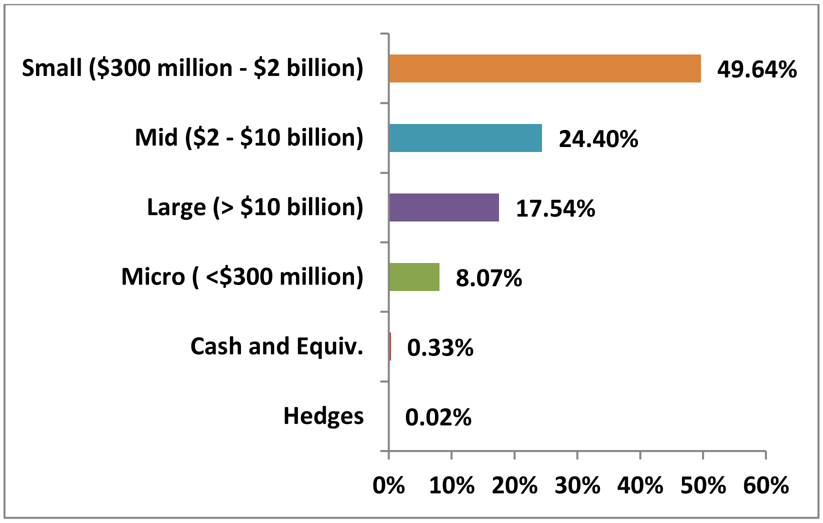
Country Exposure



Strategy Classification



Market Capitalization



Portfolio Review – New Investments

The Fund initiated one new position during the quarter, which is an arbitrage play that is comprised of the following three securities: **IAC/InterActive Corp. (Ticker: IAC US)**, **ANGI Homeservices Inc. (Ticker: ANGI US)** and **Match Group Inc. (Ticker: MTCH US)**.

IAC/InterActive Corp. is the majority owner of both Match Group (80% ownership) and ANGI Homeservices (84% ownership), and the owner-operator of several other internet-based businesses. IAC was formed in 1995, when Barry Diller took a controlling stake in Silver King Communications, an owner of 12 UHF television stations. Since then, the entity has followed a tried and true playbook for its portfolio companies – buy, build, scale, and ultimately spinoff. Along with ANGI and MTCH, several other notable companies have emerged from IAC including Expedia (EXPE US), TripAdvisor (TRIP US), Home Shopping Network (today Qurate Retail, QRTEA US), and TicketMaster (today Live Nation, LYV US).

In Q4 2019, we initiated a long position in the IAC "stub" – that is, a long position in IAC and short positions in both MTCH and ANGI (commensurate to IAC's ownership in those two stocks). While we are not at all looking to express a negative investment thesis on either MTCH or ANGI, we believe the value of the "stub" assets is clearly not recognized by the market and have structured the trade accordingly. Below are highlights of several businesses represented in the "stub":

- ***Vimeo*** – With over 1.2 million paying subscribers, Vimeo is the leading professional video platform for editors and small/medium sized businesses to upload, share, and manage their content across the internet. Through both internal initiatives and M&A this business has undergone a major transformation over the last several years, and growth has accelerated. We expect more than $200 million in sales in fiscal year ("FY") 2020.

- ***Dotdash*** – With more than 90 million visitors per month, Dotdash is comprised of a host of content-based websites such as Verywell, Lifewire, Investopedia, and Brides. This business has seen growth accelerate meaningfully in recent years under new leadership and is expected to have generated ~$40 million in earnings before interest, taxes, depreciation and amortization (“EBITDA”) in FY 2019.

- ***Mosaic Group*** – The key growth driver of IAC’s Applications segment, Mosaic, operates more than 40 mobile apps, including Apalon products, Daily Burn fitness collective, leading translation app iTranslate and top spam-blocking app RoboKiller. Mosaic has almost 4 million paying subscribers and will have generated ~$200 million in sales in FY 2019.

- ***Turo*** – IAC purchased a minority stake in this business for $250 million in 2019. Turo is a car sharing marketplace where travelers can rent cars from a community of local car owners. Along with IAC (who is the company’s largest shareholder), investors include Daimler and BMW iVentures.

- ***Care.com*** (CRCM US) – IAC announced its intentions to purchase CRCM in December 2019 for an enterprise value of about $500 millon. CRCM is the world's largest online marketplace for finding and managing family care. Consensus is calling for CRCM sales to grow at a double-digit compound annual growth rate (“CAGR”) through 2022.

We believe this trade is timely given that IAC will fully separate its remaining stake in MTCH with a spinoff slated for Q2 2020. After adjusting for the moving parts of the transaction (namely a debt transfer from IAC to MTCH and a probable $1.5 billion secondary sale of MTCH shares by IAC prior to separation), we estimate MTCH represents more than 70% of IAC’s market cap. With that, we expect that this spin will help highlight the value that remains at IAC.

As for ANGI, management has chosen to keep this business inside of the IAC complex for the time being. Nonetheless, IAC management has indicated time and again their aim is not to build empires, and in the reasonable future we expect ANGI to fully separate from IAC.

At the last sale, we estimate that the “stub” assets are trading at a negative $7 per IAC share after accounting for net cash. Conservatively, we derive a $40 per share value for these assets. With a pending catalyst in the upcoming separation of MTCH, we believe IAC shares will begin to reflect this hidden value in the coming quarters. Moreover, we expect to remain IAC shareholders for years to come, as management has a demonstrated history of long and successful capital allocation, business development, and corporate restructuring. Post MTCH separation, IAC will be left with an enormous net cash position; when all is said and done, we estimate IAC will have about $4 billion of cash and virtually no debt at June 30, 2020. While we fully expect management to continue executing M&A deals, we would also expect substantial share buybacks when IAC’s share price is materially undervalued.

Portfolio Review – Exited Investments

During the quarter the Fund exited its long term holding in **B2 Holding ASA (B2H NO)** at a loss. Shares originally performed very well for us. However, over time, the debt collection industry experienced a sentiment shift, as vocal short sellers targeted the space and placed significant selling pressure on most every name in the sector. The shorts point to an industry with high financial leverage, meaningful management influence on key accounting items (in other words, potential for aggressive accounting), and an overabundance of capital chasing non-perfroming loan portfolios, which will keep internal rates of return too low to make an economic return.

While some of these points may accurately describe a number of B2's peers, we maintain that B2 is among the best "actors" in the industry, and that its management has never chased uneconomic portfolios. Nevertheless, with market capitalizations falling across the sector, and the taint of a short thesis arousing doubt among investors, debt financing had become more expensive for B2 than we had originally contemplated. In a highly-financed industry, we believed this was having a negative impact on the company's earnings power. We therefore decided to move on from the position and focus on more compelling ideas.

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

Top Contributors		Top Detractors	
Scorpio Tankers Inc.	**Product Tanker Operator (Monaco)**	Kraton Giving Innovators Their Edge	**Specialty Chemicals (U.S.)**
Misunderstood, financial restructuring, well-positioned to benefit from recovery of tanker market and IMO 2020		Strong management team drives aggressive cost-cutting, and debt reduction asset sales	
Atlantic Sapphire	**Land-Based Fish Farming (U.S.)**	40 Years Enzo	**Clinical Labs & Diagnostics (U.S.)**
Leading edge, under-the-radar, misunderstood salmon farmer		Misunderstood, sum-of-the-parts valuation, patent portfolio enforcement potential	
Frontline	**Crude Tanker Operator (Norway)**	magseis fairfield	**Ocean Bottom Seismic (Norway)**
Best-in-class crude vessel operator, lowest cash breakeven with high operating leverage		Technology leadership position in fledgling ocean bottom seismic market. New management focusing on profitability	

Scorpio Tankers Inc. (STNG US) was the largest contributor to Fund performance during the fourth quarter. With a market cap of $2.3 billion, Scorpio Tankers is one of the largest product tanker operators with one of the youngest fleets comprised of all product tanker assets (over 100 vessels).

The product tanker market improved significantly during the third and fourth quarters as the prolonged refinery maintenance finally came to an end and new refining capacity came online. In late September, Scorpio Tankers increased its tanker market exposure through the acquisition of Trafigura's 19 product tankers. The company also maintained its quarterly $0.10 dividend per share or 1% annualized yield. There is approximately $122 million remaining in the company's share buyback program. We believe Scorpio Tankers is positioned extremely well to take advantage of the IMO 2020 regulatory changes and historically low product tanker order book.

Atlantic Sapphire (ASAME NO) was the second largest contributor to Fund performance in Q4, with its shares appreciating approximately 22%. Shares continued to climb higher reflecting the market's growing confidence in management's plan to bring the first phase of its Homestead, Florida facility fully online by the summer of 2020. During the quarter, the company continued its Florida construction project at a rapid pace, while experiencing strong biological performance among the fish already in its U.S. system. The company also established a joint venture to help capture value from salmon byproducts and signed a long-term feed supply contract. And at its test facility in Denmark, the company demonstrated stable biological key performance indicators ("KPIs") and more consistent harvest levels.

Outside of operations, Runar Vatne, a well-regarded Norwegian businessman, joined Atlantic Sapphire's board. In conjunction with Mr. Vatne's directorship, his investment group purchased an additional $4 million worth (at cost) of shares on the open market. Like Mr. Vatne, we believe that Atlantic Sapphire will be the first successful scale player in land-based Atlantic Salmon farming, and that its shares do not reflect the level of free cash flow the company should be able to generate for years to come.

Kraton Corporation (KRA US) was the largest detractor from performance in the fourth quarter, with shares falling by approximately 22%. During the period the company announced fiscal 3rd quarter earnings, which missed management's expectations and disappointed the market. The actions and rhetoric around what have been very dynamic global trade policies in 2019 fueled slowdowns in major economies across Asia and Europe. This has led a number of Kraton's customers to work inventory levels down toward bare minimum levels, in an effort to wring out working capital from their supply chains. While Kraton is not immune from economic weakness in its markets, we believe that re-order rates will eventually need to move up to at least reflect the sell-through velocity exhibited across its end markets.

During the quarter, Kraton announced the sale of its crown jewel, Cariflex, for 10.5x trailing earnings before interest, taxes, depreciation and amortization ("EBITDA"). We believe this divestiture will allow the company to meaningfully de-lever its balance sheet. Once the deal closes (expected in Q1 2020), and leverage becomes less of a concern, we would expect the market to take notice of the glaring valuation disconnect between specialty chemical peers, which trade at 7 - 10x EBITDA, and Kraton, which trades at 5x EBITDA and an approximate 20% free cash flow yield, pro-forma for the Cariflex sale.

Enzo Biochem is a $125 million market cap molecular diagnostics company and operator of state-of-the-art clinical labs. The share price performance in the fourth quarter once again was a major disappointment. While we continue to believe in the tremendous potential of AmpiProbe, a game-changing, proprietary detection product that will reduce the cost of molecular testing by up to 50% compared to competitors' prices, the company has taken too long to commercialize this product. In Q3 2019, the company outlined a three-pronged strategy for value creation, which included plans to announce strategic partnerships for AmpiProbe by the end of the year, however, management has been unable to meet this deadline. Simply put, we believe investor fatigue has set into the stock.

Since then, an activist dissident shareholder, Harbert Management, has waged a proxy fight to replace Enzo's two board members that are up for re-election with their slate of two nominees that will provide a fresh perspective on the situation. As with all proxy fights, we will carefully assess all the constituents and weigh their respective arguments in order to find the best path for shareholder value creation. We continue to monitor this situation very closely.

Closing Thoughts

We believe the Fund is well positioned heading into 2020. At year-end, 67.5% of the Fund's portfolio was invested in European special situations and we think that several tailwinds exist to help drive performance next year. First, and most important, our portfolio positions continue to trade at significant discounts to our estimates of their intrinsic values and have catalysts at work that we believe can create meaningful value for shareholders in the coming quarters and years. Second, with European stocks trading at their lowest valuations relative to the S&P 500 in more than 50 years, we believe that an improving economic environment and a continuing trend of positive central bank moves will make European companies more attractive to investors and therefore begin to help narrow the aforementioned valuation gap, which should accrue to the benefit of our European positions. Finally, a significant portion of the Fund's portfolio remains invested in European shipping stocks. As the new International Maritime Organization ("IMO") 2020 sulfur emission regulations for shipping transportation companies went into effect on January 1, 2020, we believe that our shipping stocks are poised to perform extremely well in this new regulatory environment, especially when accompanied by rising commodity prices.

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

Sincerely,

David E. Marcus
Portfolio Manager

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

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

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

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

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

S&P 500 – a stock market index that tracks the stocks of 500 large-cap U.S. companies.

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.
Evermore Global Advisors, LLC is the advisor to the Evermore Global Value Fund which is distributed by Compass Distributors, LLC.