



2020 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.

2020 will forever be remembered as a bruising, difficult year with the horrible COVID-19 virus and the struggles it unleashed, terrible social unrest and unprecedented political strife (especially with the U.S. election). Paradoxically, most financial markets ended the year in solid positive territory- some even marking new highs.

Over the full year the IVA Worldwide Fund Class I returned -0.44% versus the MSCI All Country World Index return of 16.25%, while the IVA International Fund Class I ended the year down -4.01% versus the MSCI All Country World ex-U.S. Index return of 10.65%. The glaring gap in performance is disappointing, and deserves explanation.

One consistent theme over the past few years is that value stocks have lagged behind their growth counterparts. This year was no exception. At the outset of the year, the economy seemed to be on strong footing with record low unemployment. We had hoped that this may finally result in an end to ultra-low interest rates which have served to push up most all risk asset prices and has dramatically favored growth stocks. However, this was not to be. COVID rapidly expanded in March and panic ensued. Policy makers once again came to the rescue using even more weapons this time, to try to restart the economy. From late March it's been a swift and speedy recovery like no other.

In this recovery, massive as it has been, all boats have not risen equally. A cursory look under the hood shows that the divergence between value and growth has continued to widen this year exacerbated by the virus. This variance can be seen through diverging performance results from the ACWI Value Index returned -0.33% while the ACWI Growth Index gained 33.60%. Similarly the ACWI ex-U.S. Value Index returned -0.77% while the ACWI ex-U.S. Growth Index gained 22.20%. Besides the continuation of low rates, technology has disrupted many industries erasing (maybe temporarily?) moats that used to exist. High flying technology stocks were further buoyed by worldwide lockdowns which favored a select few companies that were in a unique position of being able to thrive with people stuck at home (think- Amazon, Apple, Microsoft, Facebook, Zoom and Netflix for example). From the March 23rd low the NASDAQ Composite rose 89.1% through December 31st! Finally, the increasing popularity of passive investing is forcing the gradual liquidation of portfolios invested in small and mid-cap value stocks.

Unfortunately for us, in addition to the headwinds that value stocks have faced, international stocks have also lagged considerably. International indices were hit harder initially this year and have not bounced back with as much enthusiasm as their U.S. counterparts. To a large extent this is due to the makeup of the indices. Outside of the U.S. there are fewer technology companies (Technology makes up 27.5% of the S&P 500 compared to just 7.5% of the S&P Europe 350). Conversely, the largest weighting in Europe is Financials at 15.1% of the index vs. 10.3% in the U.S.

In terms of attribution, Consumer Discretionary names contributed 2.7% and Communications Services added 1.2% to the Worldwide Fund's performance over the year, while Industrials detracted -2.4% and Energy continued to stumble taking away -1.9% from the return. Germany and Switzerland were top performing countries in the portfolio each contributing approximately 0.9% and 0.8% respectively to performance, conversely Ireland detracted -1.6% and The Netherlands detracted -1%, mostly on poor performance from top holding Airbus during the pandemic. In the International Fund, the Consumer Staples (+0.7%) and Consumer Discretionary (+0.4%) sectors lead the way as Industrials (-2.42%) and Financials (-1.6%) detracted. In terms of geography, South Korean stocks were the top performers (+1.2%) followed by Switzerland (+1.0%) while Irish (AIB) (-1.9%) and The Netherlands (-1.4%) listed stocks declined.

Throughout the year some of our largest names turned in good performance including LKQ Corporation, BMW, and Grupo Mexico in the Worldwide Fund. The bottom three names in terms of performance came from Allied Irish Bank, Airbus and Astronics. Top performers in the International Fund for the year were BMW, Publicis Groupe, and Grupo Mexico. Allied Irish Bank, Airbus and Schlumberger detracted the most from the fund's performance.

We continue to see little opportunity in the Fixed Income space as we reduced our weighting from 2.2% one year ago to 0% today in both funds. Our Fixed Income holdings detracted from both portfolios (-1.16% in Worldwide and -1.88% in International) in 2020. Conversely, we have remained committed to our gold position (3.9% in Worldwide and 4.9% in International) as we think it is prudent to hold gold in these volatile times. Our gold position remains currently in the form of a few gold mining companies (as opposed to gold bullion-due to tax reasons) which should offer additional embedded leverage to the metal. The gold portion of the portfolios helped the performance of the funds last year (1.1% Worldwide and 1.8% International). It seems to us that this low rate environment should remain supportive for gold.

Throughout the year we reduced our currency hedges, ending the year mostly unhedged (except for hedging a small position we have vs. Thai Baht). This is due to the belief that the U.S. Dollar may continue to weaken against other major currencies. With the newly elected administration and congress, it seems probable that government debt will continue to grow.

The cash weighting in both funds increased over the year ending the year at 36.0% in Worldwide and 37.5% in International. While we were able to put a fair amount of cash to work when markets fell in March (roughly 10%), we have been net sellers over the second half of the year as markets bounced back and some names reached our intrinsic value estimates. Some new additions to the portfolios include Anheuser Busch InBev (Belgium), Heineken NV (Netherlands), Wells Fargo & Co (U.S. – Worldwide only) and Danone (France). Some names we exited and took profits are Acuity Brands (U.S. – Worldwide only), Samsung Electronics (South Korea), Hyundai Motor Group (South Korea) and Bank of America (U.S. – Worldwide only).

We believe now more than ever caution is in order. The pandemic crisis will have lasting and unpredictable consequences on society, the economy as well as a vast number of business models (travel, hospitality, retail to name a few). Although we seem to have more clarity now with the vaccine and hope life will revert back to normal soon, we are now facing elevated valuations, perhaps a U.S. stock market that seems to be in bubble territory, and more questions on how all of the debt in the system will unwind itself. What we consider “good businesses” seem to have rather steep prices, and though value stocks have lagged, they are nowhere near as cheap as they have been in previous crises.

What are we doing in this situation? Our analysts are busy valuing companies on the basis of reasonable multiples of our own 2022 earnings estimates – we are assuming the world economy in 2021 remains weaker versus 2019. We are attempting to understand and avoid risk and identify companies with the strength to survive a rocky road. We continue to favor well capitalized companies. These are challenging times for value investors, we detailed the headwinds above, however we question what the alternatives are? The idea of purposely owning exceedingly expensive assets (both stocks and bonds) because value investing has done so poorly for so long, is truly a misguided idea. We believe that with a three-year view many names we own which are substantially undervalued today will outperform more fully valued defensive or growth equities when the world economy comes out of its funk. We also think there may be light at the end of the tunnel for international stocks, especially if the U.S. dollar continues to weaken.

Performance Information (as of December 31, 2020)

Class	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* (10/1/08)
IVA Worldwide Fund Class I	-0.44%	1.31%	4.74%	4.59%	7.16%
MSCI All Country World Index (Net)	16.25%	10.06%	12.26%	9.13%	8.83%
IVA International Fund Class I	-4.01%	-1.42%	2.92%	4.09%	6.41%
MSCI All Country World Index (ex-U.S.) (Net)	10.65%	4.88%	8.93%	4.92%	5.70%

*Annualized

See disclosure on the following page.

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 Funds.*

Maximum sales charge for the A shares is 5.00%. The expense ratios for the funds are as follows: IVA Worldwide Fund 0.91% (Class I); IVA International Fund 0.92% (Class I). 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 December 31, 2020, the IVA Worldwide Fund's top 10 holdings were: Berkshire Hathaway, Inc. Class A; Class B (6.2%); Bayerische Motoren Werke AG (3.8%); Astellas Pharma, Inc. (3.7%); Compagnie Financiere Richemont SA (3.5%); Newmont Corporation (3.1%); LKQ Corp. (3.1%); Western Union Company (2.3%); Publicis Groupe SA (2.1%); Danone SA (2.0%); Sodexo SA (2.0%).

As of December 31, 2020, the IVA International Fund's top 10 holdings were: Astellas Pharma, Inc. (4.6%); Bayerische Motoren Werke AG (4.3%); Newmont Corporation (4.1%); Compagnie Financiere Richemont SA (3.9%); Danone SA (3.2%); UBS Group AG (2.7%); Bureau Veritas SA (2.5%); Publicis Groupe SA (2.4); Sodexo SA (2.2%); Heineken NV (1.9%).

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 52 country indices comprised of 24 developed and 28 emerging market country indices and is calculated with dividends reinvested after deduction of withholding tax. Unlike the composite the index has no expenses. 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 51 country indices comprised of 23 developed and 28 emerging market country indices and is calculated with dividends reinvested after deduction of withholding tax. Unlike the composite the index has no expenses. 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 MSCI All Country World Value Index (ex-U.S.) (Net) *is an unmanaged index that captures securities exhibiting overall value style characteristics. It consists of 48 country indices 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.*

The MSCI All Country World Growth Index (ex-U.S.) (Net) *captures large and mid-cap securities exhibiting overall growth style characteristics across 22 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 NASDAQ Composite Index *is the market capitalization-weighted index of over 2,500 common equities listed on the NASDAQ stock exchange.*

The S&P 500 Index *is a market-capitalization-weighted index of 500 of the largest publicly traded companies in the U.S.*

The S&P Europe 350 Index *consists of 350 leading blue-chip companies drawn from 16 developed European markets.*

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 Foreside Fund Services, LLC.



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