



# Quarterly Review

Class	Ticker	CUSIP
A	IVIOX	45070A305
C	IVICX	45070A602
I	IVIQX	45070A404

*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 International Fund Class A (NAV) ended the quarter on December 31, 2018 with a return of -10.12% versus the MSCI All Country World Index (ex-U.S.)(Net) ("Index") return of -11.46%, bringing YTD performance to -13.15% versus the Index return of -14.20% for the same period.

Global markets experienced a chaotic fourth quarter. In part triggered by signals from the U.S. Fed that monetary tightening would continue, global markets flailed in October—including U.S. technology names which had lifted U.S. equity performance for most of the year. December was even more difficult as oil fell, U.S. corporate earnings estimates grew increasingly worrisome, the U.S. Fed continued to raise rates and the U.S. government entered a partial shutdown. Global markets reacted with extreme volatility to end the year.

Cash and gold helped dampen volatility in the Fund throughout the quarter. We are also earning a return on our cash which contributed 0.1% for the quarter. Gold was up 7.6% and contributed 0.5%. As we will discuss shortly, in addition to acting as a buffer, cash also provided the dry powder to buy what we believe to be undervalued securities.

It was a difficult quarter for our equities, which were down -13.6%. However, there were many instances of what we believe to be temporary unrealized losses (our assessment of value not being recognized by the market). We acted on many of those opportunities and added to these names. We also took gains on some of the top performers in the Fund over the quarter as we trimmed and in some cases eliminated positions.

By country, Japan was the largest detractor, taking away -2.6%, hurt most by Astellas Pharma, a top 10 name. France detracted -1.2% and the U.S. detracted -1.0%. In France, Bureau Veritas was our worst performing name and in the Netherlands it was Airbus, both top 10 names in the portfolio. Uruguay contributed the most to performance by country, adding 0.1%. Hong Kong, India and Brazil contributed a total of 0.1%. By sector, Industrials was the largest detractor, taking away -2.5%. Consumer Discretionary detracted -1.5% and Health Care detracted -1.7%.

Our fixed income names were down -10.6% and took away -0.3%, hurt by our energy related bonds as oil came down this quarter. Currency hedges detracted -0.2%. Other than our hedge on the Korean Won, which increased from 30% to 42%, the rest of our hedges remained relatively unchanged, ending the year at: 41% Australian dollar, 10% euro, 35% Japanese yen.

In addition to adding to existing positions at discounted prices, we also found a few new names this quarter, including businesses in Europe and Mexico. Equity exposure increased from 72.4% to 79.6% and cash decreased from 18.3% to 10.0%.

As we head into 2019 in an uncertain and volatile market landscape, our strongest commitment, as always, is preserving our clients' assets. We will continue to focus on valuations and take advantage of market volatility as we attempt to preserve your capital and deliver positive absolute returns.

We appreciate your confidence and thank you for your support.

## Performance Information (as of December 31, 2018)

Class	Average Annual Total Returns					
	3 Months	YTD	1 Year	5 Year	10 Year	Since Inception **
A (NAV)	-10.12%	-13.15%	-13.15%	1.29%	6.35%	6.44%
A (with load)	-14.63%	-17.50%	-17.50%	0.25%	5.80%	5.91%
C	-10.32%	-13.85%	-13.85%	0.52%	5.55%	5.63%
I	-10.10%	-12.93%	-12.93%	1.54%	6.61%	6.71%
MSCI All Country World Index (ex-U.S.) (Net)	-11.46%	-14.20%	-14.20%	0.68%	6.57%	3.81%

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

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*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: 1.25% (A Shares); 2.00% (C Shares); 1.00% (I Shares). Amounts redeemed within 30 days of purchase are subject to a 2.00% fee.*

*As of December 31, 2018, the IVA International Fund's top 10 holdings were: Gold bullion (7.7%); Bureau Veritas SA (3.8%); Sodexo SA (3.6%); AIB Group PLC (3.1%); Astellas Pharma, Inc. (3.0%); Samsung Electronics Co., Ltd. (2.9%); Nestle SA (2.9%); Kangwon Land, Inc. (2.7%); Bayerische Motoren Werke AG (2.2%); Airbus Group SE (2.2%).*

*MSCI All Country World Index (ex U.S.) (Net) is an unmanaged index consisting of 46 country indices comprised of 22 developed and 24 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 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 IVA Funds Distributors, LLC.**



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