



International Real Estate

VALUE WITH CATALYSTS

Executive Summary:

- International real estate offers exposure to unique supply-and-demand drivers, in addition to inflation and diversification benefits for most portfolios. Further, real estate companies listed outside of the U.S. currently offer attractive valuation and growth characteristics, as well as opportunities for active managers to benefit from inefficient pricing with a lack of competition.
- The Third Avenue International Real Estate Value Fund (“the Fund”) has delivered investors excess returns of approximately 7.0% per year for the last 5 years¹ compared to the benchmark², further complemented by superior portfolio risk metrics³. The investment team is highly experienced with a differentiated and concentrated value approach to investing.
- The Fund is a distinct portfolio that represents “value with catalysts”, such as supply chain nearshoring, a spike in immigration in western markets, high growth in immature asset classes, and valuations that are cheaper than previous “crisis” levels in certain cases. These drivers could be enhanced further by “macro” catalysts including lower interest rates and a weaker U.S. dollar.

Why International listed real estate?

International listed real estate comprises a universe of over 400 potential investments with more than U.S.\$1 trillion of market cap across 40 countries and 14 real estate asset types.

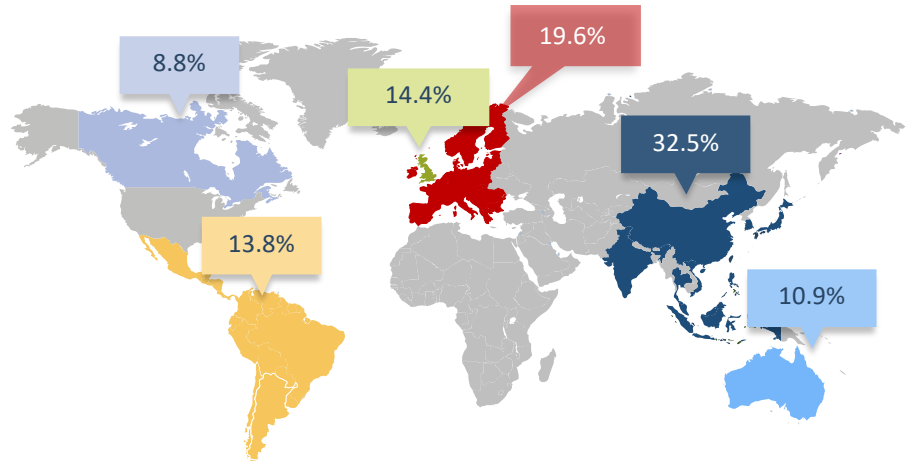
Most investors are well aware of the benefits of incorporating a real estate allocation into the portfolio construction process, including the prospects to earn income and capital appreciation, while also having the potential to protect against inflation and enhancing diversification. That said, many U.S.-based investors are less familiar with the advantages of adding an international component, some of which include varied supply-demand drivers, differing valuations and interest rate exposures, and an added layer of diversification within a balanced portfolio.

For those seeking such benefits, it has been Third Avenue’s experience that international real estate strategies are most strategically accessed through the listed markets (real estate securities) due to three primary factors:

1. The highest quality real estate available outside the U.S. is generally controlled by publicly traded Real Estate Investment Trusts or Real Estate Operating Companies.
2. These entities are often led by specialized management teams that have a track record of adding value in their local market and asset type.
3. A select set of niche asset types that are less mature than the U.S. and have a lengthy growth opportunity (such as self-storage, multifamily, and datacenters) are often only available in listed companies.

DIVERSE REGIONAL EXPOSURE¹

- LATAM
- Canada
- Europe
- UK
- Asia
- Australia/NZ



Source: Bloomberg, Third Avenue Management.

¹Third Avenue International Real Estate Value Geographic exposure at 09/30/2023

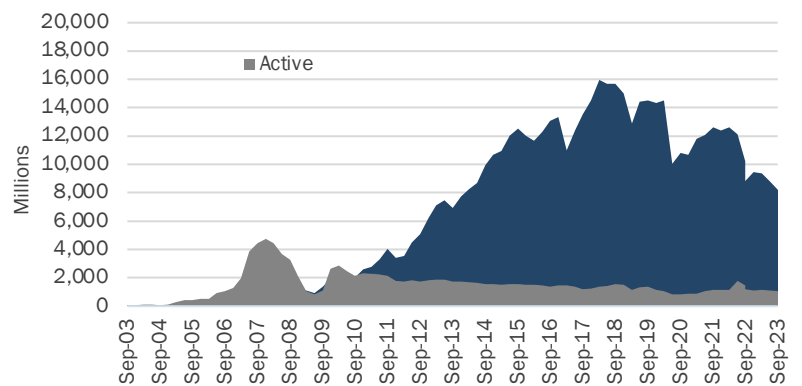
Regional exposure reflects where the assets are located.

As a result, these types of exposures are difficult to replicate in private funds, with the majority of international real estate companies also benefiting from well-capitalized balance sheets and much more favorable management fees than often found in private equity vehicles.

It has also been Third Avenue’s experience that outside of the U.S., listed real estate has a lack of active management by a dedicated investor base, which creates an investment opportunity for active managers. In fact, the majority of international real estate funds are passive products that track an index as shown to the right.

The lack of active management is one of the reasons why share prices are often disconnected from private market pricing, in our view, and are frequently cheaper compared to U.S. REIT valuations, creating opportunities for fundamental investors across both geographic markets and asset types.

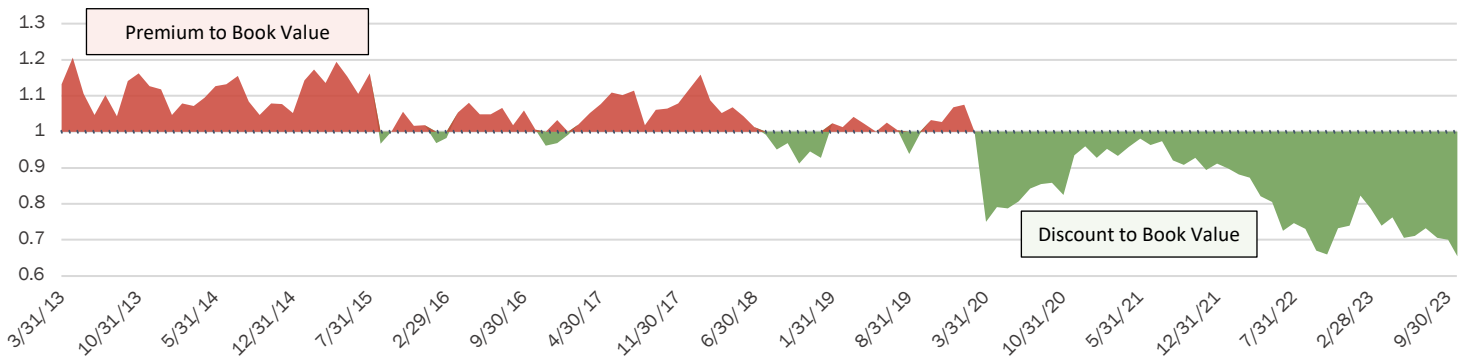
ASSETS UNDER MANAGEMENT FOR INTERNATIONAL REAL ESTATE FUND ACTIVE V PASSIVE



Source: Bloomberg, Third Avenue Management.

Active includes five mutual funds currently focused on investing in international public real estate securities. Passive includes five ETFs focused on investing in international public real estate securities. These were all picked by Third Avenue and are considered our closest peers. Not all of these funds existed from the initial date of the chart.

ATTRACTIVE VALUATION OPPORTUNITY



Source: Third Avenue Management, Bloomberg, FTSE EPRA NAREIT Developed Index

Book value is the sum of the amounts of all the line items in the shareholders' equity section on a company's balance sheet. When the underlying share price is trading at a discount to the book value of the company this can be considered attractive to fundamental investors like Third Avenue.

Additionally, improved tax laws and regulations have created a large growth opportunity for new REITs as more assets are securitized into public markets, with some highlighted in the chart to the right. Real estate capital markets in Asia and emerging markets offer upside and a growing set of investment opportunities through increased levels of securitization.

Why Third Avenue?

The Third Avenue International Real Estate Value Fund is one of the few actively managed strategies dedicated to the listed space and supported by a four-person team that is highly experienced in international real estate investing. The Fund has a broad investible universe that extends beyond a passive index and includes REITs, Real Estate Operating Companies, Homebuilders, Real Estate Services Companies, and Diversified Companies that have significant real estate holdings. As such, the Fund is benchmark (index) agnostic, with a differentiated style focusing on compounding real estate and special situations. Furthermore, the Fund is prudently concentrated with 20-30 holdings (the top 10 positions typically representing approximately 50% of the Fund) while adhering to a long-term, value-oriented approach to investing with low turnover that limits transaction costs.

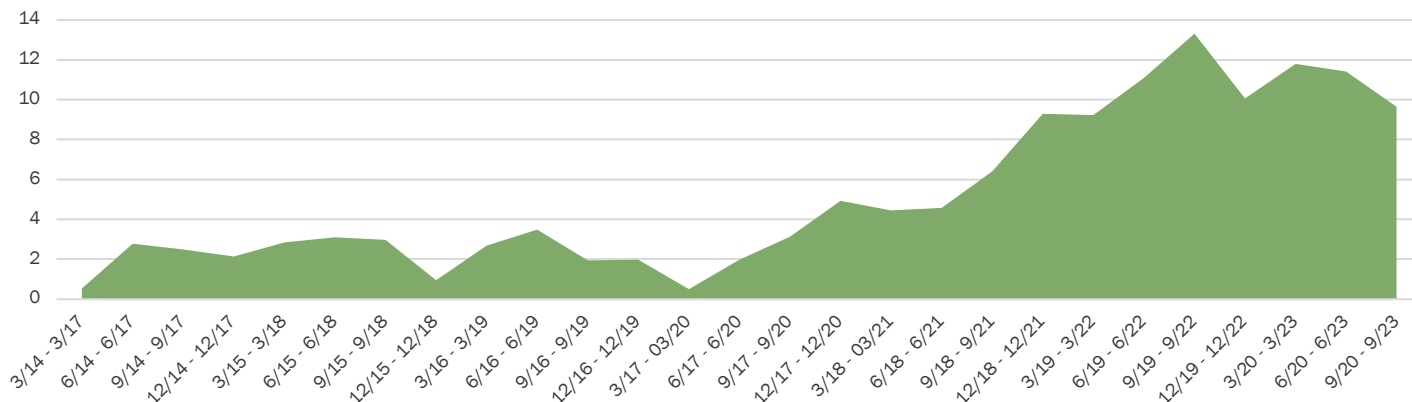
Since its inception, the Fund has generated attractive relative total returns, with high levels of excess return above the benchmark¹ as shown in the following chart. The near decade-long track record supports our view that active management can add meaningful value in listed International Real Estate over time.

EXPANDING OPPORTUNITIES IN LISTED REITS



Source: Third Avenue Management, Company Reports
 Companies listed above may not be existing holdings of the International Real Estate Value Fund.
 Holdings are subject to change and are not a recommendation to buy or sell any security.

3-YEAR ROLLING ANNUALIZED ALPHA*



Past performance is not a guarantee of future results.
 Comparative index is the FTSE EPRA Nareit Global ex U.S. Index.

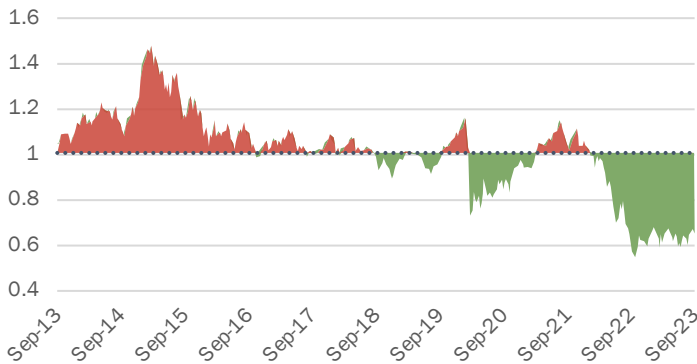
We believe Third Avenue’s track record of superior stock selection is the result of an analytical framework that favors discounted investments with favorable growth characteristics, quality management with aligned incentives, well-capitalized balance sheets, together with sustainability criteria with an emphasis on strong corporate governance. A continued emphasis on these factors should generate superior risk-adjusted returns over the long term.

Why Invest now?

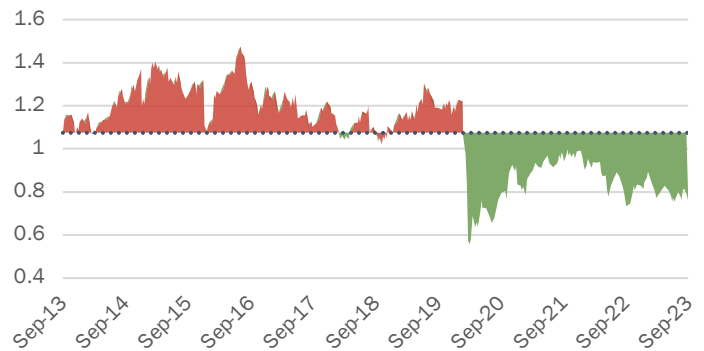
Put simply, international real estate can be viewed as “value with a catalyst” in a number of cases. As a matter of fact, international real estate is as attractively priced as it has been in the listed markets (in both absolute and relative terms) in many decades at the same time that the growth characteristics are seemingly superior to more widely-held U.S. REITs as presented in the chart below.

PRICE TO BOOK⁴ BY GEOGRAPHIC REGION

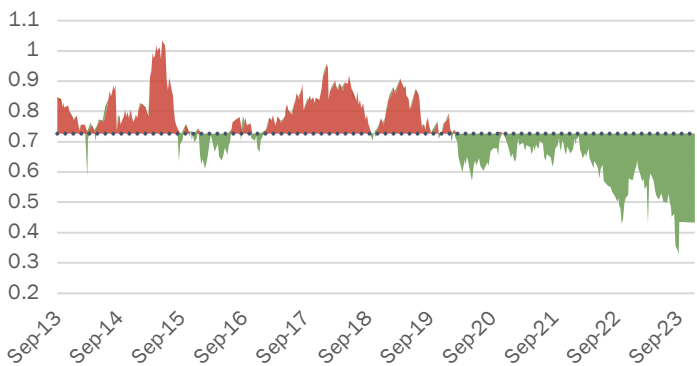
Europe



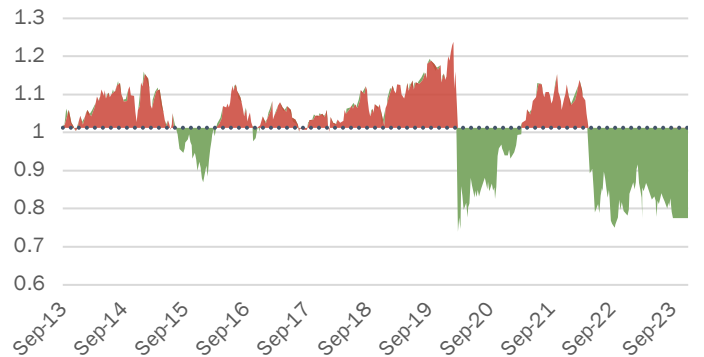
Australia



Hong Kong/China



Canada



Source: Bloomberg

Alongside this value proposition, the Fund is also exposed to a select set of underlying investments that have positive catalysts presenting prospects to further drive shareholder returns including:

1. Unique supply-and-demand drivers with the Fund’s holdings primarily exposed to: (i) supply chains that are adapting to geopolitical and post-pandemic realities, including industrial real estate in Mexico, Central/Eastern Europe, South-East Asia; (ii) residential markets in Australia, Canada, the UK, and Ireland experiencing a sustained increase in immigration; and (iii) emerging self-storage platforms, which is an immature asset class outside the U.S. and offers a long pathway of growth opportunity in Canada, Australia, the UK, and Europe.
2. The prospects for “resource conversion” such as asset sales, mergers and acquisitions (M&A), share buybacks, and special dividends are likely to be a driver of value creation for listed real estate companies as these markets further mature. For example, the existing Fund-holding Swire Pacific recently sold non-core assets and made a special distribution. In fact, Third Avenue’s fundamental investment process has resulted in many of the Fund’s investments benefitting from both public and private M&A over the life of the Fund.
3. The potential for international real estate to benefit from a “return to the mean” not only on the valuation front but also from a currency standpoint. Put otherwise, interest rates seem to be peaking in several markets (and even declining in some countries), which should provide a positive tailwind for international real estate securities together with the prospect of a weaker U.S. dollar also enhancing returns in many cases.

Conclusion:

- International real estate offers diversification benefits, as well as opportunities for active managers to benefit from inefficient pricing with a lack of competition.
- Fund Management has delivered investors excess returns of approximately 7.0% per year for the last 5 years¹ compared to the benchmark², further complemented by superior portfolio risk metrics³. The investment team is highly experienced with a differentiated and concentrated value approach to investing. The Third Avenue International Real Estate Value Fund represents a distinct portfolio that could be currently viewed as representing “value with catalysts”.

TOP TEN HOLDINGS

as of 9/30/23

CTP NV	5.9%
Corp. Inmobiliaria Vesta SAB de CV	5.8%
Glenveagh Properties Plc	5.1%
National Storage REIT	4.8%
Big Yellow Group PLC	4.8%
Tosei Corp.	4.8%
Swire Pacific, Ltd. Class B	4.4%
Nomura Real Estate Holdings, Inc.	4.2%
StorageVault Canada, Inc.	4.1%
ESR Group Ltd.	4.1%
TOTAL	48.0%

Allocations are subject to change without notice

PERFORMANCE AND EXCESS RETURN

as of 9/30/23

	Annualized					
	3 Mo	YTD	1 Yr	3 Yr	5 Yr	Inception*
Third Avenue International Real Estate Value Fund	-5.60%	0.00%	6.13%	4.44%	3.02%	4.09%
FTSE EPRA Nareit Global ex U.S. Index ¹	-2.86%	-7.06%	2.95%	-5.19%	-3.95%	0.39%
Third Ave In'l Real Estate Value Fund Excess Return	-2.74%	7.06%	3.18%	9.64%	6.97%	3.70%

*Institutional Class inception date: March 19, 2014. Effective 6/22/2021, the benchmark for the Third Avenue International Real Estate Value Fund changed from MSCI All Country World Real Estate ex US Index to the FTSE EPRA Nareit Global ex US Index.

Performance is shown for the Third Avenue International Real Estate Value Fund (Institutional Class). Past performance is no guarantee of future results; returns include reinvestment of all distributions. The chart represents past performance and current performance may be lower or higher than performance quoted above. Investment return and principal value fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. For the most recent month-end performance, please visit the Fund's website at www.thirdave.com.

¹ References Performance and Excess Return Table above.

² FTSE EPRA Nareit Global ex US Index is designed to track the performance of listed real estate companies and REITS in both developed and emerging markets. By making the index constituents free-float adjusted, liquidity, size and revenue screened, the series is suitable for use as the basis for investment products, such as derivatives and Exchange Traded Funds (ETFs). It is not possible to invest directly in an index

³ As of 9/30/23, the following portfolio risk metrics are superior to the benchmark based on trailing 5-year annualized data: Fund Standard Deviation 17.93% vs Benchmark 18.95%, Beta 0.89

⁴ Price to Book - Weighted harmonic average of the ratio of current share price to its book value per share of each security holding invested in the portfolio.

IMPORTANT INFORMATION

This publication does not constitute an offer or solicitation of any transaction in any securities. Any recommendation contained herein may not be suitable for all investors. Information contained in this publication has been obtained from sources we believe to be reliable, but cannot be guaranteed.

The information in this portfolio manager letter represents the opinions of the portfolio manager(s) and is not intended to be a forecast of future events, a guarantee of future results or investment advice. Views expressed are those of the portfolio manager(s) and may differ from those of other portfolio managers or of the firm as a whole. Also, please note that any discussion of the Fund's holdings, the Fund's performance, and the portfolio manager(s) views are as of September 30, 2023 (except as otherwise stated), and are subject to change without notice.

Certain information contained in this letter constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" or "believe," or the negatives thereof (such as "may not," "should not," "are not expected to," etc.) or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of any fund may differ materially from those reflected or contemplated in any such forward-looking statement. Current performance results may be lower or higher than performance numbers quoted in certain letters to shareholders.

Date of first use of portfolio manager commentary: September 30, 2023

Fund Risks: In addition to general market conditions, the value of the Fund will be affected by the strength of the real estate markets. Factors that could affect the value of the Fund's holdings include the following: overbuilding and increased competition, increases in property taxes and operating expenses, declines in the value of real estate, lack of availability of equity and debt financing to refinance maturing debt, vacancies due to economic conditions and tenant bankruptcies, losses due to costs resulting from environmental contamination and its related clean-up, changes in interest rates, changes in zoning laws, casualty or condemnation losses, variations in rental income, changes in neighborhood values, and functional obsolescence and appeal of properties to tenants. The Adviser's use of its ESG framework could cause it to perform differently compared to funds that do not have such a policy. The criteria related to this ESG framework may result in the Fund's forgoing opportunities to buy certain securities when it might otherwise be advantageous to do so, or selling securities for ESG reasons when it might be otherwise disadvantageous for it to do so. For a full disclosure of principal investment risks, please refer to the Fund's Prospectus.

The fund's investment objectives, risks, charges, and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company, and it may be obtained by calling 800-443-1021 or visiting www.thirdave.com. Read it carefully before investing.

Distributor of Third Avenue Funds: Foreside Fund Services, LLC

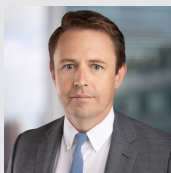
REIFX Gross/Net Expense Ratio: 1.59%/1.00% ‡, REIZX Gross/Net Expense Ratio: 1.52%/1.00%

‡ The Advisor has contractually agreed to waive its fees and reimburse expenses so that the annual operating expenses for the Fund do not exceed 1.00% of the Fund's average daily net assets until March 1, 2024. This limit does not apply to taxes, interest, brokerage commissions, acquired fund fees and expenses, dividend and interest expense on short sales or other extraordinary expenses not incurred in the ordinary course of business. If fee waivers had not been made, returns would have been lower than reported.

Standard Deviation: For mutual funds, the standard deviation measures the variation of returns against a market index or another fund. The higher the variation, the higher the risk of investing in the fund.

BETA: Beta (β) is a measure of the volatility—or systematic risk—of a security or portfolio compared to the market or an index as a whole.

PORTFOLIO MANAGER



Quentin Velleley, CFA

*Joined Third Avenue in 2020
20 yrs investment experience*



THIRD AVENUE
MANAGEMENT

The Third Avenue International Real Estate Value Fund (the "Fund") seeks to achieve long-term capital growth and current income through a portfolio of securities of publicly traded real estate companies located outside the U.S. that may include REITs, real estate operating companies and other publicly traded companies whose asset base is primarily real estate.

If you would like further information, please visit the strategy page at <https://thirdave.com/strategy-reifx/> or contact a Relationship Manager at:

E: clientservice@thirdave.com **P:** 212.906.1160