June 2019

2018 Year in Review

IVA Worldwide Fund

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

IVA International Fund

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 Worldwide Fund Class A (NAV) ended the year on December 31, 2018 with a return of -7.55% versus the MSCI All Country World Index (Net) ("Index") return of -9.42%. The IVA International Fund Class A (NAV) ended the period with a return of -13.15% versus the MSCI All Country World Index (ex-U.S.) (Net) return of -14.20%.

What a difference a year makes. Remember the placid days of 2017? A year when global markets, as measured by both the MSCI All Country World Index and the MSCI All Country World Index ex-U.S., rose each month with record low volatility? A far cry from the jagged markets of 2018, which spared few and shook most.

2018 began much as 2017 ended – global equity markets rose with extraordinarily low volatility. This tranquility ended with a brutal correction at the end of January, followed by volatility for most of the first quarter as investors became wary of a multitude of potential troubles, including: rising inflation, escalating trade war rhetoric and questions surrounding the business models of the FANG stocks (Facebook, Amazon, Netflix, Google) after a data breach at Facebook was revealed. Markets continued to behave erratically during the second and third quarters as focus turned to political uncertainties in Europe and turmoil in emerging markets agitated by a rising USD. Throughout this period there was a marked divergence of equity performance between the U.S. and the rest of the world as a handful of very large technology stocks led performance in the U.S.

All of this led up to 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. December was even nastier 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 market volatility to end the year.

As you know, at IVA we embrace volatility. On our Semi-Annual Update Call at the beginning of the year Charles de Vaulx said: "Volatility is back – finally! If this were to continue, this would be music to a value investor's ears and even greater music if we had a proper bear market." Our wish for continued volatility in 2018 decidedly came true. As we will explain in more detail shortly, the erratic moves of 2018 enabled us to buy what we believe to be undervalued securities. We found a few new names and added to some existing names that we like in both Funds as their discounts widened. We also took gains on some of our long-term holdings when they hit our intrinsic value estimates. In the Worldwide Fund, our equity exposure increased from 52.4% at the beginning of January, to 53.2% at the end of October and then to 60.6% at the end of the year. Cash decreased from 40.0% to 30.4% throughout the year. In the International Fund, equity exposure increased from 67.1% at the beginning of January to 71.2% at the end of October and then to 79.6% at the end of the year. Cash decreased from 23.0% to 10.0% throughout the year.

The performance of the equity only component of both Funds was disappointing in 2018, as we typically expect to be more resilient. Our equities in the Worldwide Fund were down -12.7% and down -16.9% in the International Fund. Fortunately, there were few instances of permanent impairment of value (genuine investment mistakes). There were however 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 positions.

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In the Worldwide Fund we saw many of our long-term holdings hit high valuations, which enabled us to take gains in these positions, including Mastercard Incorporated, Astellas Pharma, Alten, Altran, Berkshire Hathaway, Amdocs Limited, and insurance brokers Aon and Marsh & McLennan.

Our names in the U.S. hurt the most in Worldwide, detracting -1.9%. Within the U.S., energy took away -1.6%. Cimarex and Schlumberger were battered as oil came down. In neither case have we revised our intrinsic value estimates and actually added extensively to both names as they came down. We are uncertain, nonetheless, as to the timing of any meaningful recovery in both the price of oil as well as the level of offshore oil services, so it may take a few years for our intrinsic value estimates to be realized. Charles de Vaulx spoke in detail about our analysis of Cimarex in his July interview with Barron's, "How to Stay Rich". The full interview can be found on our website.

France and South Korea detracted a total of -1.7% from performance. In France, Bureau Veritas was our largest detractor. We believe that we bought the name well – as the name came down at the beginning of the year, we added significantly to the position. However, we did not sell when the price came up to our intrinsic value estimate and continued to hold a large position as the price came back down. Although we are still comfortable holding the name in the portfolio, we do regret not taking the opportunity to trim at a higher price.

South Korea came down a lot this year, we believe because of its implied links to China and because markets tend to view investments in the country as a leveraged play on global GDP. Markets responded to a global economic slowdown in 2018 – this hurt South Korea and in turn our performance as we have a relatively large exposure to the region. Our two largest detractors in South Korea were Hyundai Motors and Samsung Electronics. In the case of Hyundai Motors we have lowered our intrinsic value estimate. Beyond the obvious headwinds facing the automobile industry, Hyundai Motors is facing increased competition from China and their corporate governance continues to disappoint. In contrast, we believe the price impairments of Samsung Electronics are temporary. We believe at these levels it is very cheap and took advantage of this by increasing our position by almost 1% over the year.

A few other names that came down this year, we believe temporarily, to which we have significantly added: Allied Irish Bank (Charles also discussed our analysis of this name in his July Barron's interview), Miraca Holdings and BMW.

Top performers in the International Fund which we took gains on included Alten, Robertet, Astellas Pharma, Hyundai Elevator and Thales.

Our names in Japan hurt the most in International, detracting -2.4%. The two largest detractors in Japan were Miraca Holdings and Yahoo Japan. As mentioned above, we believe Miraca's price impairment is temporary and we took the opportunity to add extensively to our position. We do have concerns about Yahoo Japan – specifically that they have not been able to grow their top line despite substantial increases in spending. Our names in South Korea detracted -1.5% and the U.S. detracted -1.3%. As in Worldwide, our two largest detractors in South Korea were Hyundai Motors and Samsung Electronics. In the U.S., we hold News Corporation and Schlumberger as we believe the majority of their revenues come from overseas. As in the Worldwide Fund, we took advantage of what we believe to be a temporary price impairment in Schlumberger to add to our position.

A few other names to which we added significantly as they came down this year: Allied Irish Bank, Samsung Electronics, Boskalis (another name Charles discussed in his July Barron's interview) and Richemont.

Cash and gold helped both Funds when we needed them to – especially at the beginning and end of the year. For the calendar year, gold was down -1.7% and detracted -0.01% from each Fund. In Worldwide, exposure increased from 5.5% to 6.4% and from 6.8% to 7.7% in International.

There were few changes in the fixed income portion of our Funds in 2018, as we believe the asset class is grossly overpriced. Two of our holdings, Rowan and Ensco, are set to merge. We believe this is a positive development as it should lower costs. For the year, our holdings detracted -0.04% from Worldwide and -0.1% from International. Our currency hedges contributed 0.1% to both Funds. Other than our hedge on the Korean Won, which increased from 30% to 40% in both Funds throughout the year as our exposure to South Korea increased, the rest of our hedges remained relatively unchanged. Worldwide ended the year at: 40% Australian dollar, 10% euro, 25% Japanese yen. International ended the year at: 41% Australian dollar, 10% euro, 35% Japanese yen.

In addition to adding to existing names at discounted prices, we also found new names in both Funds. In the Worldwide Fund, we added Japanese company Askul, a copper miner in Mexico, a few Financials in South Korea, and Arcos Dorados in Uruguay (McDonald's largest franchise in the world, covering many countries in South America). In the International Fund (in addition to the new names that we added in Worldwide) we added a few new names in Europe and a healthcare name in South Korea.

Although we were very happy to take careful advantage of increased volatility throughout 2018, it should come as no surprise that we still held cash at the end of the year. Valuations came down in 2018 but they fell from exorbitantly high levels rarely seen before, thanks in large part to years of massive and coordinated yield manipulation by central bankers around the world. In the IVA Funds Semi-Annual Report, written in mid-May, we noted that "Global market capitalization to global GDP is hovering around 90%, a level reached only in 2000 and 2007. Subsequent 10-year returns for global index huggers were poor". For us to put more significant swathes of cash to work, valuations need to come further in line with both fundamentals and the reality of: rising interest rates, a cloudy global political and economic outlook, and questions around China's ability to engineer a successful soft landing after many years of torrid corporate credit growth. Once we see this reality check in the form of broad market capitulation, allowing us to buy a wide array of businesses across the globe at what we believe are appropriate discounts, you will see more meaningful amounts of cash put to work in the Funds.

We look forward to 2019. The Partners and many employees at IVA have the vast majority of their savings invested in the products we manage. We hope to see some of the names mentioned above to trade at levels we believe they deserve over the long term. In the meantime, we will continue to focus on valuations and only accept what we believe are appropriate discounts when we buy and hold securities.

Our cautious and time-tested investment process remains the same, as do our investment goals. In the short term we attempt to preserve capital, while over the longer term we seek to perform better than the MSCI All Country World Index in the case of the IVA Worldwide Fund and the MSCI All Country World ex-U.S. in the case of the International Fund.

Thank you for your continued support.

Happy 2019!

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Performance Information

(as of June 30, 2019)

Class	1 Year	5 Years*	10 Years*	Since Inception* (10/1/08)
IVA Worldwide Fund Class A (NAV)	1.65%	2.93%	6.98%	7.61%
IVA Worldwide Fund Class A (w/ 5% sales charge)	-3.43%	1.88%	6.43%	7.10%
MSCI All Country World Index (Net)	5.74%	6.16%	10.15%	7.74%
IVA International Fund Class A (NAV)	-2.14%	2.28%	6.74%	7.05%
IVA International Fund Class A (w/ 5% sales charge)	-7.01%	1.24%	6.19%	6.55%
MSCI All Country World Index (Ex-US)(Net)	1.29%	2.16%	6.54%	4.87%

*Annualized

Past performance does not guarantee future results.

Maximum sales charge for the A shares is 5.00%. The expense ratios for the funds are as follows: IVA Worldwide Fund 1.15% (Class A); IVA International Fund 1.16% (Class A). The inception date of both funds is October 1, 2008. Amounts redeemed within 30 days of purchase are subject to a 2.00% fee.

As of June 30, 2019, the IVA Worldwide Fund's top 10 holdings were: Gold bullion (6.2%); Berkshire Hathaway, Inc. Class A; Class B (4.1%); Compagnie Financiere Richemont SA (2.7%); Bank of America Corp. (2.6%); Bureau Veritas SA (2.6%); Bayerische Motoren Werke AG (2.5%); Samsung Electronics Co., Ltd. (2.4%); Astellas Pharma, Inc. (2.2%); AIB Group PLC (2.2%); Nestle SA (2.0%).

As of June 30, 2019, the IVA International Fund's top 10 holdings were: Gold bullion (7.4%); Bureau Veritas SA (3.1%); Compagnie Financiere Richemont SA. (3.0%); Astellas Pharma Inc. (3.0%); Samsung Electronics Co., Ltd. (2.9%); Bayerische Motoren Werke AG (2.7%); AIB Group PLC (2.6%); Nestle SA (2.5%); Sodexo SA (2.4%); Haw Par Corporation Limited (2.3%).

***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.*

***MSCI All Country World Index (ex U.S.) (Net)** is an unmanaged index consisting of 48 country indices, ex the US, comprised of 22 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.*

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

IVA FUNDS

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