Charles de Vaulx

Chuck de Lardemelle

October 24, 2017

Dear Shareholder,

Over the period under review, October 1, 2016 to September 30, 2017, your Funds delivered positive returns (+11.12% for the IVA Worldwide Class A and +12.09% for the IVA International Class A), albeit less than their respective benchmarks (+18.65% for the MSCI All Country World Index and +19.61% for the MSCI All Country World (ex-U.S.) Index).

The past twelve months have been extraordinary. Global markets continued to rise, with record low volatility, despite a multitude of disturbing developments: a surprising outcome in the U.S. presidential election, political uncertainties elsewhere in the world, rapid and unprecedented credit growth in China – to name just a few. It seems that virtually nothing can deter these rising markets. We believe that Central Banks continue to have an unhealthy amount of sway over markets. The intoxicating prospect of "low rates forever" has convinced (if not forced) most investors to accept high valuations and pay up significantly for securities as there does not appear to be any alternative. Investors have also been lulled into a sense of complacency as the world economy continues to gather strength, corporate profits remain strong, and inflation expectations have been drastically reduced.

The conservative positioning of our portfolio reflects our view that valuations are stretched – stocks and bonds are priced for perfection, so risk/reward is not in our favor. We see many investors using low interest rates and "insufficient uncertainty" about the future to rationalize using higher multiples to value businesses and paying up for securities. Not many seem to be heeding Ben Graham's warning: "The future is uncertain." As investors with a sense of history, this puzzles us. Have we not seen variations of this movie before? We recall many harrowing endings.

Instead of paying up and accepting the average return on securities of 3-4%, we at IVA still believe that we should be shooting for an 8% nominal return[a] (when inflation is reasonable) on the equity portion of our portfolio – as we have in the past. People may hear 8% and think we are the greedy ones. We believe we are the *rational* ones. We are investing in a fragile and uncertain market in which multiple industries are being significantly disrupted – media, retail, finance, the oil and gas shale revolution, new brands, changes in health care. The visibility of so many businesses 5-15 years from now is murkier than ever before. This not only shrinks our universe of investable assets; it also makes for a riskier investment environment. Therefore, we believe one should be paid more for risk and not less and a higher equity risk premium is required. It is also important to remember that regardless of today's unprecedented low rate environment, the fundamentals of owning a stock have not changed:

- When you own a stock, you own a business, which comes with enormous risks – businesses change, disruptions happen, management can do foolish things.
- Owning a business is a long-term investment that will most likely outlast the current risk-free rate environment.

*Management's Discussion of Fund Performance* in this annual report details our equity performance over the past year. Despite the dilutive effects cash has had on our overall returns, our stock picking continues to produce strong equity returns. Over the past year, our equities were up 24.1% in the Worldwide Fund and 21.3% in the International Fund, compared to the equities[b] in the MSCI All Country World Index which were up 18.8% and those in the MSCI All Country World Index (ex-U.S.) which were up 19.7%. These numbers illustrate that when we have found stocks that have met our investment criteria and offered enough of a margin of safety, stock picking and value investing still work.

Over the past twelve months we added multiple new names to the portfolio. In Continental Europe, names that we bought included BMW, Airbus Group SE, WPP Plc and Allied Irish Bank. WPP Plc is a British multinational advertising and public relations company. Advertising agencies have faced strong headwinds with the rise of the digital world. We believe the de-rating of some of these agencies may have been overdone. WPP is a well-managed, liquid name that we were able to purchase

***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' 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 1-866-941-4482.*

during the third quarter. We started buying Allied Irish Bank when the Irish government sold part of its stake in the second quarter. We are encouraged by the duopolistic nature of the banking market in Ireland as well as the good economic prospects for the Irish economy. We also added to our position in Bureau Veritas, the French-based, yet global, testing, inspection and certification company.

In South Korea, we've seen many small- and mid-cap names come down quite a bit. We've been adding to Kangwon Land, the sole casino operator in South Korea, and buying into KT&G, the tobacco company.

In China, we have added to Baidu, the Chinese internet search engine.

As oil prices have receded, we are doing a lot of work in the energy sector. We are being very cautious as we analyze energy names – we are focusing on businesses that we believe can withstand volatility in oil price. Over the period, we added to Cimarex, an existing energy position in the U.S.

We initiated new positions in the International Fund, including a few Japanese small-cap names: Doshisha Co., Ltd., Yondoshi Holdings Inc. and EPS Holdings. We still see room for stock picking in Japan, especially in small-cap names which have been less manipulated by the government and Exchange Traded Funds (ETFs) than large-cap names.

In the Worldwide Fund, we eliminated our mortgage real estate investment trust (REIT) preferred positions because of duration risk associated with these securities. We also significantly reduced our position in Adtalem Global Education Inc. as it appreciated over the period.

Samsung Electronics has doubled over the past year and so we have trimmed quite a bit of our position. We also trimmed other names that have done very well for us, such as Genting Malaysia, Hyundai Motor and Alten. We significantly reduced our position in Hongkong & Shanghai Hotels as it nearly doubled a few months ago.

As of September 30, 2017, the Worldwide Fund had 51.5% in equities and 40.4% in cash. The International Fund had 62.1% in equities in 27.7% in cash.

We understand it may be difficult to see the elevated cash position in the Funds, knowing that high cash levels means losing a little bit of money in real terms. However, it's important to note that our ability and willingness to hold cash during periods when we believe that global assets are overvalued is precisely why we consistently have strong equity performance! If we forced ourselves to put more cash to work, by abandoning our time-tested approach based on discipline, reason and logic, these lower standards would lead to lower equity returns. Therefore, we are happy to sit back and wait with our cash for genuine bargains to surface.

We will continue to focus on valuations and only accept what we believe are appropriate discounts when we buy and hold securities. We still believe that over the next five years financial assets appear likely to deliver modest returns based on their elevated valuation levels today and a challenging global outlook. However, an eventual pickup in volatility and good stock picking should enable us to deliver respectable positive absolute returns.

We appreciate your continued confidence and thank you for your support.

Charles de Vaulx, Chief Investment Officer and Portfolio Manager

Chuck de Lardemelle, Portfolio Manager

[a] *This refers to returns on securities in the Worldwide Fund or International Fund, not performance for the entire Worldwide Fund or International Fund.*

[b] *The index equity return excludes gold mining stocks.*

## Important Information Concerning the Attached October 24, 2017 Letter from the IVA Funds Portfolio Managers

The views expressed in this document reflect those of the portfolio manager(s) only through the end of the period as stated 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.

| Total Returns as of 9/30/17 | 1 Year | 5 Year* | Since Inception* (10/1/08) |
|---|---|---|---|
| IVA Worldwide Fund A (no load) | 11.12% | 6.95% | 8.80% |
| IVA Worldwide Fund A (with load) | 5.55% | 5.86% | 8.19% |
| MSCI All Country World Index | 18.65% | 10.20% | 8.01% |
| IVA International Fund A (no load) | 12.09% | 7.20% | 8.78% |
| IVA International Fund A (with load) | 6.47% | 6.11% | 8.16% |
| MSCI All Country World Index (ex-U.S.) | 19.61% | 6.97% | 5.57% |

**Annualized*

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As of the most recent prospectus, the expense ratios for the funds are as follows: IVA Worldwide Fund: 1.25% (A shares); IVA International Fund: 1.24% (A Shares). Maximum sales charge for the A shares is 5.00%.

As of September 30, 2017, the IVA Worldwide Fund's top 10 holdings were: Gold Bullion (5.6%); Berkshire Hathaway, Inc. Class A; Class B (4.4%); Astellas Pharma, Inc. (3.4%); Bureau Veritas SA (2.4%); Nestle SA (2.3%); Oracle Corporation (1.8%); Mastercard Inc., Class A (1.6%); Bollore SA (1.5%); Antofagasta plc (1.5%); CVS Health Corporation (1.3%). As of September 30, 2017, the IVA International Fund's top 10 holdings were: Gold Bullion (6.7%); Astellas Pharma, Inc. (3.6%); Bureau Veritas SA (3.6%); Nestle SA (2.5%); Alten SA (2.1%); Antofagasta plc (2.0%); Airbus Group SE (1.9%); Samsung Electronics Co., Ltd. (1.8%); Bollore SA (1.5%); Haw Par Corporation Limited (1.5%).

As of September 30, 2017, total firm assets under management totaled $18.8 billion.

**MSCI All Country World Index (Net)** is an unmanaged index consisting of 46 country indices comprised of 23 developed and 23 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.

**MSCI All Country World Index (ex-U.S.) (Net)** is an unmanaged index consisting of 45 country indices comprised of 22 developed and 23 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.

Mutual fund investing involves risks including possible loss of principal. 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.

***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. Please read the prospectus and summary prospectus carefully before you invest.***

The IVA Funds are offered by IVA Funds Distributors, LLC.

*Effective February 22, 2011, the IVA Worldwide Fund and IVA International Fund are closed to new investors.*

***This disclosure page must accompany the October 24, 2017 Letter from the IVA Funds Portfolio Managers***