Evermore Global Value Fund

Portfolio Commentary: 3rd Quarter 2018

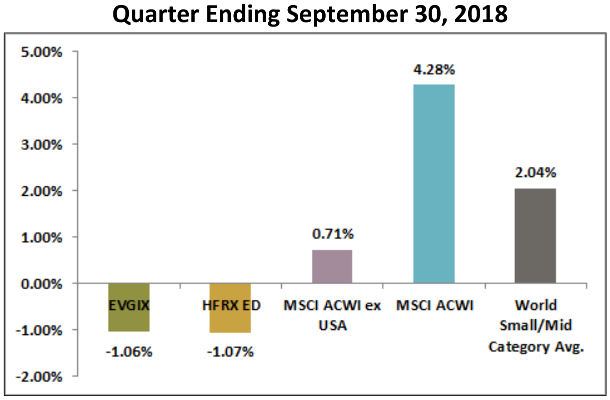
Dear shareholder,

Global equity prices were generally higher in the third quarter, largely due to the strength of U.S. markets. Despite continued concerns over trade, some worries about the riskiness of Italy's budget, and the approaching final stages of the UK Brexit process, European equities were mixed in posting small gains or losses during the quarter, but generally, the continent continues to be down for the year. In Asia, escalating trade tensions did not negatively impact the performance of Japanese equities specifically, as they showed the region's strongest gains in the quarter, while China and other markets declined. But the general move of individual markets does not interest us much, as the special situations nature of our portfolio gives us confidence that our portfolio companies will be able to weather broad macro influences, such as the trade war storm, which we continue to believe will not be a longer-term issue.

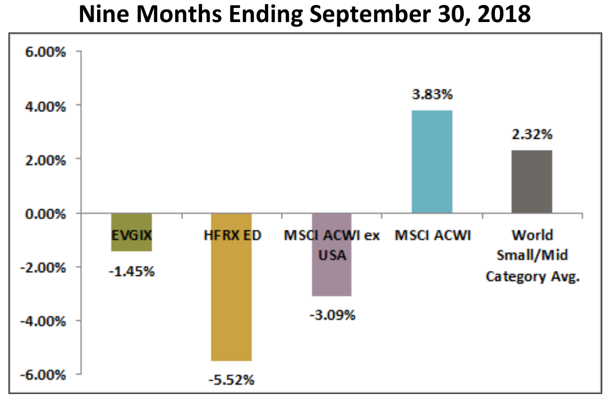
On a recent trip to Europe, we had the chance to meet with numerous corporate management teams, which generally expressed optimism about their prospects for improved earnings and the overall business environment, despite trade concerns. After these meetings, we left Europe with an impression that there are a growing number of special situation opportunities in mid- and large- capitalization companies, in addition to the opportunities in smaller capitalization companies we routinely continue to find. We also believe that Shinzo Abe's re-election as Prime Minister of Japan bodes well for Japanese companies as we continue to look for compelling special situations opportunities in this region.

Investment Performance

Quarter Ending September 30, 2018



Nine Months Ending September 30, 2018



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

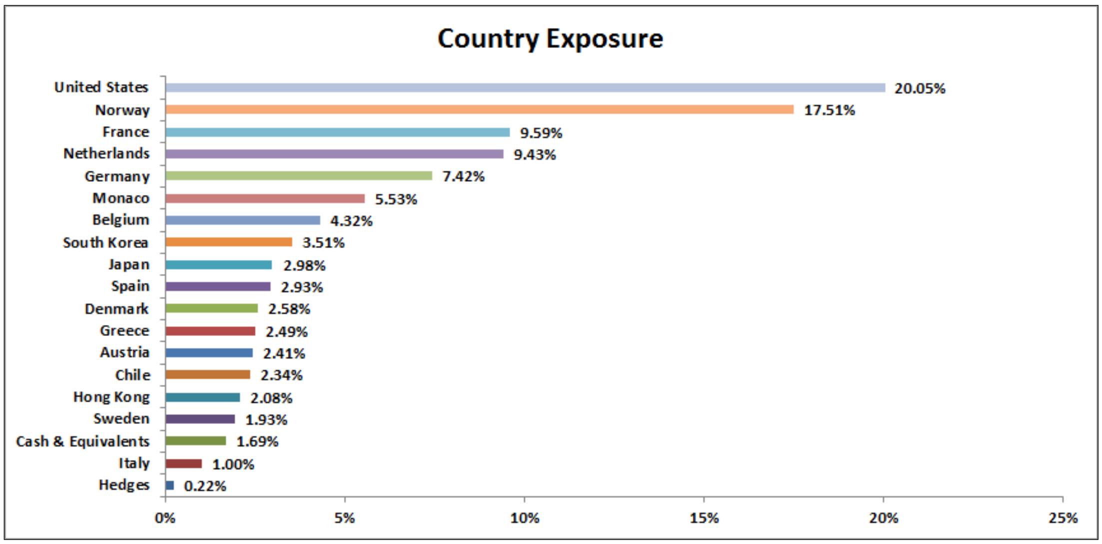
The performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance 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.*

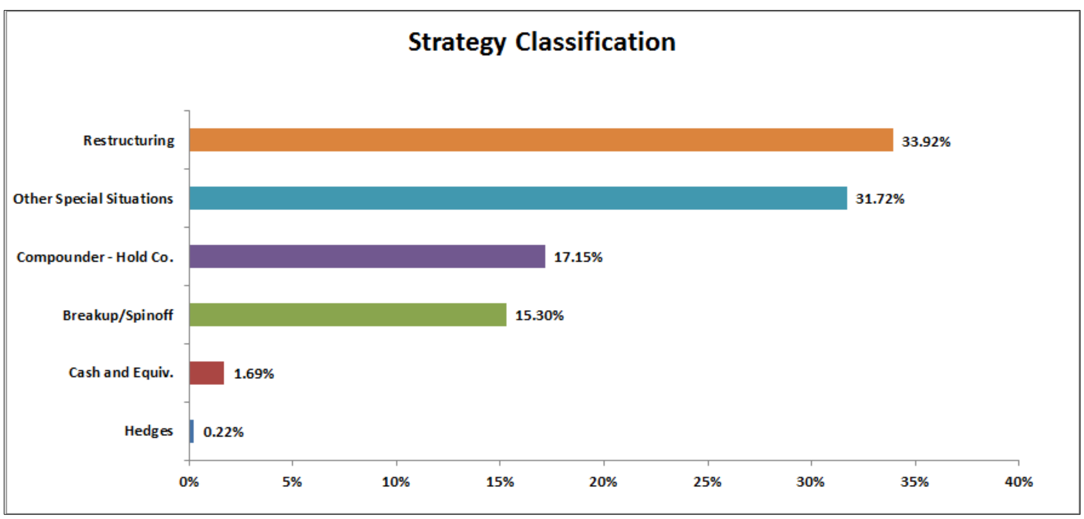
The above chart shows performance of the Fund's Institutional Class shares ("EVGIX"), the HFRX Event Driven Index ("HFRX ED"), the MSCI All Country World Index ex USA ("MSCI ACWI ex USA"), the MSCI All Country World Index ("MSCI ACWI"), and the Morningstar Small/Mid World Stock Category Average for the quarter and six months ending September 30, 2018. Institutional Class shares of the Evermore Global Value Fund (the "Fund") were down during the third quarter and lagged the performance of its primary benchmark index, the MSCI ACWI ex USA.

As of September 30, 2018, the Fund had $687.4 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 49 issuer positions and the following geographic and strategy classification breakdowns:





Portfolio Review – New Investments

The Fund initiated three new issuer positions during the quarter – **Fiat Chrysler Automobiles NV** (Netherlands), a global manufacturer of automobiles, including Chrysler, Alfa Romeo, Fiat, Jeep and Dodge brands; **KKR &Co. Inc.** (U.S.), a private equity firm specializing in direct and fund of fund investments; and **Par Pacific Holdings, Inc.** (U.S.), which owns, manages, and maintains interests in energy and infrastructure businesses. In addition, two new issuer positions were created by virtue of a spinoff and a merger – **Net1 International Holdings AS** (Norway) and **Star Bulk Carriers Corp.** (Norway), respectively. We will highlight KKR in this commentary.

KKR & Co., Inc. (KKR US), a $22.6 billion market cap leading alternative asset manager with total assets under management of $191 billion at June 30, 2018. The company traces its roots back to 1976 when founding partners – Henry Kravis, George Roberts, and Jerome Kohlberg – launched their first private equity fund with $120,000 in capital. While the KKR brand remains synonymous with private equity, the firm manages substantial assets in real estate, infrastructure, private credit, and hedge funds, among other asset classes.

We initiated a position in KKR during Q3, on the heels of the company's conversion from a partnership to a C-corp. We believe this change in corporate structure will open up the shares to a multitude of new investors. As a publicly traded partnership, KKR was an off-limits investment for many active managers as the firm issued a K-1. Additionally, KKR was not included in any major index, so there was immaterial demand for units from passive investors (and those active managers who tend to invest solely in stocks in their benchmark index).

In particular, we are attracted to KKR because of their sizable balance sheet and management's approach to capital allocation. KKR has about $11 per share in net cash and investments on their balance sheet, representing more than 40% of the firm's market capitalization. Additionally, the company pays only a modest dividend, electing to recycle the vast majority of earnings back into the business, including investing in KKR investments and seeding new businesses. This strategy is much different than their U.S. counterparts, which pay the majority of their earnings out in distributions. Such a structure allows KKR to fund their own investments, without being beholden to the credit markets to secure financing. We believe KKR's model is superior for long term shareholder value creation as incremental returns on capital should effectively approach the gross returns KKR earns on their funds, which we view as an attractive proposition.

As shareholders, our interests are clearly aligned with KKR management, since employees (including Kravis and Roberts) control about 40% of the company's shares outstanding. Additionally, a further ~$2.2 billion is invested or committed in KKR private equity funds by individual KKR employees. Clearly, this is a firm that eats their own cooking. While private equity stocks can fluctuate wildly depending on where we are in the macroeconomic cycle, we believe KKR's business is highly resilient given a robust balance sheet, and a highly valuable fee-related (FRE) earnings stream that primarily grows with fee-paying AUM (about 80% of which is contractually committed for greater than 8 years). Looking out over the next economic cycle, we believe KKR is in a prime position to compound shareholder value at exceptional rates. On a simple sum-of-the-parts basis, whereby we value the balance sheet, FRE, and performance income separately, we believe the stock is significantly undervalued.

Portfolio Review – Investments Exited

Although the Fund did not fully exit any positions, we did trim some to deploy the capital to new and existing positions.

Portfolio Review – Top Contributors/Detractors

Our top five contributors and detractors to performance during the quarter were:

Top Contributors		Top Detractors	
ATLANTIC SAPPHIRE	LAND-BASED FISH FARMING (U.S.)	UNIVERSAL ENTERTAINMENT	GAMING (JAPAN)
Leading edge, under-the-radar, misunderstood and mispriced salmon farmer		Catalysts include undervalued assets in Japan and Philippines; listing of Philippines casino; and litigation play	
Constellium	ALUMINUM ALLOY PRODUCER (NETHERLANDS)	SCORPIO Tankers Inc.	MARINE TRANSPORTATION (MONACO)
Operational and financial restructuring, focused on cost-cutting and de-leveraging		Misunderstood financial restructuring with shares trading at all-time lows since 2010 IPO	
LIFCO	INDUSTRIAL CONGLOMERATE (SWEDEN)	40 YEARS Enzo	CLINICAL LABS & DIAGNOSTICS (UNITED STATES)
Compounder majority owned by Swedish value creator Carl Bennet		Misunderstood sum-of-the-parts valuation; patent portfolio enforcement potential	
Top Contributors (continued)		**Top Detractors (continued)**	
Salmones Camanchaca	FISH FARMING (CHILE)	AURELIUS	BUSINESS/COMPANY ACQUISITION & RESTRUCTURING (GERMANY)
Unique beneficiary of Chile's new fish farming regulatory framework		Acquirers of broken businesses for little to no cash and fix them; Compounder	
FAGRON	PHARMACEUTICAL COMPOUNDING (BELGIUM)	TELECOM ITALIA	FIXED AND MOBILE TELECOMMUNICATIONS PROVIDER (ITALY)
Financial and operational restructuring		Financial and operational restructuring, including new management, asset sales and spin-offs	

Atlantic Sapphire (ASAME NO) was the largest contributor to Fund performance in the third quarter, with shares appreciating approximately 26% during the period. This $450 million market cap company is pioneering a revolutionary approach to salmon farming, whereby the "grow out" phase of the salmon's life is to be replicated entirely within on-shore tanks, thereby eliminating the use of pens along coastal seawater. When we purchased our initial shares as part of Atlantic Sapphire's Q2 equity raise and up-listing to the Oslo Bors (from the OTC market), we estimated that the share price was implying no less than a 90% probability of complete commercial failure. While far from being fairly valued, shares have recently begun to incorporate some of the significant progress the company has made toward its commercialization milestones.

Constellium N.V. (CSTM US), a $1.7 billion market cap Netherlands-based company that engages in the design, manufacture, and sale of specialty rolled and extruded aluminum products for the aerospace, packaging, and automotive end-markets, was the second largest contributor to Fund performance in Q3. Shares of Constellium were up about 20% during the quarter. The company continues to transform its balance sheet via strong operational execution and cost-cutting measures. While questions around how tariffs and trade wars may impact Constellium's customers exist, we believe these uncertainties are overshadowed by the positive structural shift toward the increased use of aluminum across automotive applications.

Universal Entertainment Corporation (6425 JP), a $2.3 billion market cap leading developer and manufacturer of pachinko and pachislot gaming machines in Japan, was the largest detractor to Fund performance in the third quarter. Universal is also the owner and operator of Okada Manila, one of the largest casinos in the Philippines. The price of Universal shares declined about 30% during the quarter due primarily to negative investor sentiment as opposed to fundamentals of the company. One development that possibly could have alarmed investors is the company's announcement on August 6th that former Universal Chairman Okada was purportedly arrested by the Hong Kong Independent Commission Against Corruption. It is important to note, however, that Mr. Okada was removed from the board on June 29, 2018 and is no longer involved with the company. In addition, the emergence of a new 5th casino operator in the Philippines has led to an unwarranted selloff. Landing International secured a provisional gaming license from the Philippine Amusement and Gaming Corporation (PAGCOR) to build a $5.1 billion casino resort in Entertainment City. While this increases the future competitive landscape, we believe this new player will have no immediate impact on Universal's Okada Manila, as this 5th player will launch in 2022 and will require time to capture critical market share. Landing International has yet to provide any growth plans or projections. And importantly, we further believe the company's Okada Manila subsidiary will continue to gain market share and will ultimately be publicly listed by 2019, which will help to crystallize the appropriate value for this prized asset that is embedded within Universal.

Scorpio Tankers Inc. (STNG US), the world's largest pure play product tanker operator, was the second largest detractor to Fund performance during the quarter. The company has the youngest fleet of product tankers in the industry, which is comprised of all product tanker asset classes. Scorpio Tankers shares declined over 28% in Q3. Inventory destocking and trade disruptions in the Atlantic have prolonged the already depressed product tanker rates. Product tanker rates have been under severe pressure primarily due to disruptions from strikes in Brazil and lower intakes from Mexico and West

Africa. During this period, the company strengthened its liquidity position through a number of refinancing and sale leaseback transactions. Based on our assessment, we believe their liquidity runway has now been extended well into 2019, even if rates continue to remain at depressed levels. We took advantage of the share price weakness and added opportunistically to our position during the quarter.

Closing Thoughts

While we are not pleased with the Fund's performance in the quarter or the year-to-date period, we remain confident in the quality and valuations of the investments we have made. We have and will continue to take advantage of price declines caused by trade concerns and other macro issues to add opportunistically to existing positions and initiate new ones. Over time, we may shift some capital from investments that we like in favor of situations that we love, especially as volatility creates more compelling risk/reward scenarios. The number of special situations – deep value plus catalysts – continues to grow across global markets. We remain focused on investing only in those select situations that we believe will create the most compelling compounded returns.

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.