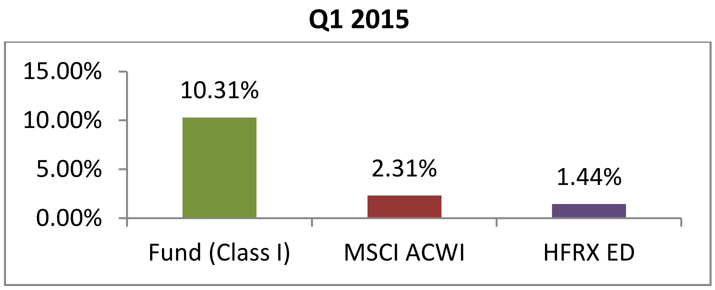
# Evermore Global Value Fund

## Portfolio Commentary: 1st Quarter 2015

Dear Shareholder,

The Evermore Global Value Fund (the "Fund") got off to a strong start in 2015, as catalysts at work combined with positive macro developments, especially in Europe, provided significant tailwinds across the Fund's portfolio holdings. Global markets were generally up for the quarter with European markets showing the strongest gains. For the quarter ended March 31, 2015, performance for the Fund, the MSCI All Country World Index ("MSCI ACWI"), and the HFRX Event Driven Index ("HFRX ED") was as follows:




*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 30 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.*

Global macro developments were plentiful, significant, and mostly positive during the quarter, contributing to the vast majority of our portfolio holdings. First, the Euro/USD exchange rate hit multi-year lows and declined 11.2% to 1.075 at quarter-end. This was good news for those European companies that are major exporters of goods and services, as more than 50% of total European GDP comes from exports. Second, oil also hit multi-year lows, producing cost savings for industrial companies globally. Third, the European Central Bank ("ECB") announced a 1.3 trillion Euro ($1.39 trillion) quantitative easing ("QE") program and increased its 2015 European Union ("EU") Gross Domestic Product ("GDP") growth target from 1.0% to 1.5%. We believe this program could produce the same type of multi-year positive results for European markets as the Federal Reserve's QE program produced for U.S. markets. Finally, by many accounts the Eurozone appeared to grow in the quarter at its fastest pace in many months. ECB President Mario Draghi stated that most indicators suggested that a sustained Eurozone recovery has taken hold. On the negative front, the anti-austerity, radical leftist Syriza party swept to victory in the January Greek elections, once again bringing into question whether Greece would leave the Eurozone. As a result, Greek markets were extremely volatile during the quarter. Even if Greece ultimately leaves the Eurozone, we do not believe it will cause major ripples throughout the region, causing other countries to flee the Euro, as it would have several years ago. Another major event during the quarter was the Swiss National Bank's sudden move to remove its floor of 1.20 on the EUR/CHF exchange rate. This caused a significant decline in prices of some Swiss companies, which we sought to take advantage of during the quarter (see below).

The Fund ended the quarter with 38 issuer positions and several hedges with the following geographic breakdown:

| Region | % Net Assets |
|---|---|
| Europe | 59.7% |
| U.S. | 22.9% |
| Asia | 8.5% |
| Cash & Equivalents | 9.0% |

Below are our quarter-end strategy classification breakdowns for our portfolio holdings, which we believe help present an informative picture of our concentrations.

| Strategy Classification | % Net Assets |
|---|---|
| Restructuring/Recap | 49.9% |
| Breakup/Spinoff | 9.0% |
| Merger/Arbitrage | 0.0% |
| Liquidation | 4.5% |
| Compounder | 12.4% |
| Softer Catalysts | 15.1% |
| Other (Cash, Options, Hedges, etc.) | 9.1% |

For all the reasons we have discussed in our recent white paper (*Europe: Lonely and Lumpy, Yet Extremely Compelling*) and our 2014 year-end commentary, we continue to invest a significant portion of our assets in European special situations. The picture in Europe is getting brighter and we believe that opportunities still abound in the region, as recent macro developments will drive an increase in merger and acquisition, and spin-off activity. In addition, major operational and financial restructuring initiatives should continue to pay off as top line growth resumes. We are beginning to see evidence of this based on recent German corporate earnings announcements.

***Portfolio Review – New Investments***

We added several new positions during the quarter, which included Marine Harvest ASA (Norway), Schmolz + Bickenbach AG (Switzerland), DeLclima S.p.A. (Italy), Telecom Italia (Italy), CK Hutchison Holdings Limited (formerly Cheung Kong Holdings Limited) (Hong Kong), Par Petroleum (U.S.), and Enzo Biochem Inc. (U.S.). A discussion of several of these new positions follows.

With an €840 million ($903.2 million) market cap, **Schmolz + Bickenbach** ("S+B") is the second largest global specialized stainless steel producer and the market leader (based on volume) in Europe. S+B is headquartered in Switzerland, but its manufacturing facilities are mainly operated and managed in Germany. We took advantage of the recent Swiss Franc/Euro de-pegging in January to initiate our position, as the price decline was mostly attributed to currency translation since S+B's financials are denominated in euros, but the company trades in Swiss francs on the Swiss Exchange. This investment is a financial and operational turnaround story which was widely ignored by investors due to its underpinning to steel and steel-related commodities. Under past management, S+B was under-managed as a portfolio of disparate assets which lacked integration and centralized risk management. The founding family has taken an aggressive transformative stance by replacing ineffective past management and aligning with a new strategic partner. The founding family owns 15% of the company and a strategically-aligned, long-term investor (Russian billionaire, Viktor Vekselberg) owns a 25.5% stake. Management has already renegotiated the existing debt and implemented a restructuring and cost savings program that is underway and ahead of the plan. S+B recently restructured its distribution business segment and ring-fenced certain non-core assets into separate legal entities. We expect these non-core assets to be ultimately sold during the first half of this year. We believe the stock is trading at a 40% discount to its intrinsic value and 4.5 times EV/EBITDA compared to a 7.0 - 7.5 times range of normalized mid-cycle multiples. Further, S+B should be the beneficiary of favorable industry fundamentals, including structural supply constraints from the nickel export ban in Indonesia and tailwinds from demand recovery in the global stainless steel market.

**DeLclima** is an Italy based, €300 million ($322.6 million) market cap manufacturer of climate control equipment including ventilation, air conditioning and refrigeration systems. It is the market leader in Europe with over 70% market share. The company also manufactures radiators for commercial and industrial customers. The former parent company, De'Longhi, had been operating two disparate segments since 2007 – household segment (its core consumer appliance business) and professional segment (which is now DeLclima today). With completely different end markets and client base, DeLclima was spun off to the existing shareholders of De'Longhi in 2011. The chairman of De'Longhi is the majority shareholder with a 75% stake in the company today. DeLclima is an independent standalone company that is a classic restructuring and breakup investment case. The core businesses in indoor climate control and refrigeration ("ICCR") are wonderful businesses where DeLclima has significant market share. The radiator business, however, has been a money loser for several years and has masked the value of the company. While the radiator business is now breakeven and likely to make modest profits going forward, we expect it to be sold, which will allow management to focus on the high growth, high market share businesses. The stock is trading at a 50% discount to its intrinsic value and implied 5.6 times our estimate of EBITDA (a 50% discount to comparable ICCR peers). In addition, DeLclima has a strong balance sheet with net cash, which represents about 4.5% of the current market cap.

**Cheung Kong Holdings** ("CK") is a HK$290 billion ($37.4 billion) market cap conglomerate based in Hong Kong. Along with its 50% stake in the Hong Kong-listed holding company, Hutchison Whampoa ("HW"), CK is involved in property development, telecom, retail, energy, infrastructure and ports. This company is the main investment vehicle for one of Asia's wealthiest billionaires and aggressive value creator, Li Ka-Shing. At 86 years old, Mr. Li is refocusing the company for a clean handoff to his 50-year old son, Victor Li. Victor is currently the deputy chairman and has been groomed by his father from an early age. In January of this year, CK and HW jointly announced a transformational, multi-faceted restructuring plan to merge all assets and spin off its property-related assets to shareholders. By owning CK today, we will ultimately own stakes in two listed companies: 1) CK Hutchison Holdings Limited ("CKH") for the non-property assets and 2) Cheung Kong Property Holdings Limited ("CKP") for the property-related assets. The transaction is expected to be completed in June 2015. We initiated a position in CK which was subsequently renamed to CKH as part of the first step in the reorganization. CKH retained the listing status of CK and existing CK shareholders received shares in CKH on a 1:1 basis. On a pro forma combined basis, the stock is trading at a 45% discount to our estimate of its intrinsic value. We believe this reshuffle is a game-changing transformation that will simplify Mr. Li's cumbersome ownership structure, eliminate the double discount and provide better transparency to investors.

**Par Petroleum** is a U.S. based, post-bankruptcy, net operating loss carryforward ("NOL") vehicle majority owned by funds associated with Sam Zell and Whitebox Advisors. Its primary asset today is a refinery in O ʽahu, Hawaii which had been undermanaged and underperforming before Par acquired it in late 2013. In short order, through better crude sourcing, new contract wins, synergistic acquisitions, and help from falling crude prices, management has done a tremendous job in turning around the refinery. We believe the value of the refinery alone more than covers our cost basis in the stock. In addition to the catalyst of first-time profitability, we expect Par's top-notch management team to seize on further acquisition opportunities. Don't let this company's name fool you – this is not a commodity play on the price of oil. The company actually benefits from a reduction in the price of oil. Our NAV estimate of $33 per share includes conservative valuations for both Par's $1.3 billion NOL as well as its minority stake in continental U.S. exploration and production assets.

***Portfolio Review – Investments Exited***

We exited a number of positions in the quarter, including Sky Deutschland AG, Havas SA, and Vista Outdoor Inc. We sold our Sky Deutschland position at a significant long term gain after its stock price exceeded the €6.75 ($7.26) per share takeover offer by British Sky Broadcasting. Our position in Havas SA was exchanged for Bolloré SA shares once Bolloré completed its exchange offer for Havas shares in January. We sold our position in Vista Outdoor at a significant gain after the catalysts we anticipated largely played out as expected, and the market price moved to our estimate of NAV.

***Portfolio Review – Top Contributors/Detractors***

Below please find our top five contributors and detractors to performance during the first quarter, as well as short summaries on several of the contributors and detractors.

| Top Contributors | Top Detractors |
|---|---|
| Vista Outdoor Inc. (U.S.) | Fomento de Construcionnes y Contratas SA (Spain) |
| Maire Technimont S.p.A. (Italy) | OPAP SA (Greece) |
| Bolloré SA (France) | Sevan Drilling ASA (Norway) |
| Deutsche Office AG (Germany) | Retail Holdings NV (Hong Kong) |
| ING Groep NV (Netherlands) | NN Group NV (Netherlands) |

We *synthetically* created our **Vista Outdoor** position in Q4 2014, prior to its official spinoff from Alliant Techsystems Inc. in February 2015. The spinoff occurred simultaneously with the merger of Alliant and Orbital Sciences Corp., and our position was established by purchasing shares of Alliant and shorting shares of Orbital in accordance with the terms of the merger. At the time of entry we believed fears regarding the deterioration of Vista's end markets were overblown. Further, it was apparent to us that the implied price of Vista had become detached from its fundamentals. Instead, Vista's pre-spin price seemed to be the indiscriminately-determined byproduct of share price gyrations of both Alliant and Orbital. At our cost basis, we created Vista, a market leader in a high quality and capital light industry, for 9 times our estimate of forward free cash flow, and well below our "Base Case" NAV estimate of $44. Beyond the high quality of the business and bargain price, we felt protected on the downside given Vista's under-levered balance sheet (a rarity among spinoffs), the high caliber of management, and what we estimated to be limited losses should the merger have fallen through.

Vista Outdoor illustrates the value of our flexible and opportunistic approach to investing. If we were restricted from taking short positions in securities, we would not have been able to create Vista so cheaply. Finding severely mispriced securities with actionable catalysts is a challenge. Thus having as many tools in our toolbox to help uncover such situations is invaluable to our efforts.

We initiated our position in **Maire Tecnimont** ("MT") about a year ago. MT is a €790 million ($849.4 million) market cap engineering, procurement and construction company based in Italy. Despite current market conditions, the company consistently generated strong cash flows, improved margins and secured new orders. Management continues to dispose non-core assets and recently announced plans to sell a minority stake in its wholly-owned subsidiary, Stamicarbon, the market leader in the development and licensing of urea technology. We believe this sale will showcase the lesser-known "hidden gem" buried inside the company and further crystallize the intrinsic value. Based on our estimates, MT is implicitly trading at 4.9 times EV/EBITDA, which represents a 35% discount to small to mid-cap comparable peers. With the remaining non-core asset sales, recent settlement proceeds from an arbitration tied to a legacy project (which we viewed as a free option in our valuation) and cash flows from operations, we believe the company can accelerate its debt repayment and achieve a net cash balance sheet by the end of the year.

**FCC**, this Spain based concessions and construction conglomerate, was our largest detractor to performance in the quarter. The company's core business includes water and waste services, and a legacy construction company. An acquisition spree in the mid-2000s left the company in an over-leveraged, under-managed situation heading into the financial crisis. In 2013, the controlling shareholder brought in Juan Béjar as CEO to sell assets, restructure and pay down debt, and refocus the company on its extremely profitable services businesses. Carlos Slim recently became the largest owner with 25% and Mr. Béjar is accelerating the transformation. There is a misperception that this is primarily a construction company. As the non-core assets are restructured and sold the company should trade at a concessions and services valuation and not a construction valuation.

**OPAP**, the Greek gaming company, has seen significant volatility in its stock price since the Greek elections in January. During the first quarter, the company continued to generate strong cash flows and made significant headway under its cost cutting program. The company pays a 5% dividend and has the potential to pay a special dividend or initiate share buybacks, especially given its net cash balance sheet (10% of market cap). We estimate OPAP trades at a 40% discount to its intrinsic value and under 6 times EV/EBITDA. We continue to closely monitor the fluid situation in Greece.

***Closing Thoughts***

Given the dramatic strength in the dollar vs. all major currencies, I would like to remind you that we have always hedged our currency exposure. My view has always been that we are stock pickers – not FX speculators. By hedging our currency exposure, we are not making a currency call -- if you in fact do not hedge, you are actually making a currency call. Our goal is to negate the portfolio level exposure that we have as a dollar denominated fund.

The first quarter was a nice start to the year. When we look at opportunities around the world, we continue to believe the most compelling special situations are in Europe first and foremost and then here in the U.S. We are seeing one-off opportunities in Asia as well. It is still early days in Europe. There will likely continue to be volatility, but we believe the values are there and we will continue to focus on taking advantage of the breakups, spin-offs and various restructuring situations that we believe will add the most value for our investors.

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

Sincerely,

David E. Marcus
Portfolio Manager

## Evermore Global Value Fund
## Position Activity for the Quarter Ended March 31, 2015

**New Positions**

| Security | Security Type | Quantity |
|---|---|---|
| CK Hutchison Holdings Ltd | Common Stock | 416,000 |
| Par Petroleum Corp. | Common Stock | 199,198 |
| Schmolz + Bickenbach AG | Common Stock | 7,126,700 |
| DeLclima S.p.A. | Common Stock | 1,234,692 |
| Enzo Biochem Inc. | Common Stock | 1,127,405 |
| Telecom Italia S.p.A. | Common Stock | 3,830,900 |
| Alpha Bank 12/10/17 | Warrants | 302,728 |
| Piraeus Bank 1/2/18 | Warrants | 1,363,861 |
| Marine Harvest ASA | Common Stock | 612,655 |

**Positions Decreased**

| Security | Security Type | Quantity |
|---|---|---|
| Deutsche Office AG | Common Stock | (96,092) |
| Gramercy Property Trust Inc. | Common Stock | (23,529) |
| Voya Financial Inc. | Common Stock | (25,000) |
| Green Brick Partners Inc. | Common Stock | (32,615) |
| Ambac Financial Group | Common Stock | (81,200) |
| Vivendi SA | Common Stock | (6,600) |
| American International Group | Common Stock | (30,100) |

**Positions Increased**

| Security | Security Type | Quantity |
|---|---|---|
| Maire Tecnimont S.p.A. | Common Stock | 79,511 |
| Bolloré SA | Common Stock | 923,142 |
| ING Groep NV | Common Stock | 76,751 |
| CFE | Common Stock | 6,200 |
| Lifco AB - B Shares | Common Stock | 48,197 |
| Universal Entertainment Corp. | Common Stock | 91,100 |
| ThyssenKrupp AG | Common Stock | 16,000 |
| Saltangen Property | Common Stock | 65,700 |
| Ambac Financial Group | Warrants | 50,600 |
| Uniqa Insurance Group AG | Common Stock | 30,000 |
| NN Group NV | Common Stock | 28,120 |
| Fomento de Construcciones y Contratas SA | Common Stock | 109,900 |

**Positions Exited**

| Security | Security Type | Quantity |
|---|---|---|
| Sky Deutschland AG | Common Stock | (1,386,427) |
| Havas SA | Common Stock | (376,190) |
| Alliant Techsystems Inc. | Common Stock | (121,006) |

**Positions Sold Short**

| Security | Security Type | Quantity |
|---|---|---|
| Statoil ASA | Common Stock | (49,000) |

**Positions Bought and Sold During Quarter**

| Security | Security Type | Quantity |
|---|---|---|
| Orbital ATK Inc. | Common Stock | |
| Vista Outdoor Inc. | Common Stock | |

**Short Positions Covered**

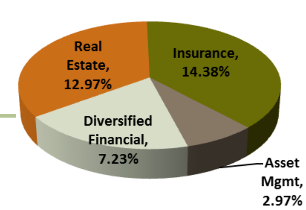
| Security | Security Type | Quantity |
|---|---|---|
| Orbital Sciences Corp. | Common Stock | |

## Evermore Global Value Fund
## Portfolio Holdings as of March 31, 2015

| | Country | % Net Assets |
|---|---|---|
| **Energy** | | **1.59%** |
| PAR Petroleum | USA | 1.69% |
| Sevan Drilling AS | Norway | 0.22% |
| Statoil ASA | Norway | -0.32% |
| **Industrials** | | **25.71%** |
| Bolloré SA | France | 3.84% |
| F.C.C. | Spain | 3.78% |
| Maire Tecnimont SpA | Italy | 3.42% |
| CFE | Belgium | 3.29% |
| CK Hutchison Holdings | Hong Kong | 3.11% |
| ThyssenKrupp AG | Germany | 2.62% |
| Ackermans & van Haaren | Belgium | 1.94% |
| K1 Ventures | Singapore | 1.51% |
| DeLclima SpA | Italy | 1.16% |
| SC Fondul SA | Romania | 1.04% |
| **Consumer Discretionary** | | **14.34%** |
| Vivendi SA | France | 5.22% |
| OPAP SA | Greece | 2.74% |
| PRISA *(ADR + Common)* | Spain | 2.50% |
| Retail Holdings NV | Hong Kong | 1.95% |
| Universal Entertainment | Japan | 1.93% |
| **Materials** | | **2.57%** |
| Schmolz + Bickenbach AG | Switzerland | 2.57% |

| | Country | % Net Assets |
|---|---|---|
| **Healthcare** | | **4.73%** |
| Lifco AB-B | Sweden | 3.52% |
| Enzo Biochem | USA | 1.21% |
| **Consumer Staples** | | **2.57%** |
| Marine Harvest | Norway | 2.57% |
| **Financials** | | **37.54%** |
| Ambac *(Equity + Warrants)* | USA | 5.04% |
| ING Groep NV | Netherlands | 4.61% |
| NN Group NV | Netherlands | 4.37% |
| Green Brick Partners | USA | 4.18% |
| Deutsche Office AG | Germany | 3.20% |
| Voya Financial | USA | 2.97% |
| American Capital Ltd. | USA | 2.51% |
| AIG | USA | 2.50% |
| Gramercy Property Trust | USA | 2.44% |
| Uniqa Insurance Group | Austria | 2.43% |
| Selvaag Bolig ASA | Norway | 1.92% |
| Saltangen Property AB | Sweden | 1.23% |
| Alpha Bank SA *(Warrant)* | Greece | 0.05% |
| HFSH Piraeus *(Warrant)* | Greece | 0.05% |
| Genworth *(Jan '16 Call)* | USA | 0.02% |
| **Telecom Services** | | **1.64%** |
| Telecom Italia SpA | Italy | 1.64% |

| | Country | % Net Assets |
|---|---|---|
| **Technology** | | **0.00%** |
| **Utilities** | | **0.00%** |
| **Hedges** | | **0.35%** |
| TLT 9/18/15 | | 0.14% |
| FXF 9/18/15 | | 0.10% |
| DAX 6/19/15 | | 0.06% |
| TIP US 6/19/15 | | 0.03% |
| TIP US 9/18/15 | | 0.01% |
| **Cash & Equivalents** | | **8.96%** |
| Cash | | 8.96% |



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. 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. Investing in smaller companies involves additional risks such as limited liquidity and greater volatility. 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 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.*

Please note that the following exchange rates were used to convert the foreign currencies discussed in this document (as of 3/31/15): Euro (1.0752456936); Hong Kong Dollar (0.1289881524); and Norwegian Krone (0.1241357052).

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