Evermore Global Value Fund

Portfolio Commentary: 2nd Quarter 2017

Dear Shareholder:

Global markets had another strong quarter, supported by a generally positive corporate earnings season, improving economic data, and easing of political risks in Europe with the election of Emmanuel Macron as President in France. The Evermore Global Value Fund also had solid performance during the quarter, with many of our European positions leading the way.

The world closely watched two important European elections during the second quarter. First, Emmanuel Macron soundly defeated the far-right nationalist candidate Marine Le Pen in the French presidential election. Later in the quarter, Macron's centrist movement won a large majority in the French parliament giving the young leader a mandate to implement his plans to change French labor law, and overhaul unemployment benefits and pensions. With Macron's and his party's election wins, fears of victories by far-right nationalists across the European continent were significantly abated.

Second, Theresa May was looking for a similar result as her French counterpart when she called for an early general election to bolster her party's numbers in parliament, however, that decision badly backfired and has led to questions about May's ability to continue to effectively lead the U.K. and even whether Brexit will actually happen.

Irrespective of these political headlines, opportunities in European special situations continue to abound, driven largely by robust restructuring activity. Our investment team made two trips to Europe during the quarter and visited with a combination of portfolio and non-portfolio companies, as well as with local investment banking firms and strategic investors in a number of interesting situations.

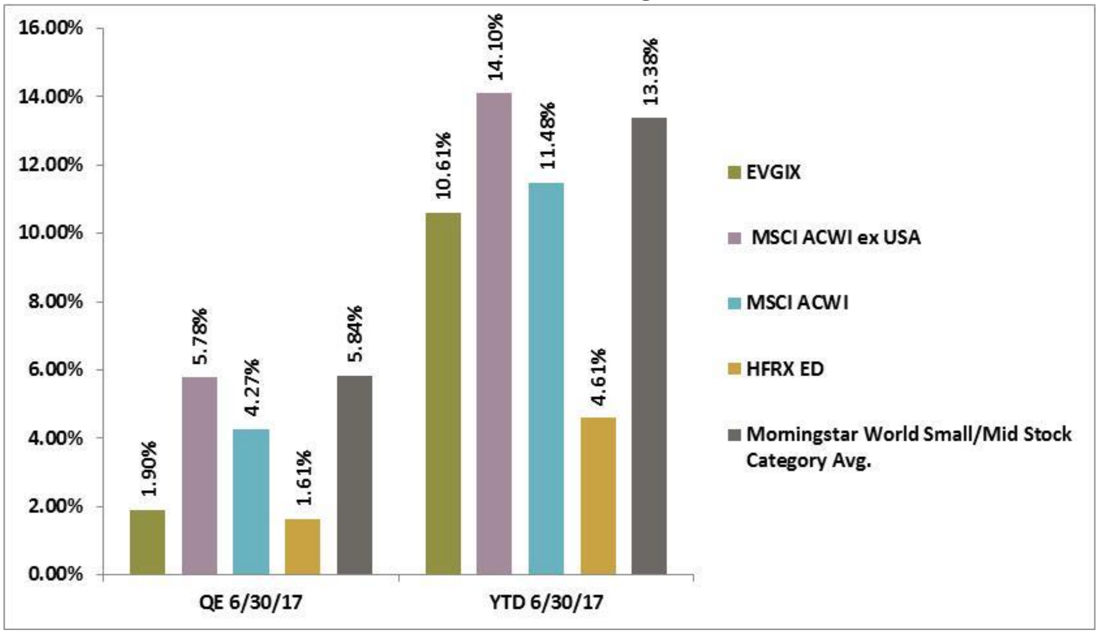
We also attended the Berenberg Conference in Tarrytown, New York where we had one-on-one meetings with dozens of European corporate management teams. Finally, we attended the three day Marine Money Shipping Conference in New York City where we met with a number of our portfolio companies and other marine transportation companies. So, it was another very busy quarter for our investment team.

The most significant gains in the Fund's portfolio were again generated from its European holdings. While the Fund's marine transportation holdings had been big contributors to performance in the first quarter, several of the Fund's detractors to performance in the second quarter were holdings in this sector. We believe that these holdings are well positioned to increase shareholder value in the coming months and years, and are led by talented and thoughtful management teams. I will discuss a couple of these holdings later in this commentary.

Investment Performance

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 Stock Category Average for the quarter and six months ending June 30, 2017.

Quarter and Six Months Ending June 30, 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 June 30, 2017, the Fund had $493.8 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 36 issuer positions and the following geographic and strategy classification breakdowns:

Region	% Net Assets	Strategy Classification	% Net Assets
Europe	69.8%	Restructuring/Recap	47.6%
U.S.	16.2%	Compounder	20.9%
Asia	9.4%	Other Special Situations	16.8%
Other (Cash, Options, Hedges, etc.)	4.7%	Breakup/Spinoff	6.6%
		Merger/Arbitrage	2.6%
		Liquidation	0.8%
		Other (Cash, Options, Hedges, etc.)	4.7%

Portfolio Review – New Investments

The Fund ended the quarter with two new core positions – Constellium NV (Netherlands) and Navios Maritime Containers (Norway) – as well as an extremely small new position in Viktoria SA (France).

Constellium (CSTM)

With a market capitalization of $730 million, Constellium (CSTM) is a Netherlands-headquartered downstream aluminum alloy producer with a global network of facilities. The company primarily serves the beverage/packaging, automotive, aerospace, transportation, and construction markets with rolled and extruded products. Importantly, its business is only peripherally affected by the underlying price of aluminum.

Due to high financial leverage stemming from a major 2015 acquisition (for which the company overpaid under the old management team), significant pessimism about the company exists in the market (shares were down 80% in the 3 years prior to the Fund's first purchase). In addition, there are also questions about where we are in the auto and aerospace cycles, as well as concerns over potential relaxation of U.S. automobile emissions standards under the Trump administration. We believe each of these concerns is either manageable or misguided.

The continued displacement of steel for aluminum in automotive applications is a long term secular trend which should benefit both CSTM's auto and beverage/packaging businesses. CSTM's plants are state-of-the-art and are entering a period of reduced capital intensity given the significant capital spending done recently to prepare for automotive growth. Notably, we estimate the company trades at less than half of replacement value.

Management is fully aware of the reputational hole the company needs to dig itself out of. With an eye toward cost-cutting and deleveraging, along with a newfound capital discipline, the new CEO, Jean-Marc Germain, has heretofore under-promised and over-delivered. Ultimately, the Fund's cost basis represents a more-than 40% discount to our estimate of the company's net asset value.

Navios Maritime Containers Inc. (NMCI NO)
We initiated a position in Navios Maritime Containers (NMCI), a new listed entity formed by Navios Maritime Partners LP (NMM), which is also a Fund holding, to focus exclusively on container shipping acquisitions. Rather than turning NMM into a conglomerate shipping business with dry bulk and containers, it was determined that it made sense to create two new public entities, which would allow each entity to be more highly focused on dry bulk and containers, respectively, and would maximize shareholder value as these businesses are generally valued differently by investors. During the quarter, NMM took advantage of the dynamics starting to unfold in the container segment, which we believe to be similar to the dynamics in the dry bulk sector about 15 months ago. We participated in the NMCI equity raise of $50.3 million, which was priced at $5 per share (~NOK 42 per share).

NMM agreed to acquire the entire fleet of 14 container vessels from Rickmers Maritime Trust, an insolvent, distressed seller. The first five container vessels were acquired for $64 million ($30 million in cash outlay). These vessels are currently employed on long term charters generating $45 million that have staggered expirations through 2018 and 2019. On a charter free basis, these five vessels were purchased for $19 million, which is substantially below the current scrap value of $33 million. The remaining nine vessels will also be purchased below their total scrap value.

We believe this transaction will also help to simplify the overly cumbersome ownership structure for the various Navios-related entities. Ultimately, NMM will become the pure-play dry bulk operator where the remaining container vessels will be eventually transferred to NMCI making it the dedicated container liner in the Navios Group.

Finally, we initiated a 500 share position in Viktoria SA in order to potentially participate in a future recapitalization of the company.

Portfolio Review – Investments Exited
During the quarter, the Fund exited two positions – Selvaag Bolig ASA (Norway) and Barnes & Noble Education, Inc. (U.S.). We gradually sold our Selvaag Bolig position throughout the quarter and realized a solid long-term gain in the position. After our last meeting with management, we decided to exit our position in Barnes & Noble Education with a small loss, as we became uncomfortable with the direction in which management was addressing the challenges emerging in its business.

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

Top Contributors		Top Detractors	
Enzo	**Clinical Labs & Diagnostics (United States)**	Scorpio Bulkers	**Dry Bulk Carrier (Monaco)**
Misunderstood sum-of-the-parts valuation; patent portfolio enforcement potential		Trades below carrier replacement value; recapitalization; radical cost cutting	
Aurelius	**Business/Company Acquisition & Restructuring (Germany)**	N	**Dry Bulk Carrier (Greece)**
Acquirers of broken businesses for little to no cash and fix them; Compounder		Recent recap; one of the cheapest dry bulk carriers in the industry	
Bolloré	**Industrial Conglomerate; Ports and Logistics (France)**	Ambac	**Municipal Bond Insurer (United States)**
Complex, misunderstood and mispriced Compounder run by value creator Vincent Bolloré		Municipal business in run-off; potentially significant litigation settlements	
eurazeo	**Private Equity / Venture Capital (France)**	Frontline	**Shipping (Norway)**
Compounder trading at large discount to value of underlying investments		Recent recap; opportunistically acquiring secondhand vessels at very attractive rates	
vivendi	**Media Conglomerate (France)**	Songa Bulk	**Dry Bulk Carrier (Norway)**
Major transformation to become net cash, media focused powerhouse		Recent recap; buying new vessels inexpensively and contracting out at strong day rates	

Enzo Biochem Inc. (ENZ US)

Enzo Biochem, a $512 million market cap molecular diagnostics company and operator of state-of-the-art clinical labs, was the largest contributor to Fund performance during the quarter. Enzo continues to generate strong operating results with net cash reaching about 15% of the company's market cap. On the legal front, the company now has 2017 trial dates set for three of their remaining patent infringement cases, which may help accelerate future potential settlements.

AURELIUS Equity Opportunities SE & Co. KGaA (AR4 GY)

Aurelius is a German publicly traded private equity firm that seeks to buy non-core, non-performing orphaned assets often from large conglomerates and works on turning the companies around. The company will only acquire businesses when the problems are the kind they have the expertise to solve. They do not typically pay much, if anything, for these assets and even sometimes get paid to acquire assets. We believe that Aurelius' founder and CEO, Dirk Markus, is a proven value creator, who will continue to selectively take advantage of the opportunities arising from the high level of restructuring activity in Europe (and even Brexit) may present.

In late March, a short-selling firm issued a report stating why they had taken a short position in Aurelius. The company's stock price tumbled over the next couple of days. After careful evaluation of the report, we felt most of the short seller's allegations were off the mark and without merit. During the succeeding days and weeks, we spoke with the company on numerous occasions and met with management in London in early May. We took advantage of the decline in the company's stock price as an opportunity to add to our Aurelius position.

The stock rebounded nicely in the second quarter due to a number of factors. First, Aurelius effectively refuted the vast majority of the short seller's allegations. Second, the company announced the sale of one of its portfolio companies, SECOP, for 11 times its invested capital over 7 years – the largest asset sale in Aurelius' history. Third, the company announced that it would double its dividend to €4.00 ($4.57) per share and significantly increase its stock buyback program. And finally, the company reported strong Q1 2017 earnings.

We continue to believe in the value of Aurelius' business model and its solid history of value creation.

Scorpio Bulkers (SALT)

Scorpio Bulkers is a $535 million market cap dry bulk carrier that owns and operates a fleet of modern mid to large size dry bulk vessels, specifically Ultramax and Kamsarmax vessels. Scorpio Bulkers' vessels carry major bulks such as iron ore, coal, and grain as well as minor bulks such as bauxite, fertilizers, and steel products. Evermore helped to recapitalize the company last year.

During the first six months of the year, the company took delivery of six new-build vessels and management was able to negotiate with the shipyards for additional price reductions. The company is now fully delivered on its new-build program and will not have any material future capital expenditure needs for quite some time. In April, the company took advantage of the slight improvement in asset values and sold its two oldest Kamsarmax vessels for $45 million. The company also prudently fixed out six vessels into short-duration charters for 2017's first quarter through the third quarter at daily rates ranging from $8,500 to $11,000. With daily cash breakeven levels of less than $8,000 per day, we believe Scorpio Bulkers is one of the best positioned companies to benefit from the recovery in the dry bulk market. The company had approximately $155 million of cash on the balance sheet and is very well positioned with excess liquidity and modest leverage (50% loan-to-value ratio).

After a strong first quarter and despite all of the company's recent accomplishments during the year, the stock declined 24% in the second quarter as negative sentiment prevailed around the temporarily weaker pricing environment in the iron ore and coal markets. We believe the structural demand and supply dynamics have not changed. Industry fundamentals continue to improve with both daily rates (especially in the vessel classes in which Scorpio is involved) steadily rising and asset values slowly increasing as underscored by recent transactions for secondhand tonnage. The stock ended the quarter at $7.10 per share, which represented over a 40% discount from our intrinsic value estimate of $12 per share. Management insiders, including the co-Founder/President, Robert Bugbee, have been actively buying in the open market. We continue to maintain our high conviction for Scorpio Bulkers and have been opportunistically adding to the position.

Navios Maritime Partners LP (NMM)

NMM was the second largest detractor to Fund performance in the second quarter. The company is a $230 million market cap, Greek dry bulk and container vessel operator. It currently has a modern diverse fleet of 35 vessels comprised of 28 high-quality dry bulk vessels and 7 container vessels. We helped recapitalize the company earlier this year where the proceeds of the equity raise are being used to buy secondhand dry bulk vessels and container vessels from distressed sellers.

Despite the many milestones reached by the company, NMM underperformed during the quarter. The stock declined over 20% in the second quarter, as negative sentiment indiscriminately hurt the entire dry bulk sector. We believe the supply and demand fundamentals have not changed despite the temporarily weaker pricing levels in the iron ore and coal markets. NMM is one of the cheapest dry bulk names in the sector, currently trading around 0.65x price to NAV. We continue to maintain our high conviction and have been opportunistically adding to the position.

Closing Thoughts

In most years, I have focused my closing remarks in our Q2 shareholder letter on my takeaways from the Berkshire Hathaway annual meeting, which I attended for the 18th year in a row. For those of us who love to hear insightful, witty, sometimes caustic, remarks from Warren Buffett and Charlie Munger, this year's meeting did not disappoint. But, there was one series of questions that hit home.

Having been asked a number of questions relating to some of the problems at Wells Fargo, American Express and United, Buffett responded: "We did not buy American Express or Wells Fargo or United Airlines or Coca-Cola with the idea that they would never have problems or they would never have competition. But we did buy them because we thought they had very, very strong hands." This is a view we certainly share and an important lesson for all long-term investors. Problems happen at all companies. It is about how a company handles these problems. That is why Buffett and Evermore require strong corporate stewardship and why we both spend so much time vetting management capabilities.

We are reading that a lot of value-oriented investment managers are saying that they are having trouble finding cheap stocks. We would agree that in the U.S. many stocks have lofty valuations. However, we are still finding special situations, mostly in Europe, that are trading at attractive valuations. So, we move into the second half of 2017 with cautious optimism about the prospects of the Fund's current portfolio holdings and our ability to continue to find compelling opportunities.

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

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.

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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