



# Quarterly Review

Class	Ticker	CUSIP
A	IVWAX	45070A107
C	IVWCX	45070A503
I	IVWIX	45070A206

*Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. Returns are shown net of fees and expenses and assume reinvestment of dividends and other income. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. To obtain performance information current to the most recent month-end, please call (866) 941-4482.*

## Investment Risks

*There are risks associated with investing in funds that invest in securities of foreign countries, such as erratic market conditions, economic and political instability and fluctuations in currency exchange rates. Value-based investments are subject to the risk that the broad market may not recognize their intrinsic value.*

The IVA Worldwide Fund Class A (NAV) ended the quarter on June 30, 2020 with a return of 8.31% versus the MSCI All Country World Index (Net) ("Index") return of 19.22% for the same period.

The start of the second quarter already saw the market beginning its upward climb after a brutal first quarter. The period between February 19<sup>th</sup> and March 23<sup>rd</sup> saw a rapid decline in markets, a sudden violent spike in unemployment and an economy which had entire sections shut down. Fear and uncertainty were rampant. Nevertheless, quarter two proved to be an excellent quarter for most markets worldwide with a swift, sweeping recovery.

The Worldwide Fund lagged its Index for the opposite reasons it did in the previous quarter. During these past three months, we saw a strong rebound in some of the more cyclical names in the portfolio, which had been poor performers earlier this year, while cash (39.2% as of June 30, 2020) was a drag on fund performance. Overall, the growth names continue to lead markets even during this quarter when the more cyclical names did well, the gap between value and growth is still apparent. As mentioned above, the MSCI All Country World Index returned 19.22%, while the MSCI ACWI Growth Index returned 25.14% and the MSCI ACWI Value Index returned 12.74%. Our equity only performance was strong, returning 14.14%, but obviously not as strong as the index.

By sector, Consumer Discretionary was the top contributor adding 2.8% led by LKQ Corporation. LKQ was one of our existing names which we were able to add to during the March downturn. LKQ is an auto parts supplier who provides parts for car repairs, not new car manufacturers. It was hit along with the auto sector in March and we suspected it was probably being unfairly punished and jumped at the opportunity to add to our position. Consumer Staples and Communication Services also contributed to fund performance by approximately 0.9% each. There were no sectors that detracted during the timeframe. Our best performing country this quarter was the U.S. adding 3.0% to return with France adding 0.9% and Japan contributing 0.8%. Bermuda was the only country detractor for less than -0.1% due to poor performance from Jardine Strategic Holdings, a holding company with interests primarily in Asia.

The small Fixed Income exposure (2.2% as of June 30, 2020) detracted slightly for less than -0.1% primarily due to poor performance from offshore drill rig contractor Valaris. Our gold and gold related exposure helped the portfolio by 1.07%. Our mix of gold bullion and gold mining securities has continued to shift over the quarter with less bullion, down from 2.6% to 0%, and more mining shares, up from 2.3% to 3.0%, as of June 30, 2020. This change is primarily due to tax reasons. We have to be mindful of not generating too many gains from a physical commodity (gold bullion), or risk violating an IRS bad income rule which could lead to dire consequences such as losing investment company status. Gold today does not seem like a cheap hedge, at around \$1,800 per ounce, but one that is necessary to have in these uncertain times.

Our currency hedges detracted -0.1% from the fund's return as the US dollar weakened a bit. As of June 30, 2020 our hedges were: 10% British pound, 81% Chinese yuan, 10% euro, 75% Korean won, and 91% Thai baht.

Our equity exposure came down throughout the quarter starting on March 31, 2020 at 57.8% and ending at 55.6% at the end of June. After being able to put approximately 10% of our cash to work during the March market mayhem, we took advantage of some price appreciation in April and May to trim some names either that have reached our estimate of intrinsic value, or because their future outlook became more uncertain. We have also been mindful of both liquidity and tax consequences for our shareholders. Liquidity is especially important in times of extreme market volatility. We continuously stress test the portfolios to be certain we have a precise gauge on how liquid the stocks which we own are. Market volatility thus far this year has also allowed us to be proactive and nimble in terms of managing the tax liabilities, which has included making some switches in securities, harvesting losses, and the aforementioned change in the gold exposure.

Although the equity exposure came down over the quarter, we were able to find five new names to add to the fund. These are stocks, mostly in the U.S. and in a wide variety of sectors including energy, food and beverage, and retail. They are businesses that, we believe, have great balance sheets and above average long-term prospects, and were trading at attractive prices. Conversely, we did some trimming and selling during the quarter and had one takeover occur in Hong Kong. The outdoor advertising company, Clear Media, was acquired by JCDecaux at an 87% premium to its share price at the time of the deal. A good illustration of just how cheap some smaller, lesser known stocks can be.

As the market seems to be factoring in recovery, optimism and growth, we remain somewhat skeptical that we will see only smooth sailing ahead. We stay focused primarily on understanding businesses, but this requires an awareness of what the future of these businesses and industries may look like. It seems unlikely to us that virus fears and repercussions are behind us. We think it is likely that many companies and entire industries will have consequences we have yet to see manifested. Thus we continue to search for businesses, one by one, which can withstand even the harshest assumptions, which have solid balance sheets, a strong moat and good competitive advantage in their trade. We continue to believe good stock picking and active, value-focused investing works - though it hasn't been easy for "value" investors these past handful of years with ultra-low interest rates and accommodative central bankers. We do know for sure that the future seems uncertain as ever, and for that reason we continue to focus on attempting to shield our shareholders from undue risk by trying to find companies that we can understand and value rather than try to speculate. We appreciate the patience and confidence that our clients have shown, we are working hard to preserve your trust.

## Performance Information (as of June 30, 2020)

Class	Average Annual Total Returns						Since Inception*
	3 Months	YTD	1 Year	3 Year	5 Year	10 Year	
A (NAV)	8.31%	-12.42%	-9.20%	-1.25%	1.26%	4.67%	6.07%
A (with load)	2.89%	-16.82%	-13.75%	-2.93%	0.24%	4.14%	5.61%
C	8.07%	-12.78%	-9.93%	-2.01%	0.49%	3.88%	5.27%
I	8.36%	-12.33%	-8.98%	-1.00%	1.51%	4.93%	6.33%
MSCI All Country World Index (Net)	19.22%	-6.25%	2.11%	6.14%	6.46%	9.16%	7.25%

\*\*Inception date is 10/1/2008.

### Past performance does not guarantee future results.

*The fund recently experienced significant negative short-term performance due to market volatility associated with the COVID-19 pandemic.*

**Economic and Market Events Risk:** *The impact of the outbreak of a novel coronavirus may be short term or may last for an extended period of time, result in a substantial economic downturn and could negatively affect the worldwide economy. Any such impact could adversely affect the Fund and may lead to losses on your investment in the Fund.*

*Maximum sales charge for the A shares is 5.00%. C shares include a 1% CDSC Fee for the first year only. The expense ratios for the fund are as follows: 1.16% (A Shares); 1.91% (C Shares); 0.91% (I Shares). Amounts redeemed within 30 days of purchase are subject to a 2.00% fee.*

*As of June 30, 2020, the IVA Worldwide Fund's top 10 holdings were: Berkshire Hathaway, Inc. Class A; Class B (5.6%); Astellas Pharma, Inc. (3.1%); Bayerische Motoren Werke AG (2.9%); LKQ Corp. (2.7%); Compagnie Financiere Richemont SA (2.4%); Newmont Corporation (2.3%); H.U. Group Holdings, Inc. (2.1%); Bureau Veritas SA (2.0%); Western Union Company (1.8%); Rohto Pharmaceutical Co., Ltd. (1.8%).*

*Effective July 13, 2020, Chuck de Lardemelle is no longer a portfolio manager of the IVA Funds. Charles de Vault is the sole portfolio manager of the funds and is the Chief Investment Officer of IVA, the funds' adviser.*

*MSCI All Country World Index (Net) is an unmanaged index consisting of 49 country indices comprised of 23 developed and 26 emerging market country indices and is calculated with dividends reinvested after deduction of withholding tax. The Index is a trademark of MSCI Inc. and is not available for direct investment.*

*The MSCI All Country World Value Index (Net) is an unmanaged index that captures securities exhibiting overall value style characteristics. It consists of 49 country indices comprised of 23 developed and 26 emerging market country indices and is calculated with dividends reinvested after deduction of withholding tax. The Index is a trademark of MSCI Inc. and is not available for direct investment.*

*The MSCI All Country World Growth Index (Net) captures large and mid cap securities exhibiting overall growth style characteristics across 23 developed markets countries and 26 emerging market countries. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend.*

*The views in this material are intended to assist readers in understanding certain investment methodology and do not constitute investment or tax advice.*

*The views expressed in this document reflect those of the portfolio manager(s) only through the end of the period as stated on the cover and do not necessarily represent the views of IVA or any other person in the IVA organization. Any such views are subject to change at any time based upon market or other conditions and IVA disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for an IVA fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any IVA fund. The securities mentioned are not necessarily holdings invested in by the portfolio manager(s) or IVA. References to specific company securities should not be construed as recommendations or investment advice.*

*An investor should read and consider the funds' investment objectives, risks, charges and expenses carefully before investing. This and other important information are detailed in our prospectus and summary prospectus, which can be obtained by calling 1-866-941-4482 or visiting [www.ivafunds.com](http://www.ivafunds.com). Please read the prospectus and summary prospectus carefully before you invest. The IVA Funds are offered by Foreside Fund Services, LLC.*



International Value Advisers, LLC  
717 Fifth Avenue, 10th Floor  
New York, NY 10022  
877.874.2999