Evermore Global Value Fund

Portfolio Commentary: 4th Quarter 2017

Dear Shareholder:

Fueled by strong corporate earnings reports and the impending (and actual) passage of the largest tax reform legislation in more than three decades, U.S. markets continued to climb in the fourth quarter, while European markets showed mostly modest declines. U.S. markets had a terrific 2017, one with a marked lack of volatility. In fact, U.S. equities delivered positive returns in each month of 2017, the first time this has happened since 1958. We are optimistic that tax reform should provide the U.S. economy with tailwinds over the next several years, although the jury is still out on how much of corporate tax savings and repatriation of foreign earnings will result in higher employment, productivity and wages.

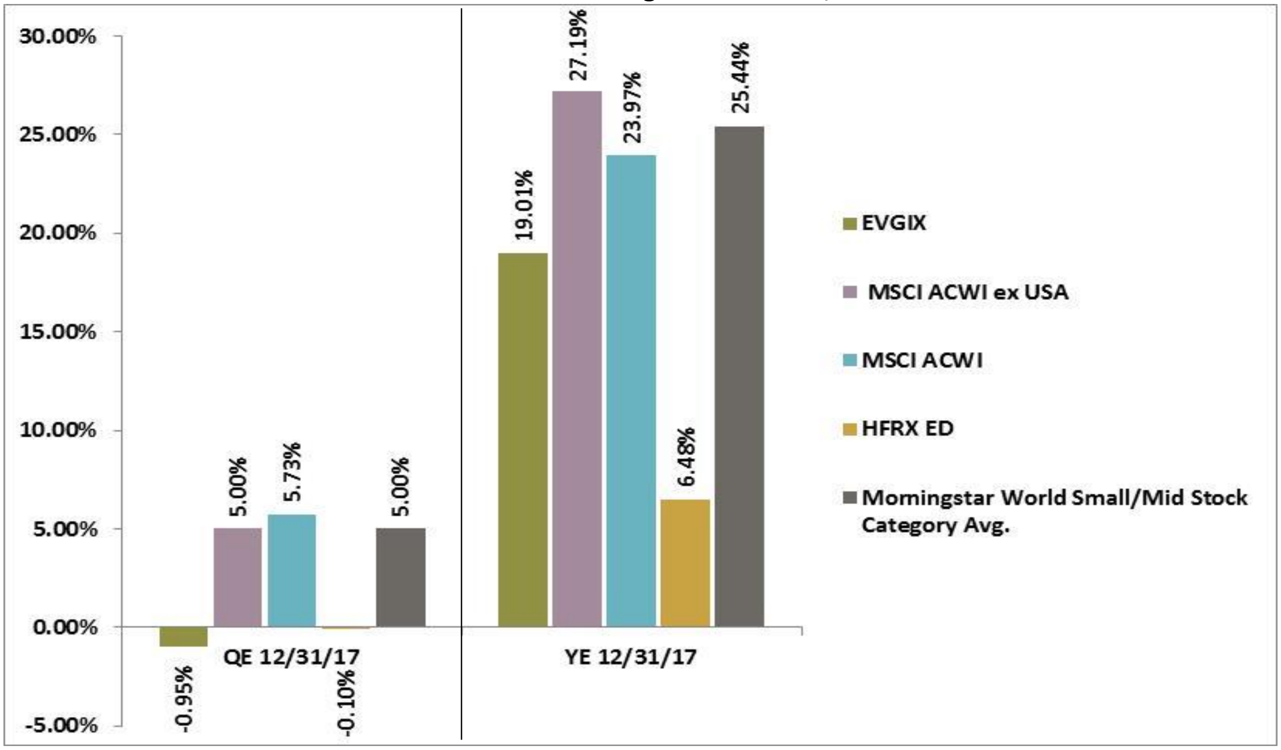
Once again in 2017, Europe continued to be our investment team's primary focus area, as the Evermore Global Value Fund (the "Fund") increased its exposure to European special situation investments to over 70% of the Fund's net assets at year-end. We saw a sea change in investor sentiment about Europe in 2017, as financial pundits turned bullish about the prospects of European GDP[1] growth and monetary policy, and the difference in valuations between U.S. and European companies. We also saw this optimism flow down to many of the corporate management teams we met with this year. They are the most excited about their future prospects as I have seen in my 25+ years as an investor. But, it is our job to sift through this enthusiasm to find and invest in those companies and management teams that can best execute their restructuring and strategic plans in an improving macro environment and ultimately deliver significant value to shareholders.

Investment Performance

The Fund hedges its exposure to currencies by shorting the relevant currencies against the U.S. dollar. In this way, we are not making a currency call. We let the performance of the securities we own speak for themselves. In years where currencies weaken against the U.S. dollar, the Fund's investment performance is positively impacted by currency hedging. In a year like 2017, where the Euro was up over 14% against the U.S. Dollar, the Fund's investment returns were negatively impacted due to currency hedging. Despite this negative impact, the Evermore Global Value Fund posted another strong year of performance. Please see the chart below for 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, 2017.

[1] Gross Domestic Product

Quarter and Year Ending December 31, 2017



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, 2017, the Fund had $607.0 million in assets, much of which continued to be invested in European special situations (see specific region concentration data in the table below).

Portfolio Review – Characteristics

The Fund ended the quarter with 35 issuer positions and the following geographic and strategy classification breakdowns:

Region	% Net Assets	Strategy Classification	% Net Assets
Europe	71.2%	Restructuring/Recap	45.1%
U.S.	14.9%	Compounder	20.3%
Asia	10.0%	Other Special Situations	20.2%
Other (Cash, Options, Hedges, etc.)	3.9%	Breakup/Spinoff	10.5%
		Liquidation	0.0%
		Merger/Arbitrage	0.0%
		Other (Cash, Options, Hedges, etc.)	3.9%

Portfolio Review – New Investments

The Fund added three (3) new issuer positions during the quarter – **Borr Drilling Ltd.** (Norway), which owns and operates 12 drilling rigs designed to drill in water depths of up to approximately 400 feet; **Nilfisk A/S** (Denmark), which produces and sells indoor and outdoor cleaning equipment around the world; and **S&T AG** (Germany), which develops, implements, and markets IT hardware, solutions, and services primarily in Germany, Austria, Switzerland, and Eastern Europe. We will highlight Nilfisk in this commentary.

Nilfisk A/S (NLFSK DC) is one of the largest manufacturers of cleaning equipment for the professional market. Its products include industrial vacuum cleaners, high pressure washers, and a vast array of other cleaning products. The company was spun off in October 2017 from NKT A/S, a Denmark-based industrial holding company that has been undergoing changes for an exceptionally long time.

Like its former parent company, Nilfisk was undermanaged for many years. We initiated our position shortly after it was spun off. We see many catalysts to create value – a new management team, non-core assets that we expect to be sold, a classic opportunity to tighten controls, refocus the business, and improve margins. The market does not really understand the opportunity as it has only been a public company on its own for a few months. This is a consolidating industry and we believe there is a natural progression for Nilfisk to one day merge with its largest competitor in the U.S., which is about the same market cap. While we were building our position, a U.K. investor announced it amassed over 5% of Nilfisk common stock and over 5% of the U.S. competitor's common stock and are now pushing aggressively for these two companies to combine. We would support this move as the combined new company would be a powerhouse in both Europe and the U.S. These companies are now "in play" and we expect compelling returns whether they combine or Nilfisk remains independent.

Portfolio Review – Investments Exited

During the quarter, we exited two U.S. positions and one European position. We decided to exit our long time investment in **Ambac Financial Group** common stock at a substantial loss, largely due to the devastating impact Hurricane Maria had on Puerto Rico. This event exacerbated an already precarious debt situation and brought in a new level of uncertainty and risk. We assessed the opportunity cost of remaining in the position for an extended period and ultimately decided to re-deploy the capital to other compelling situations. We sold our position in **Indra Sistemas**, an IT services and solutions company based in Spain, as the catalysts in this classic restructuring case largely played out as we had expected in our original thesis. We exited this position with a substantial gain. Finally, we decided to sell our position in **Par Pacific Holdings, Inc.** at a modest gain. Although the company continues to be well-run, we saw early signs in the fourth quarter of a tightening crack spread environment, which will ultimately pressure refining margins. Further, the prospects of U.S. tax reform forced us to reassess the value of the company's net operating loss carryforward.

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

Top Contributors	Top Detractors
Gaming (Japan)	**Clinical Labs & Diagnostics (United States)**
Catalysts include undervalued assets in Japan and Philippines; litigation outcomes	Misunderstood sum-of-the-parts valuation; patent portfolio enforcement potential
Specialty Chemicals (U.S.)	**Semiconductor Products (South Korea)**
Strong management team drives aggressive cost-cutting and debt reduction	Aggressive cost-cutting and explosive growth in AMOLED display drivers
Cleaning Equipment Manufacturer (Denmark)	**Wireless Telecommunications Provider (Norway)**
New management; non-core asset sales and a possible merger	Misunderstood telecom provider with potential for spin-offs, an exchange listing and rapid international expansion
Industrial Conglomerate; Ports and Logistics (France)	**Shipping (Norway)**
Complex, misunderstood and mispriced Compounder run by value creator Vincent Bolloré	Recent recap; opportunistically acquiring secondhand vessels at very attractive rates

Top Contributors (continued)		Top Detractors (continued)	
vivendi	MEDIA CONGLOMERATE (FRANCE)	TELECOM ITALIA	FIXED AND MOBILE TELECOMMUNICATIONS PROVIDER (ITALY)
Aggressively selling and buying assets to refocus as a media powerhouse		Financial and operational restructuring, including new management, asset sales and spin-offs	

Universal Entertainment Corporation (6425 JP) is a leading developer and manufacturer of pachinko and pachislot gaming machines in Japan and owner of one of the largest new casinos in the Philippines. Shares of Universal were up over 25% in the fourth quarter as the core businesses in pachinko and pachislot machines continued to generate strong cash flows, and, the Philippines casino has been on track with its ramp-up and should start contributing to cash flows meaningfully in the coming quarters. A notable development during the second quarter was the ouster of the founder, Kazuo Okada from his Chairman role by his own family members. Universal is controlled by Okada Holdings (68%) which, in turn, is 45% owned by Kazuo Okada and 55% held by his children (a son and daughter, both in their 40s). We believe this internal rift could ultimately lead to better transparency and corporate governance for the company.

Also, during the fourth quarter, a judge rejected Steve Wynn's motion to dismiss Universal's lawsuit and the case is now scheduled to go to trial in April 2018. Universal took legal action in 2012 after Wynn Resorts forcibly redeemed Universal's 19.7% stake in Wynn Resorts at an implied 31% discount to the stake's market value at the time. We remain cautiously optimistic that the company will win its pending case against Steve Wynn, which could potentially amount to more than today's market capitalization. The value of the Philippines casino and the former stake in Wynn Resorts continue to represent compelling upside, which the market is just beginning to appropriately value.

Kraton Corporation (KRA US) was another contributor to fourth quarter performance. At the time of the Fund's first purchase of Kraton in Q4 2016, the market appeared to be focused squarely on challenges that came to light during the company's Q3 earnings release that October. These included emerging competitive pressures in the adhesives business, raw material volatility stemming from a late-year price spike in butadiene, and end-market weakness in the pine-based Chemical Intermediates business.

While these were all real headwinds, we assessed them as either temporary in nature or within management's ability to address. Instead, what we chose to focus on amidst the noise was Kraton's ability to generate free cash flow and de-lever post its Arizona Chemical acquisition. With our first shares purchased at valuation of 6.7x EV/EBITDA, but with 4.6x turns of leverage, we believed any value shift from debt to equity would be enormously positive for the stock price. We further believed that any multiple expansion the market afforded the company as the balance sheet "de-risked" would be a free option.

Since owning shares, these fears have largely subsided. Competing adhesive supply has been successfully absorbed (restoring market balance), increased butadiene costs were successfully passed on to customers without a volume impact, and Kraton's sales team was successful in finding new customers for its Chemical Intermediates products. The company also achieved its $65 million Arizona integration synergy target a full five quarters ahead of plan and is on track with its separate $70 million cost savings plan. And within the industry, Ingevity Corp. closed on the acquisition of Georgia Pacific's pine chemicals business, which served to highlight the value these types of assets are worth in an M&A[2] transaction (8.6x post-synergies), and should help to maintain a rational competitive environment.

Our thesis is playing out. From the closing of the Arizona acquisition through 9/30/17, net debt has been reduced by $187.3 million (despite incurring $15 million in refinancing costs), and adjusted EBITDA has grown by approximately $20 million. With a strong management team, a culture of continuous improvement, further ability to consolidate the pine-based chemicals market, and a major new polymers facility just entering commercial production, we believe shares will continue to benefit from positive catalysts throughout 2018.

Enzo Biochem, Inc. (ENZ US), a $380 million market cap molecular diagnostics company and operator of state-of-the-art clinical labs, was the largest detractor to Fund performance in the fourth quarter. Despite another quarter of strong cash flow generation with a net cash position of $67 million (or 18% of the market cap), the shares sold off indiscriminately on overall positive company-specific news. In addition, Enzo received conditional approvals on the final three women's health-related molecular diagnostic tests, which now places Enzo in a leading position in the higher-margin women's health diagnostics segment.

While the company has trial dates set for three of its remaining sizeable patent infringement cases, there have been no recent developments or news flow regarding the litigations. We took advantage of what we believed to be unwarranted weakness in share price and opportunistically added during the fourth quarter.

Frontline Ltd. (FRO US), a Norwegian tanker vessel owner and operator with a fleet of more than 60 vessels on the water with an aggregate capacity of approximately 11 million deadweight tons, was also a detractor to Fund performance in the fourth quarter. Frontline is controlled by John Fredriksen, an aggressive value creator with a stellar track record.

Shares of Frontline declined 35% in 2017 and 24% alone during the fourth quarter, as the company reported weaker than expected third quarter earnings. The weak quarter was attributed to the company keeping a disciplined commercial approach during a seasonally weak quarter by not accepting unreasonably low fixtures from charterers resulting in extended waiting times. Management implicitly believes (as do we) that the inflection point is near and therefore the company has decided to have a higher exposure to crude spot rates.

[2] Mergers & Acquisitions

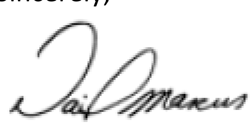
We have taken advantage of weak periods throughout the year to add to our position in what we believe is one of the best tanker operators with one of the lowest cash breakeven levels and a strong balance sheet. We believe the market is currently too pessimistic about the prolonged OPEC[3] production cuts and the implications for demand growth. Importantly, we believe the dynamics on the supply side are now favorably underpinned by the substantial drop in new orders, slippage in deliveries and the overall aging fleet and new regulations, which is leading to increased scrapping and decreased supply.

Closing Thoughts

I started investing in Europe about 25 years ago when I worked for renowned value investor Michael Price. Many parts of Europe, namely the Nordic region, endured panic and crisis during the 1990s, but it turned out to be an excellent time to invest in the region for the discerning investor. While Europe's crisis may have passed a few years ago, I continue to see the same variety of opportunities in Europe today that I saw back then, as European-domiciled companies are transforming their businesses by engaging in an unprecedented level of operational and financial restructurings, including asset sales, spin-offs and mergers. These are some of the catalysts we look for in our search for misunderstood, under-researched, and undervalued special situation investment opportunities. Throughout 2017, we had over 300 touches with corporate management teams of predominantly European companies; as I discussed earlier in this letter, there is a level of confidence and excitement by corporate management teams that I have not seen in many years. We remain optimistic that this exuberance will translate into the creation of significant value for shareholders. While a majority of our investments over the past several years have been in European companies, we continue to find compelling special situation investments in the U.S. and Asia. We are excited about the prospects of finding more attractive opportunities in Asia in the coming years as these same catalysts and valuations evolve in the region.

We continue to build our team, having added a trader, senior research analyst, junior research analyst and an operations director over the past seven months. We believe these key additions to our infrastructure positions Evermore to continue to deliver attractive non-correlated absolute returns to our shareholders. We thank you for your confidence and support and wish you all a healthy, safe, happy and prosperous New Year.

Sincerely,



David E. Marcus
Portfolio Manager

[3] Organization of the Petroleum Exporting Countries

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.

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