

March 6, 2013

## Part 2A of Form ADV: Firm Brochure

### Evermore Global Advisors, LLC



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This Brochure provides information about the qualifications and business practices of Evermore Global Advisors, LLC. If you have any questions about the content of this Brochure, please contact us at 908-378-2880 or at [info@evermoreglobal.com](mailto:info@evermoreglobal.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority. Evermore Global Advisors, LLC is registered as an investment advisor with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Evermore Global Advisors, LLC is also available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

**ITEM 2**  
**MATERIAL CHANGES**

The Investment Adviser is required to identify and discuss any material changes made to its Brochure since the last annual update. This Brochure was last updated on February 21, 2013. The material changes included in this update to Form ADV Part 2A are set forth below.

Material Changes to Item 12A. We have made material changes to Item 12A to clarify the Adviser's use of soft dollars.

### ITEM 3 TABLE OF CONTENTS

ITEM 1 COVER PAGE.....	1
ITEM 2 MATERIAL CHANGES .....	2
ITEM 3 TABLE OF CONTENTS .....	3
ITEM 4 ADVISORY BUSINESS .....	5
A. General Description of Advisory Firm .....	5
B. Description of Advisory Services .....	5
C. Availability of Customized Services for Individual Clients .....	5
D. Wrap Fee Programs.....	5
E. Assets Under Management .....	5
ITEM 5 FEES AND COMPENSATION.....	6
A. Advisory Fees and Compensation .....	6
B. Payment of Fees.....	6
C. Additional Fees and Expenses .....	6
D. Prepayment of Fees.....	6
E. Additional Compensation and Conflicts of Interest.....	6
ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	7
ITEM 7 TYPES OF CLIENTS .....	7
ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....	7
A. Methods of Analysis and Investment Strategies .....	7
B. Material, Significant or Unusual Risks Relating to Investment Strategies .....	9
C. Risks Associated With Particular Types of Securities .....	11
ITEM 9 DISCIPLINARY INFORMATION .....	11
A. Criminal or Civil Proceedings .....	11
B. Administrative Proceedings Before Regulatory Authorities.....	11
C. Self-Regulatory Organization (SRO) Proceedings .....	11
ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	11
A. Broker-Dealer Registration Status .....	11
B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status.....	11
C. Material Relationships or Arrangements with Industry Participants .....	12
D. Material Conflicts of Interest Relating to Other Investment Advisers .....	12
ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....	12
A. Code of Ethics.....	12

B. Securities that the Investment Adviser or a Related Person Has a Material Financial Interest.....	12
C. Investing in Securities that the Investment Adviser or a Related Person Recommends to Clients .....	12
D. Conflicts of Interest Created by Contemporaneous Trading.....	12
ITEM 12 BROKERAGE PRACTICES .....	13
A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions .....	13
B. Order Aggregation .....	15
ITEM 13 REVIEW OF ACCOUNTS.....	15
A. Frequency and Nature of Review of Client Accounts or Financial Plans.....	15
B. Factors Prompting Review of Client Accounts Other than a Periodic Review .....	15
C. Content and Frequency of Account Reports to Clients.....	15
ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION.....	16
A. Economic Benefits for Providing Services to Clients.....	16
B. Compensation to Non-Supervised Persons for Client Referrals .....	16
ITEM 15 CUSTODY .....	16
ITEM 16 INVESTMENT DISCRETION.....	16
ITEM 17 VOTING CLIENT SECURITIES .....	17
A. Policies and Procedures Relating to Voting Client Securities .....	17
B. No Authority to Vote Client Securities and Client Receipt of Proxies.....	18
ITEM 18 FINANCIAL INFORMATION .....	18
A. Balance Sheet.....	18
B. Financial Conditions Likely to Impair Ability to Meet Contractual Commitments to Clients .....	18
C. Bankruptcy Filings.....	18
ITEM 19 REQUIREMENTS FOR STATE-REGISTERED ADVISERS.....	18
A. Identity and Background of Principal Executive Officers and Management Persons .....	18
B. Participation in Business Other than Giving Investment Advice.....	18
C. Performance-Based Compensation for Advisory Services .....	18
D. Arbitration and Litigation .....	18
E. Relationships or Arrangements with Issuers.....	18

#### **ITEM 4**

#### **ADVISORY BUSINESS**

**A.** Evermore Global Advisors, LLC (“we” or “us” or the “Adviser”), a Delaware limited liability company founded in June 2009, is an investment adviser registered under the Investment Advisers Act of 1940. We provide discretionary and non-discretionary investment management services. We currently serve as the investment adviser for a registered investment company and an institutional separate account on a discretionary basis, and to another account on a non-discretionary basis. The principal owners of the Adviser are Eric Jean LeGoff and David Ezra Marcus.

**B.** We offer investment advice on equity securities (exchange-listed, securities traded over-the-counter and foreign issuers), warrants, corporate debt securities other than commercial paper, as well as commercial paper, certificates of deposit, municipal securities, United States government securities, and options contracts on securities, futures contracts, and interests in partnerships investing in real estate and oil and gas interests. Additionally, we may offer investment advice with respect to: adjustable rate and auction preferred stocks; asset-backed securities; convertible securities; depository receipts; derivatives (including forward contracts, options, futures contracts and options on futures, and swaps including rate caps, floors and collars, total return swap contracts, currency swap contracts, and credit default swap contracts); exchange traded funds; exchange traded notes; indebtedness and participations of distressed companies, including bank and trade claims, etc.; and repurchase and reverse repurchase agreements. We offer on a non-discretionary basis investment monitoring and assessment with respect to an investment in a publicly traded holding company.

For client accounts we currently manage on a discretionary basis, we offer a Global Value investment strategy. To achieve the investment objective of the strategy – capital appreciation – we invest in equity securities of companies that are both undervalued and undergoing change, and to a lesser extent, securities of companies involved in merger/arbitrage situations and securities that are deemed to be distressed. We will invest in securities of issuers located in any country, of any size, and of any industry. We generally invest in small-, mid- and large- capitalization companies. We employ a multi-faceted approach to traditional value investing which is comprised of the following key components: Catalyst-Driven, Undervalued Equity Securities; Merger/Arbitrage Situations; Distressed Companies; Cash and Short-Term Debt Instruments; Hedging; Activism; and Operating Experience.

**C.** Based on a particular client’s needs, we may tailor our advisory services for a client’s account. For example, some clients may not want us to hedge currencies, purchase U.S. securities in their portfolios, or purchase securities in a particular asset class, geography or sector. In addition, some clients may custody their assets at firms that require trading of portfolio securities to be conducted at only their firms (i.e. designated brokerage). It is possible that some of these firms may not have the capabilities to purchase certain securities that we may normally purchase for our mutual fund client.

**D.** We do not currently participate in wrap fee programs by providing portfolio management services. Our mutual fund, however, may be available for purchase through various broker-dealer wrap fee programs.

**E.** As of February 20, 2013, we managed approximately \$111.7 million of client assets on a discretionary basis and \$8.3 million on a non-discretionary basis. The Adviser has a non-discretionary advisory agreement in place with respect to advice provided to an account related to one security. The Adviser recommended the purchase of such security to the account and arranged with a broker for the purchase by the account of such security. The investment advisory services the Adviser will continue to provide under the non-discretionary advisory agreement will be limited to non-discretionary monitoring and assessment of the account’s investment. However, based on the instructions for Part 1A of Form ADV, the Adviser

does not provide continuous and regular supervisory or management services to such account, as the Adviser will not be responsible for arranging or effecting additional purchases or sales of the one security in question. Therefore, the Adviser did not report non-discretionary regulatory assets under management for such account in response to Item 5.F.(2) of Part 1A of Form ADV.

## ITEM 5 FEES AND COMPENSATION

**A.** With respect to the accounts we manage on a discretionary basis, advisory fees are earned based on a percentage of assets and may differ among our clients depending upon (i) the services rendered (e.g., registered investment company versus institutional separate account), (ii) the size of the client's account, and (iii) other factors. All institutional separate account fees are subject to negotiation based on the circumstances of the client and other factors, including, but not limited to, the type and size of the account and the type and amount of client-related services that we will provide. For discretionary advisory services, fees for serving as investment adviser to registered investment companies are 0.99% of assets under management on an annual basis and for institutional separate accounts fees are generally as follows:

<b>AUM</b>	<b>Breakpoint Annual Fee</b>
First \$25 million	0.99%
Next \$25 million	0.90%
Next \$50 million	0.85%
Over \$100 million	0.75%

Depending on the specific circumstances, management fees are payable monthly or quarterly in advance or in arrears.

For our non-discretionary account, we are compensated based on one investment made by our client, its client accounts or its affiliates in a publicly traded holding company. In return for our advisory services, we receive a 10% performance fee above a negotiated mandatory annual rate of return ("hurdle").

**B.** With respect to our mutual fund client, management fees are accrued on a daily basis and remitted to the Adviser by the Fund's administrator on a monthly basis. With respect to our discretionary separate account, we invoice the client at the beginning of each quarter based on their account's market value as of the last day of the previous quarter. With respect to our non-discretionary account client, our fees will be due and payable within 30 days of each calendar year-end through 2015.

**C.** In addition to advisory fees, the Fund is responsible for certain other expenses including, but not limited to, expenses related to fund administration, fund accounting, compliance, legal, custody, transfer agency, distribution, payments to the Fund's independent board of trustees, and brokerage. In addition, all of the Adviser's clients will incur brokerage costs (see Item 12).

**D.** We currently manage one discretionary separate account where advisory fees for a current calendar quarter are paid in advance based on the account's market value as of the last day of the previous quarter. In the event of termination of the investment advisory agreement, fees shall be pro-rated to the date of termination. Any unearned fees that have been prepaid at the date of termination will be refunded.

**E.** Neither we nor any of our supervised persons accepts compensation for the sale of securities or other investment products. Our sales team receives commissions based on new assets raised for our mutual fund, as well as commissions based on quarter-end assets for our discretionary separate accounts.

**ITEM 6**  
**PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

With respect to our non-discretionary account, our advisory fee is based on the net capital proceeds from the ownership and disposition of our client's investment in one publicly traded security above the capital invested plus a negotiated mandatory annual rate of return. This is a performance-based fee. Our discretionary separate account client and mutual fund client are charged an asset-based advisory fee. Because the performance-based fee account is managed by us on a non-discretionary basis, all investment decisions are made by our client, and our role is limited to monitoring and assessment of the investment. This non-discretionary management of the performance-based account is expected to mitigate any conflicts of interest in connection with favoring this client account over other client accounts we manage concerning investment and investment strategies.

We have adopted a Policy for Side By Side Management of Mutual Funds and Private Accounts. Side by side management of our mutual fund client with separate account and other clients may raise potential conflicts of interest. Where the actions taken on behalf of one account may impact other similar or different accounts (e.g., because such accounts have the same or similar investment styles or otherwise compete for investment opportunities or have potentially conflicting investments or investment styles) and we or our personnel may have differential interests in such accounts (i.e., expose the adviser or its employees to differing potential for gain or loss through differential ownership interests or compensation structures), we may have an incentive to favor certain accounts over others that may be less lucrative. Our Policy for Side By Side Management of Mutual Funds and Private Accounts seeks to ensure that investment decisions are made in accordance with the fiduciary duties owed to such accounts and without consideration of our firm's or its personnel's pecuniary, investment or other financial interests.

**ITEM 7**  
**TYPES OF CLIENTS**

We currently provide investment advice to a registered investment company and an institutional separate account. We also manage a client account on a non-discretionary basis. We will generally impose minimum initial investment requirements of \$25,000,000 for investors in our separate accounts, but may agree to waive such minimum requirements on a case-by-case basis. Our mutual fund client imposes a \$5,000 minimum initial investment requirement for Class A investors, and a \$1,000,000 minimum initial investment requirement for its Class I investors. The above mentioned minimum initial investment requirements also may be waived at our discretion.

**ITEM 8**  
**METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS**

**A.** The Adviser currently employs a Global Value investment strategy. Inherent in our investment strategy is an active value approach to investing. We seek to leverage our deep operating and investing experience and extensive global relationships to identify and invest in companies around the world that have compelling valuations and are undergoing strategic changes to unlock value. Elements of our approach include:

- Opportunistic investing – anywhere in the world, anywhere in the cap structure, any market cap
- Deep value with catalysts – including a unique focus on complex, under-researched and misunderstood companies including:
  - Family-controlled businesses
  - Conglomerates
  - Special situations including merger arbitrage and distressed debt opportunities
- Disciplined, bottom-up, original fact-based research
- Extensive business operating experience and global relationship network
- High conviction portfolios – concentrated in top 20 – 40 ideas
- Risk mitigation – active cash management, hedging strategies, and investment in securities with a significant “margin of safety”

We perform bottom-up fundamental securities analysis. The main sources of information include: financial newspapers, magazines and other publications; inspections of corporate activities; research materials prepared by others; corporate rating services; annual reports, prospectuses, filings with the Securities and Exchange Commission and other regulatory agencies around the world; company press releases; and the Adviser’s extensive global network of relationships to gather information about companies and markets across the globe. The investment strategies used to implement any investment advice given to clients include: long term purchases (securities held at least a year); short term purchases (securities sold within a year); trading (securities sold within 30 days); short sales; option writing, including covered options, uncovered options or spreading strategies; and we may employ a number of additional hedging strategies, including forward contracts, futures contracts, and swaps.

In selecting equity investments, the Adviser focuses on the market price of a company’s securities relative to the Adviser’s own evaluation of the company’s asset value, including an analysis of book value, cash flow potential, long-term earnings, and multiples of earnings. The Adviser also focuses on the strength of the management teams of the companies for which the Adviser is evaluating an investment. Similarly, debt securities and other indebtedness, including loan participations, are generally selected based on the Adviser’s own analysis of the security’s intrinsic value rather than the coupon rate or rating of the security. The Adviser examines each investment separately and there are no set criteria as to specific value parameters, asset size, earnings or industry type. In order to achieve its investment objective, the Fund is not limited to the amounts that may be invested based on the size (market capitalizations) of companies. While the Adviser generally purchases securities for investment purposes, the Adviser may take a more active role and seek to influence or control management, from time to time, when the Adviser believes its clients may benefit.

An investment in an account managed by the Adviser is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Therefore, investors can lose money by investing in accounts that we manage.

With respect to our non-discretionary account, our services are limited to investment monitoring and assessment of an investment made by our client in a public holding company the Adviser recommended to the client. Other discretionary clients of the Adviser also own shares of this public holding company. The public holding company has a controlling interest in a distributor of consumer durable goods (including consumer credit and other financial services available to qualified customers), as well as certain seller notes from the sale of assets and cash and cash equivalents.



**B.** The Global Value investment strategy allows us to take advantage of investment opportunities anywhere in the world and anywhere in a company's capital structure. The principal risks associated with this strategy are as follows:

**Currency Risk.** Foreign securities may be issued and traded in foreign currencies. As a result, their values may be affected by changes in exchange rates between foreign currencies and the U.S. dollar, as well as between currencies of countries other than the U.S. For example, if the value of the U.S. dollar goes up compared to a foreign currency, an investment traded in that foreign currency will go down in value because it will be worth fewer U.S. dollars. The Adviser may also employ strategies intended to increase exposure to certain currencies. Such currency transactions involve additional risks, and the Adviser's strategies, if unsuccessful, may decrease the value of an account.

**Debt Securities Risk.** The market value of debt securities is affected by changes in prevailing interest rates and the perceived credit quality of the issuer. When prevailing interest rates fall or perceived credit quality is increased, the market values of debt securities generally rise. Conversely, when interest rates rise or perceived credit quality is lowered, the market values of debt securities generally decline. The magnitude of these fluctuations will be greater when the average maturity of an account's securities is longer.

**Derivative Investment Risk.** Derivatives are subject to a number of risks, such as interest rate risk, market risk, credit risk, foreign exchange risk. Changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index, and an account may lose more money than its initial investment in the derivative. A small investment in a derivative could have a relatively large positive or negative impact on the performance of an account, potentially resulting in losses to an account's shareholders.

**Distressed Company Debt/High Yield Risk.** An account that invests in high yield securities and lower-rated or unrated securities of similar credit quality of distressed companies (sometimes referred to as "high yield securities" or "junk bonds") may be subject to greater levels of credit and liquidity risk than an account that does not invest in such securities. If the issuer of a security is in default with respect to interest or principal payments, an account may lose its entire investment.

**Credit Risk.** An account's investments in debt securities, including high yield securities and lower-rated or unrated debt securities, include credit risk of the issuer. The value of an account's investments in debt securities may decline if an issuer fails to pay an obligation on a timely basis. If the credit quality of an account's investments in debt securities deteriorates, the value of those investments could decline and the value of the account could decline.

**Liquidity Risk.** An account's investments in debt securities, including high yield securities and lower-rated or unrated debt securities, include the risk that the securities may be or may become illiquid. Illiquid securities may be difficult to value or sell at an acceptable price, and an account may experience a loss with respect to its investments in illiquid securities. An account's investments in non-investment grade fixed income securities will be especially subject to liquidity risk.

**Emerging Market Risk.** The risks of foreign investments in emerging market countries may involve risks greater than, or in addition to, the risks of investing in more developed countries. Emerging markets are generally smaller, less developed, less liquid, and more volatile than developed markets. For example, political and economic structures in these countries may be less established and may change rapidly. These countries also are more likely to experience high levels of inflation, deflation or currency devaluation, which can harm their economies and securities markets and increase volatility. In fact, short-

term volatility in these markets and declines of 50% or more are not uncommon. Restrictions on currency trading that may be imposed by emerging market countries will have an adverse effect on the value of the securities of companies that trade or operate in such countries.

**Focused Portfolio Risk.** An account may have more volatility and is considered to have more risk than an account that invests in securities of a greater number of issuers because changes in the value of a single issuer's securities may have a more significant effect, either negative or positive, on an account's net asset value ("NAV"). To the extent that an account invests its assets in the securities of fewer issuers, the account is subject to greater risk of loss if any of those securities becomes impaired.

**Foreign Securities Risk.** Securities of companies located outside the U.S. involve additional risks that can increase the potential for losses in an account to the extent that it invests in these securities. Certain of these risks also may apply to securities of U.S. companies with significant foreign operations. These risks can increase the potential for losses in the account and affect its NAV.

**Industry Risk.** To the extent an account invests a significant portion of its assets in a particular industry, the value of its investments will be affected by factors related to that industry and may fluctuate more widely than that of an account that invests more broadly across industries.

**Management Risk.** An account is subject to risk that the Adviser will make poor security selections. The Adviser and its portfolio manager apply their own investment techniques and risk analyses in making investment decisions for an account, but there can be no guarantee that these decisions will achieve the desired results for the account.

**Region Risk.** To the extent an account invests a significant portion of its assets in a particular geographic region, the value of its investments will be affected by factors related to that region and may fluctuate more widely than that of an account that invests more broadly across geographic regions.

**Regulatory Risk.** Foreign companies may not be registered with the SEC and are generally not subject to the regulatory controls imposed on United States issuers and, as a consequence, there is generally less publicly available information about foreign securities than is available about domestic securities. Foreign companies may not be subject to uniform accounting, auditing and financial reporting standards, corporate governance practices and requirements comparable to those applicable to domestic companies. Income from foreign securities owned by an account may be reduced by a withholding tax at the source, which tax would reduce dividend income payable to the account's shareholders.

**Short Sale Risk.** This is the risk that an account will incur a theoretically unlimited loss if a price of a security sold short increases between the time of the short sale and the time the account replaces the borrowed security.

**Small and/or Mid-Sized Companies Risk.** Investments in securities of small and mid-sized companies tend to be more vulnerable to adverse developments and are more volatile and less liquid than securities of large companies. Compared to large companies, small and mid-sized companies tend to have analyst coverage by fewer Wall Street firms and may trade at prices that reflect incomplete or inaccurate information about the issuers of the securities or have less market interest for such securities.

**Special Situation Risk.** Investments in special situations (undervalued equities, merger arbitrage situations, distressed companies, etc.) may involve greater risks when compared to other investments an account may make due to a variety of factors. For example, mergers, acquisitions, reorganizations, liquidations or recapitalizations may fail or not be completed on the terms originally contemplated, and expected developments may not occur in a timely manner, if at all.

**Stock Market Risk.** The trading prices of equity securities fluctuate in response to a variety of factors. These factors include events impacting a single issuer, as well as political, market and economic developments that affect specific market segments and the stock market as a whole. An account's NAV, like stock prices generally, will fluctuate within a wide range in response to these factors. As a result, an investor in an account could lose money over short or even long periods.

**Value Stock Risk.** Value stocks are stocks of companies that may have experienced adverse business or industry developments or may be subject to special risks that have caused the stocks to be out of favor and, in the opinion of the Adviser, undervalued. The value of a security believed by the Adviser to be undervalued may never reach what is believed to be its full (intrinsic) value, or such security's value may decrease.

With respect to the non-discretionary account we manage, there is the risk that investments owned by the public holding company may not perform well, or may decrease in value and that the ongoing liquidation of the public holding company may not produce the investment results that the Adviser anticipates. Although our primary strategy does not involve frequent trading of securities, we may invest in merger arbitrage situations where frequent trading may or may not result. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

**C.** Client portfolios will invest primarily in equity securities, including common stock, preferred stock, securities convertible into, or expected to be exchanged for, equity securities as well as public holding companies. An equity security represents a proportionate share of the ownership of a company; its value is based on the success of the company's business, any income paid to stockholders, the value of its assets, and general market conditions. Please see the response to Item 8B above for the risks associated with investment in equity securities, and the public holding company in which our non-discretionary client account has invested.

## **ITEM 9 DISCIPLINARY INFORMATION**

There have not been any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

## **ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

**A.** Neither we nor any of our management persons are registered, or have an application pending to register, as a securities broker-dealer. Our sales personnel are licensed as registered representatives of Quasar Distributors, LLC, which is the distributor of our mutual fund.

**B.** Neither we nor any of our management persons are registered, or have an application pending, as a futures commission merchant, commodity pool operator, or commodity trading adviser.

**C.** Other than our client accounts, we do not have any relationship or arrangement that is material to our advisory business or our clients that we or any of our management team has with a broker dealer, municipal securities dealer, government securities dealer or broker; investment company or other pooled

investment vehicle; other investment adviser or financial planner; futures commission merchant, commodity pool operator, or commodity trading advisor; banking or thrift institution; accountant or accounting firm; lawyer or law firm; insurance company or agency; pension consultant; real estate broker or dealer; or sponsor or syndicator of limited partnerships.

**D.** We do not recommend or select other investment advisers for our clients.

## **ITEM 11**

### **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

**A.** We have adopted a Code of Ethics that is designed to prevent, monitor and detect possible conflicts of interest with our clients. All of our employees with access to trading information must comply with our Code of Ethics, which outlines a variety of restrictions on their personal trading activities, as well as the prohibition from trading on non-public information. Pursuant to the Code of Ethics, employees may not invest in initial public offerings and are required to pre-clear all personal purchases or sales of securities for which they would be deemed to be beneficial owners. Employees may not purchase or sell any security in which he or she has, or by reason of such transaction acquires, any direct or indirect beneficial ownership, and which to his or her actual knowledge at the time of such purchase or sale is being seriously considered for purchase or sale by or for a client, or is the subject of a pending buy or sell order by a client, or is programmed for purchase or sale by or for a client; or was purchased or sold by or for a client within the fifteen (15) calendar day period preceding or following the purchase or sale by such employee. A copy of our Code of Ethics is available upon request.

**B.** Not applicable.

**C.** Our employees are subject to the personal trading restrictions outlined in our Code of Ethics. Although our employees may invest in the same securities that are recommended to or held by any of our clients, no such requests have been made since we started managing money in January 2010.

Our discretionary clients had an ownership interest in the publicly traded security in which our non-discretionary account invested on December 31, 2012. Our discretionary clients also added to their respective positions in this publicly traded security on December 31, 2012. Since we manage this account on a non-discretionary basis, there is no potential for conflicts to arise in connection with favoring this client account over other client accounts we manage concerning investment and trading strategies.

**D.** A related person of the Adviser owns all of the interests in an account for which the Adviser had served as investment adviser in 2010 and 2011, and an account which has been undergoing a wind-down since the Adviser terminated its investment advisory agreement with the account. This account has owned and continues to own securities that may also be owned by the Adviser's other clients, which may present a conflict of interest.

## **ITEM 12**

### **BROKERAGE PRACTICE**

**A.** In selecting or recommending broker dealers for client transactions, we take into consideration whether broker dealers can provide best execution by looking at factors including, the ability of brokers to effect the transactions with minimal information leakage and market impact, the broker's recent history of effecting transactions for the securities in question (access to liquidity), price, brokerage commission, timing, the brokers' stability and capital strength, capability of traders and floor brokers, reliability and accuracy of communications and settlement processing, etc. To the extent that our clients direct brokerage, we cannot be responsible for achieving best execution or determining the reasonableness of the broker's compensation. We may place securities orders with broker-dealers who may also sell shares of mutual funds that we advise. However, we do not give any consideration as to whether a broker-dealer has sold shares of mutual funds that we advise when we place such securities orders.

We determine reasonableness of a broker's compensation based on the services they provide and comparing that broker to other brokers that offer similar services and best execution capabilities.

Eric LeGoff, president and chief operating officer of the Adviser and chief executive officer of Evermore Funds Trusts, has an equity interest in the holding company of an agency broker who the Adviser's clients have utilized to execute securities transactions, which could present a conflict of interest. In order to address the potential conflict, the Adviser's research team is responsible for selecting the brokers with which trades are executed. The Adviser will seek to provide best execution for client transactions, regardless of the broker selected.

1. We may select broker dealers at least partially based on the brokerage and research services they provide to us, in accordance with Section 28(e) of the Securities Exchange Act of 1934. The research can be created or developed by that broker dealer or by a third party. When an investment adviser uses client commissions to pay for these brokerage and research services, it is called "soft dollars." We may take into account the research resources, as well as the execution capabilities, of a broker when selecting a broker for a securities transaction. Therefore, securities orders may be placed with a broker that provides access to their research analysts, key company management, relevant industry and company conferences, and other value-added research services.

We have not historically used, and do not intend in the future to use, client commissions, or soft dollars, to pay for computer hardware or software, stock quotation and market data services (e.g., Bloomberg), or similar products and services. We pay and plan to continue to pay for these services from our own capital resources.

Subject to the criteria of Section 28(e), we may pay a broker a commission more than what another broker may have charged for executing the same transaction because of the brokerage and research services provided by the broker.

- a. When we use client brokerage commissions (or markups or markdowns) to obtain research or other services, we receive a benefit because we do not have to produce or pay for such products or services.

- b. We may have an incentive to select or recommend a broker-dealer based on our interest in receiving research or other services, rather than on our clients' interest in receiving most favorable execution.
  - c. We may cause clients to pay commissions higher than those charged by other broker-dealers who do not provide research or other brokerage services ("execution-only brokers") in return for soft dollar benefits.
  - d. We use these research or other services for our clients generally. Therefore, soft dollar benefits are not necessarily limited to those accounts that generate the benefit, nor are soft dollar benefits necessarily allocated to accounts in proportion to the soft dollar credits the accounts generate. A potential conflict of interest is that the allocation of the costs and benefits of these research and execution services may not be allocated fairly among accounts. For example, larger accounts tend to generate more soft dollar benefits than smaller accounts, assuming the accounts have similar portfolio turnover rates. We do not build up soft dollar credits to pay for research product and services that are not provided by the broker-dealers (or their affiliates and partners) we use to execute securities transactions.
  - e. During our last fiscal year, we acquired research reports, access to research analysts, access to corporate management teams, and access to industry and company conferences from a number of the broker-dealers we used to execute securities transactions. We believe we obtained best execution for our clients when executing securities transactions through these firms.
  - f. During our last fiscal year, we directed client transactions to a number of broker-dealers based on factors including, but not limited to, (i) access to liquidity in the relevant security, (ii) access to corporate management, (iii) access to research analysts and other broker-dealer personnel who provided assistance in the research and analysis of the relevant security, (iv) access to a conference that provided assistance in the research and analysis of the relevant security, and (v) whether the broker-dealer generated the idea for the relevant security. We believe we obtained best execution for our clients when executing securities transactions through these firms.
2. We do not consider, in selecting or recommending broker dealers, whether we or a related person receive client referrals from a broker dealer or third party.
- a. Not applicable.
  - b. Not applicable.
- 3.
- a. We do not recommend, request or require that a client direct us to execute transactions through a specified broker dealer.
  - b. We generally have discretionary authority to execute transactions on behalf of our clients. We generally determine the securities and quantities to be bought and sold for each client's account, as well as the broker(s) to be used

for such transactions. We negotiate commission rates with each one of the brokers that we use, and these commission rates may differ from broker to broker. Some clients, however, may direct us to execute transactions with specific brokers, or Directed Brokers. In these instances, we generally do not negotiate commission rates and such brokers may charge higher commission rates than other brokers. We may be able to negotiate more favorable commission rates and achieve better executions when we have full brokerage discretion.

**B.** We consider many factors when allocating securities among clients, including but not limited to the client's investment style, applicable restrictions (e.g., a client cannot invest in securities of tobacco companies, etc.), availability of securities, available cash, and other current holdings. Clients are not assured of participating equally, or at all, in particular investment allocations. The nature of a client's investment style may exclude it from participating in certain investment opportunities (e.g., a separate account client may have the flexibility to invest in a higher percentage of illiquid securities or securities in one industry than a registered investment company client).

We may aggregate client orders before placing such orders with a broker. In these situations, allocations may be automatically generated based on certain client criteria, including but not limited to, the current assets of the client. When an aggregated order is filled, all participating clients will receive the same average price at which the order was executed. In the event that an aggregated order is not entirely filled, we will allocate the executed quantity among participating clients in the manner we consider to be most equitable, fair, and consistent with our fiduciary obligations to all of the clients involved. Generally, partially filled orders are allocated proportionately based on the initial order submitted by each participating client.

For those trades which must be executed through Directed Brokers, we will enter orders for clients who direct brokerage for their accounts after entering orders for the same securities for clients that elect to have us determine the broker to execute trades for their accounts.

### **ITEM 13 REVIEW OF ACCOUNTS**

**A.** The following Adviser employees review client accounts: David Marcus, CEO, Chief Investment Officer, and Portfolio Manager; Eric LeGoff, President and Chief Operating Officer; Salvatore DiFranco, Chief Financial Officer; Beijing He, Operations Manager; Matthew Spiegel, Senior Research Analyst, and Thomas O, Research Analyst. These individuals generally review client accounts and portfolios frequently, but at a minimum, on a weekly basis. One or more designated employees are responsible for reviewing daily any transactions made on behalf of the Adviser's clients and determining that any such transactions have been correctly recorded into client accounts. The nature and frequency of reports to clients are determined mainly by the particular needs of each client.

**B.** Not applicable.

**C.** At the request of our clients, we will provide reports including, among other things, information on portfolio holdings and investment performance. Clients open accounts with custodians of their choice. These custodians provide periodic reports to our clients, which generally include a monthly or quarterly account statement.

**ITEM 14**  
**CLIENT REFERRALS AND OTHER COMPENSATION**

**A.** There is no one who is not a client who provides an economic benefit to us for providing investment advice or other advisory services to our clients.

**B.** We may enter into agreements where people, including our employees, will be paid for client referrals. These agreements will comply with Section 206(4)-(3) under the Investment Advisers Act of 1940, including the requirement to disclose our relationship with the solicitor to the advisory client at the time of the solicitation or referral. The advisory client will acknowledge this arrangement prior to our acceptance of the advisory client's funds. Certain employees' compensation may include a percentage of the advisory fee for client referrals resulting from their marketing activities. We may make payments to certain financial intermediaries in connection with the marketing/distribution of mutual funds for which we serve as investment adviser. The intermediaries receiving such payments may include, but are not limited to, consulting firms and broker-dealers that might recommend that their clients consider or select us to provide them with investment advisory services, as well as dealers selling shares of mutual funds for which we serve as investment adviser. In addition, we may make payments to certain financial intermediaries in connection with client introductions for our institutional separate account product. Fees paid to solicitors do not increase the advisory fees paid by clients.

The amount of our payments will be individually negotiated with each intermediary and may be substantial. Compensation to financial intermediaries is a percentage of the revenues generated by the solicitor. In some circumstances, such payments may be deemed to create an incentive for an intermediary or its employees or associated persons to recommend our advisory services or mutual funds or to sell shares of a mutual fund, or other accounts, to a client.

**ITEM 15**  
**CUSTODY**

Evermore does not have custody of client funds or securities.

**ITEM 16**  
**INVESTMENT DISCRETION**

Pursuant to an investment advisory agreement, we accept discretionary authority to manage securities accounts on behalf of clients. We generally have discretionary authority to execute transactions on behalf of our clients, except where such authority is retained by the client by agreement. So, we generally determine both the securities and quantities to be bought and sold for each client's account, as well as the broker(s) to be used for the transactions. The only limitations a client may put on our discretionary authority would relate to certain investment restrictions they may place on an account (e.g., no currency hedging, no tobacco securities, etc.).



## **ITEM 17**

### **VOTING CLIENT SECURITIES**

**A.** We exercise a voice on behalf of our clients in matters of corporate governance through the proxy voting process. We take our proxy voting responsibilities very seriously and believe the right to vote proxies is a significant asset of our clients. We have adopted a set of proxy voting policies and procedures to ensure that we vote proxies relating to equity securities in the best interest of clients.

In voting proxies, we are guided by general fiduciary principles and seek to act carefully and solely in the best interest of clients. We attempt to consider all factors that could affect the value of the investment and will vote proxies in the manner that we believe will be consistent with efforts to maximize shareholder values. We may utilize an external service provider to provide us with information and/or a recommendation with regard to proxy votes. However, these recommendations do not relieve us of our responsibility for the proxy vote.

In the case of a proxy issue for which there is a stated position in the voting policies and procedures, we generally vote in accordance with such stated position. In the case of a proxy issue for which there is a list of factors in the policies and procedures that we consider in voting on that issue, we vote on a case-by-case basis in accordance with the general principles set forth above and consider the list of factors. In the case of a proxy issue for which there is no stated position or list of factors that we consider in voting on such issue, we vote on a case-by-case basis in accordance with the general principles set forth above. Issues for which there is a stated position set forth in the voting policies and procedures or for which there is a list of factors set forth that we consider in voting on such issues fall into a variety of categories, including election of trustees, ratification of auditors, proxy and tender offer defenses, capital structure issues, executive and trustee compensation, mergers and corporate restructurings, and social and environmental issues. The stated position on an issue set forth in the voting policies and procedures can always be superseded, subject to the duty to act solely in the best interest of the beneficial owners of accounts, by the investment management professionals responsible for the account whose shares are being voted. Issues applicable to a particular industry may cause us to abandon a policy that would have otherwise applied to issuers generally. Our policy is to vote all proxies from a specific issuer in the same way for each client absent qualifying restrictions from the client.

Since our goal is to vote proxies in the best interest of clients, we follow procedures designed to identify and address material conflicts that may arise between our interests and those of our clients before voting proxies on behalf of those clients. To identify conflicts of interest, we review our relationship with the issuer of each security to determine if we, or any of our employees, have any financial, business or personal relationship with the issuer. We are also sensitive to the fact that a significant, publicized relationship between an issuer and a non-affiliate might appear to the public to influence the manner in which we decide to vote a proxy with respect to such issuer.

Our CCO reviews and addresses conflicts of interest brought to his or her attention. A proxy issue that will be voted in accordance with a stated position on an issue or in accordance with the recommendation of an independent third party is not brought to the attention of the CCO for a conflict of interest review because our position is that, if a conflict of interest issue exists, it is resolved by voting in accordance with a pre-determined policy or in accordance with the recommendation of an independent third party. With respect to a conflict of interest brought to our attention, the CCO first determines whether such conflict of interest is material. A conflict of interest is considered material to the extent that it is determined that such conflict is likely to influence, or appear to influence, our decision-making in voting proxies.

If it is determined by the CCO that a conflict of interest is not material, we may vote proxies notwithstanding the existence of the conflict. If it is determined by the CCO that a conflict of interest is material, the CCO is responsible for determining an appropriate method to resolve such conflict of interest before the proxy affected by the conflict of interest is voted. This determination is based on the particular facts and circumstances, including the importance of the proxy issue and the nature of the conflict of interest. Methods of resolving a material conflict of interest may include, but are not limited to, disclosing the conflict to clients and obtaining their consent before voting, or suggesting to clients that they engage another party to vote the proxy on their behalf.

Clients may obtain a copy of our Proxy Voting policies and procedures and/or information regarding how we voted specific client proxies by sending a written request to: Evermore Global Advisors, LLC, 89 Summit Avenue, Summit, NJ 07901, Attention: Chief Compliance Officer.

**B.** Not applicable.

## **ITEM 18 FINANCIAL INFORMATION**

**A.** Evermore does not require or solicit prepayment of more than \$1,200 of fees per client, six months or more in advance and therefore is not required to include a balance sheet with this brochure.

**B.** Evermore has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients.

**C.** Evermore has never been the subject of a bankruptcy proceeding.

## **ITEM 19 REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Not Applicable.