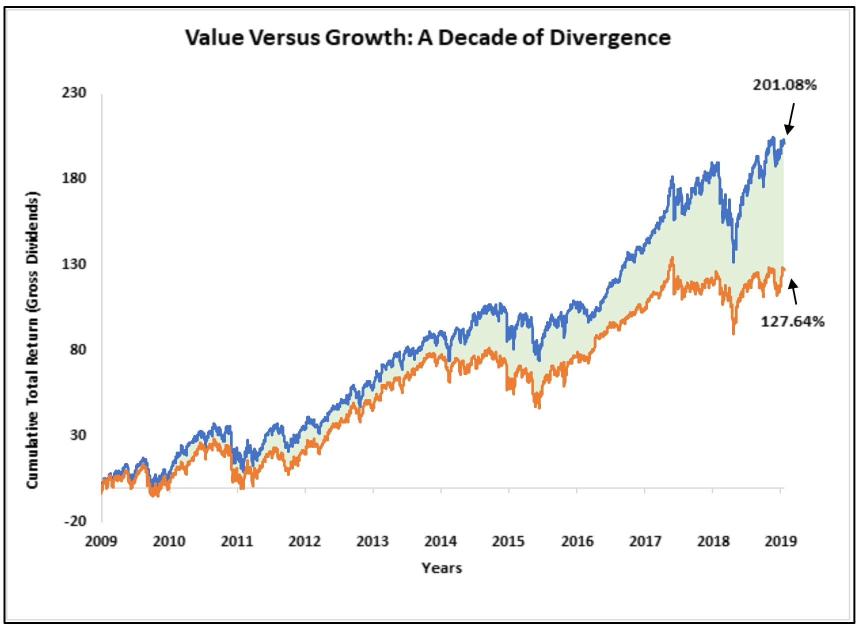
Evermore Global Value Fund

Portfolio Commentary: 3rd Quarter 2019

Dear Shareholder,

U.S. and European markets generally showed modest positive returns in the third quarter despite the continued overhang of the U.S. – China trade war and the seemingly never-ending Brexit drama. Although consumer confidence continued to decline in Japan, Japanese markets were relatively strong. Economic growth continued to slow in China, which contributed to a tough quarter for Asia-ex Japan markets. Central banks in the U.S. and Europe cut interest rates and the European Central Bank returned to quantitative easing and restated its commitment to making asset purchases. For the first time in a very long time, value stocks modestly outperformed their growth stock counterparts, although the relative valuation gap between value and growth stocks continues to be generationally wide (see chart below). As such, we are extremely excited about the compelling investment opportunities we are seeing, especially in Europe.

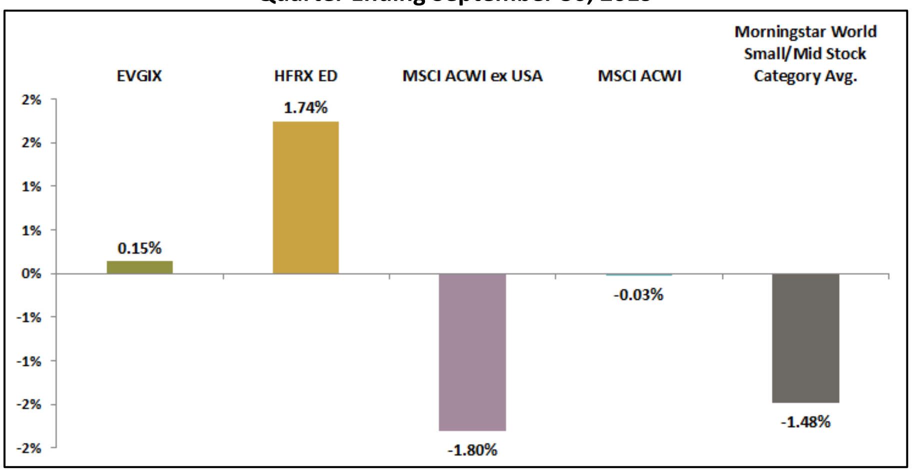


Source: Bloomberg

We attended a major investment conference in Munich, Germany and spent a few days in London as well late in the third quarter. As I have said many times before, the right broker-sponsored conferences can be invaluable to our research process as we have the opportunity to meet one-on-one with dozens of senior management teams (often including the CEOs) from a diverse set of interesting European companies. If we can walk away with just one good idea, the trip is well worth it. On this trip, in addition to the meetings we had with prospective new investments, we met with corporate management teams from four existing portfolio companies. We also had the chance to sit with key regional investment bankers and family offices to generally discuss the European economic, political and investment landscapes. In spite of a continuous stream of negative headlines, the individuals with which we met were quite upbeat about prospects across a wide range of industries. Of note were the perspectives from strategic investors in the maritime sector. They are seeing an industry transforming at a level never seen before, with the convergence of regulatory changes, better management and improved financial controls across tanker, containership and dry bulk companies. We are also now starting to see the benefits of these changes in the portfolio companies we own in this sector.

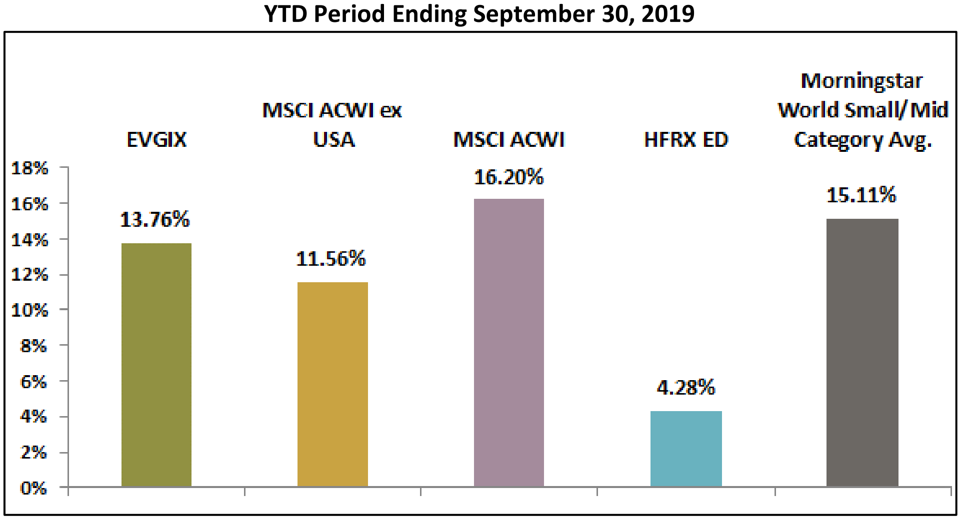
For the quarter and nine months ending September 30, 2019, Institutional Class shares of the Evermore Global Value Fund (the "Fund") were up 0.15% and 13.76%, respectively. The charts below show performance of the Fund's Institutional Class shares ("EVGIX"), the HFRX Event Driven Index ("HFRX ED"), the 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 nine months ending September 30, 2019.

Quarter Ending September 30, 2019



The Fund's performance for the quarter ending September 30, 2019, compared favorably to the performance of two of its benchmark indices and peer group but lagged the performance of one of its benchmark indices.

YTD Period Ending September 30, 2019



The Fund's performance for the year-to-date period ending September 30, 2019, compared favorably to the performance of two of its benchmark indices, but lagged the performance of one of its benchmark indices and peer group.

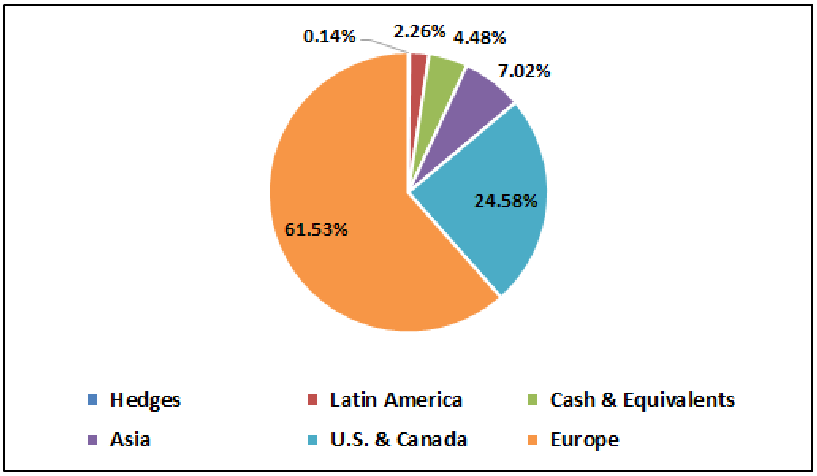
Morningstar World Stock Category Average represents an average of all the funds in the Morningstar World Stock Category.

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.*

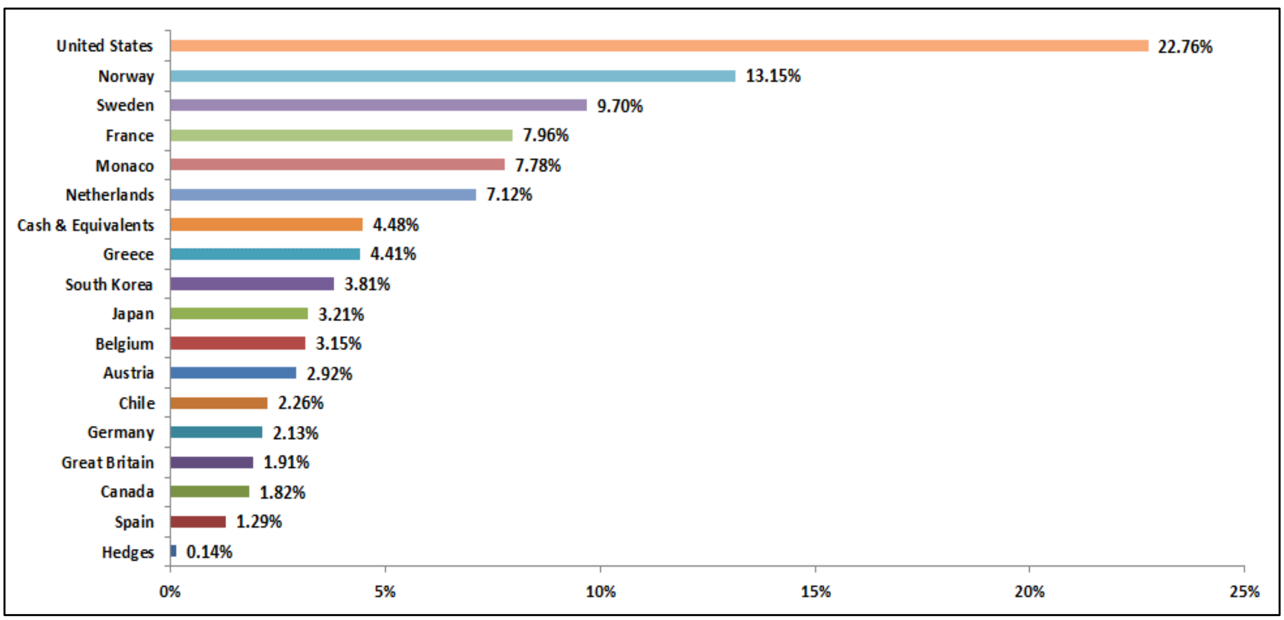
Portfolio Review – Characteristics

The Fund ended the quarter with $561.6 million in net assets, 43 issuer positions and the following geographic, strategy classification and market capitalization breakdowns (as a % of Fund net assets):

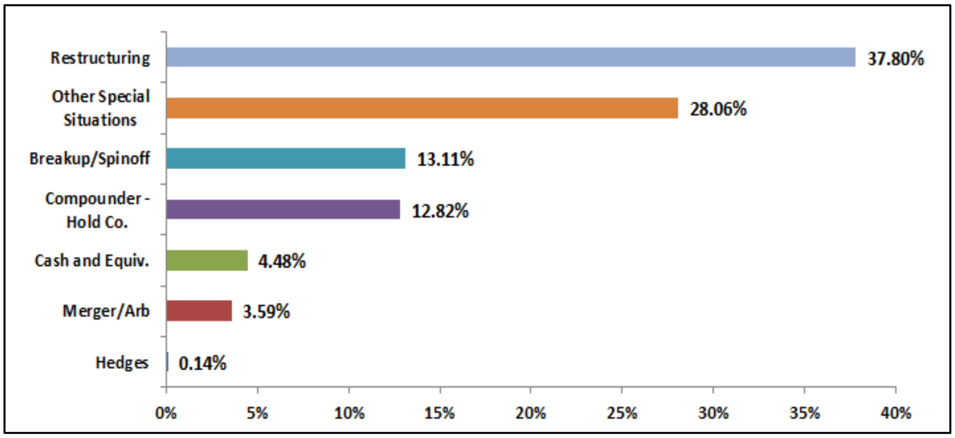
Region Exposure



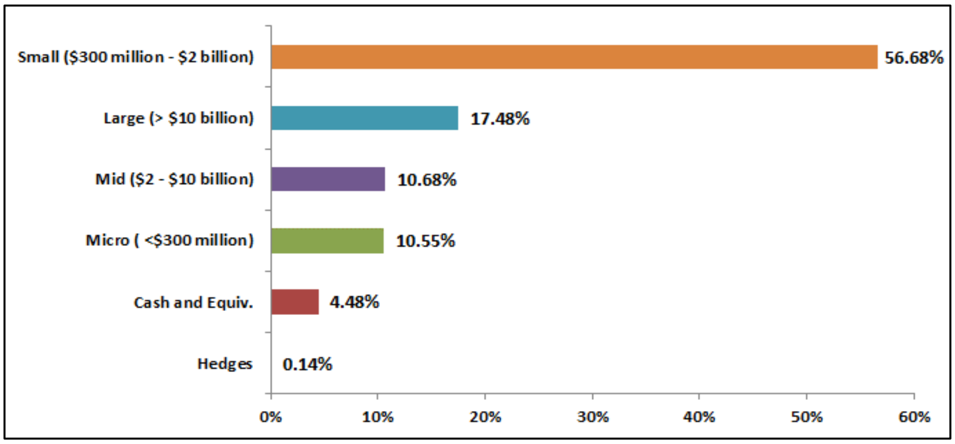
Country Exposure



Strategy Classification



Market Capitalization



Portfolio Review – New Investments

The Fund initiated one new position during the quarter, **Gamesys Group PLC** (formerly known as JPJ Group PLC).

Gamesys is a $984 million market capitalization UK-based operator of real-money online bingo and casino games worldwide. The Fund initiated its position in July via an accelerated book build process, in which a bank placed a large block of stock overnight at a sizable discount to that day's closing price. Prior to its late-September 2019 name change, Gamesys was formerly known as JPJ Group PLC, and had actually been a subsidiary of privately-held Gamesys Limited ("GL") until GL sold the JPJ business in 2015. However, in a deal announced in June 2019 (and which closed in September), JPJ acquired its former parent, reuniting the customer-facing components of the business historically performed by JPJ (customer acquisition, retention, and service) with the technology platform (game development and backend information technology) that had been retained by GL. The combination will allow for better data sharing, which is expected to lead to stronger revenue growth as well as margin expansion over time. Through the deal, Gamesys kept the CEO of GL, Lee Fenton, to lead the combined company. Given his rich history in the online gaming space, we believe this represents an upgrade in leadership.

Despite the game-changing acquisition, pessimism rules the day as Gamesys operates in dynamic regulatory and tax environments that have posed some significant challenges in key markets like the UK. While adding cost and operational complexity to Gamesys and other larger established players, we believe that these industry-wide burdens are already proving to be insurmountable for subscale players in the sector and is leading to a “thinning out” of the competitive landscape. This should ultimately serve to benefit scaled operations like Gamesys, which enjoy high customer loyalty and, in what is a highly-scrutinized industry, abide by the highest commitment to responsible gambling standards.

Shares were purchased in the Fund at just 5 times our estimate of next year’s Free Cash Flow (“FCF”), levels we believe are compelling, given this is a growth story, not a melting ice cube. As far as catalysts go, as mentioned, the company just closed on the transformational GL acquisition. Given that the purchase price was partially paid in newly-issued shares, the company’s now-larger market capitalization is expected to make shares eligible for inclusion in the FTSE 250 index, creating natural demand for shares. Further, the company is expected to rapidly de-lever through a mix of FCF generation and earnings before interest, taxes, depreciation and amortization (“EBITDA”) growth. Once financial leverage is brought down, Gamesys will consider stock buybacks if shares remain materially undervalued. While we never base an investment thesis on the prospect of industry consolidation, we do note that merger and acquisition activity in the sector has been heating up. For instance, on October 2, 2019, Flutter Entertainment announced the acquisition of The Stars Group in a deal worth more than $6 billion.

Portfolio Review – Exited Investments

The Fund exited four positions during the quarter – **Aimia Inc.**, **Fiat Chrysler Automobiles NV**, **Hapag Lloyd AG** and **NN Group NV**. Our investment thesis in Aimia was predicated on an imminent reconstitution of the board as a necessary first step in unlocking shareholder value. However, the Fund exited its position after seeing the lengths to which the company’s Board and management team are apparently willing to go in an effort to stymie shareholders from capturing the enormous discount to net asset value exhibited in shares today.

While we believe Fiat Chrysler Automobiles NV (“FCA”) shares remain cheap, the operating environment for the company has become meaningfully more challenging given its growth plans for its Jeep brand in China. Further, while we believe a tie-up with another OEM is very logical, the political climate for such a deal remains questionable, as evidenced by FCA’s failed merger with Renault SA. Without well-defined catalysts, the Fund decided to exit its position in FCA and instead hold an indirect exposure to FCA via its holding in Exor NV (which owns approximately 28.6% of FCA).

We decided to exit our positions in Hapag-Lloyd and NN Group NV with significant long-term gains and deploy the proceeds from such sales into other opportunities.

Portfolio Review – Top Contributors/Detractors

The top contributors and detractors to performance during the quarter were:

Top Contributors		Top Detractors	
Emergent	LIFE SETTLEMENTS (UNITED STATES)	Borr Drilling	OFFSHORE OIL DRILLING (NORWAY)
Major recapitalization, restructuring and management changes		Acquiring modern, highly specialized, offshore oil rigs at historically low asset values	
Constellium	ALUMINUM ALLOY PRODUCER (NETHERLANDS)	MTG	ESPORTS AND ONLINE GAMING (SWEDEN)
Operational and financial restructuring, focused on cost-cutting and de-leveraging		Misunderstood pure play in Esports and online gaming	
Scorpio Bulkers	DRY BULK CARRIER (MONACO)	codere	GAMING (SPAIN)
Misunderstood story; significant upside from 10% stake in Scorpio Tankers		Post-Reorg equity undergoing a major restructuring, including management changes	

Emergent Capital Inc.

Emergent Capital Inc. ("Emergent") is a Florida-based alternative finance company with an interest in a pool of about 580 life settlements (third party life insurance policies). The Fund's aggregate holdings in the securities of Emergent Capital (stock, bonds, and warrants) was the largest contributor to performance in the quarter. Late last year, the company started down a path to get itself out of an extremely lopsided commercial relationship with the lender to its White Eagle subsidiary. This plan of action culminated in use of the protections afforded to debtors under Chapter 11 Bankruptcy provisions to allow White Eagle to seek refinancing options in an open and fairly-refereed venue. The plan was ultimately successful, and the market has taken notice. On August 16, 2019, Emergent closed on a deal to refinance the White Eagle Revolving Credit Facility, and now owns a 27.5% joint venture interest in White Eagle's life insurance policies. On a go-forward basis, we expect the company to quickly align its level of overhead spending and tax strategies to those commensurate with a non-controlling limited partner in a partnership.

Constellium NV

Constellium is a $1.7 billion market cap company that engages in the design, manufacture, and sale of specialty rolled and extruded aluminum products for the aerospace, packaging, and automotive end-markets. The company was the Fund's second largest contributor to Fund performance in the quarter, having appreciated 26.6% during the period. The stock responded positively to the company's Q2 earnings release in July, whereby EBITDA grew 8% overall, the company proactively paid down $100 million of debt, and management upped both EBITDA margin and FCF guidance for the year. In what was a challenging environment for automotive suppliers, with a 3.5% contraction in North American and European vehicle sales (source: Bloomberg), Constellium was nevertheless able to increase its automotive business by 17%. This speaks to the strength of the structural shift to increased usage of aluminum in automobiles. Further, we see increased pricing power in Constellium's packaging division, as the supply of aluminum beverage can stock tightens.

Despite the strong performance in the quarter (and since the Fund's first purchases), we continue to believe that shares remain materially undervalued. The company trades for less than 6 times our estimate of next year's EBITDA, a discount to slower-growing peers of between 1 – 2 times turns. Given the financial leverage the company has, a narrowing of this discount would provide substantial share price upside. Even if the market fails to ascribe a better multiple, the company's shares should still appreciate meaningfully given growth in EBITDA and continued debt paydown. We believe, however, that as the company de-levers its balance sheet, multiple expansion is realistic.

Borr Drilling Limited
Borr Drilling is a $580 million market cap, newly formed offshore drilling company that was created in 2016 with the sole purpose of acquiring modern, highly specialized rigs ("jack-ups") at historically low asset values. The stock trades on the Norway Oslo Bors, as well as on the NYSE. The company, which was the largest detractor to Fund performance in the third quarter, was established by Tor Olav Troim, an extremely smart investor who was previously John Fredriksen's right-hand man during the formative days of Fredriksen's vast shipping and drilling empire.

The significant underperformance in Borr's share price has been extremely frustrating given the lack of any negative company-specific news. The broad-based selloff in the offshore drilling sector has been driven by negative comments made by U.S. competitors relating to the timing of recovery for deep-water rigs. While Borr is an offshore driller, it is important to emphasize that Borr is a pure play jack-up driller with no ultra-deep-water exposure. Unlike the deep-water market where day rate increases have been relatively limited, the day rates for jack-up rigs have almost doubled from the trough and continue to steadily increase.

We believe Borr has been unfairly lumped into the broader selloff and negative sentiments surrounding offshore drilling sector. In spite of the poor share price development, Borr has continued to secure new contracts and add to its backlog. Borr commenced two 18-month contracts for its two premium newbuild jack-up rigs with Pemex (Mexico) in August, which brings the total number of rigs in operation to 15. Year to date, Borr has secured nine contracts for seven rigs with a revenue backlog in aggregate of $300 million.

We will continue to opportunistically take advantage of additional weakness in the share price.

Modern Times Group AB
Modern Times Group ("MTG") is a $560 million market cap holding company that consists of digital entertainment assets in Esports, online and mobile gaming and investments in various venture capital funds which provide additional exposure to industry-leading businesses in the Esports ecosystem. MTG was the second largest detractor to Fund performance in the third quarter. In April of this year, MTG became an independent, standalone company after spinning off its legacy broadcasting and media assets into Nordic Entertainment (NENT Group), which we own in our portfolio as well.

During the third quarter, MTG lowered its annual guidance primarily as a result of a slower-than-expected pace in monetizing the Esports segment. This announcement has put significant pressure on the share price. While MTG was a detractor to performance during the third quarter, there were some notable positive developments. MTG announced a strategic joint venture with Huya, a leading Chinese video game streaming company that is owned by Tencent, one of the leading media powerhouses in China. Huya will acquire a minority stake in ESL (Turtle Entertainment), which is the Esports league and tournament operator that is 82.5% owned by MTG. The ESL/Huya joint venture will provide a growth platform to expand into China which we believe the market has likely dismissed completely. The transaction is expected to close during the fourth quarter this year.

We believe MTG has a portfolio of prized assets that are grossly undervalued at the current share price in our view. Based on our analysis, the imputed value of the gaming assets plus the net cash on the balance sheet (over $200 million) equates to the current market cap. At the current valuation, we believe you are getting the Esports assets and portfolio of VC investments for free. We opportunistically added to our position during the quarter.

Closing Thoughts
The relative valuation gap today between value and growth stocks continues to be generationally wide. We are encouraged by the fact that we began to see some signs of a small resurgence in value during the third quarter. Although we do think the value vs. growth dynamic will continue to change, we do not believe it will necessarily be for the benefit of all value investors. We believe that to be a successful value investor in the years ahead, it is vital to seek not just valuation-driven opportunities, but demand that they also be companies undergoing strategic change. To be clear, although a narrowing of the gap between value and growth stocks will be helpful to value investors, including Evermore, the success of our investments is far more tied to the strategic change at work in our portfolio companies.

The exciting news is that we are seeing an abundance of strategic change underway around the world, and especially in Europe, where a sizeable valuation gap also still exists between U.S. and European stocks. For example, the number of activist campaigns in Europe, as well as private equity investments in Europe, continue to hit new highs. In addition, corporate restructurings have increased substantially across the region as companies more than ever are choosing to focus on their "core" operations and are now divesting "non-core" operations in the form of break-ups or spin-offs. This environment provides Evermore with a large and compelling opportunity set of special situations (value stocks with catalysts) that our Investment team can evaluate.

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 Quasar Distributors, LLC.