INTERNATIONAL REAL ESTATE VALUE FUND

THIRD AVENUE MANAGEMENT

AS OF MARCH 31, 2021

INSTITUTIONAL: REIFX | Z: REIZX

PORTFOLIO MANAGER COMMENTARY

QUENTIN VELLELEY, CFA

Dear Fellow Shareholders:

PERFORMANCE

We are pleased to provide you with the Third Avenue International Real Estate Value Fund's (the "Fund") report for the period ended March 31, 2021. For the first quarter of 2021, the Fund returned +2.43%, similar to the most relevant benchmark, the MSCI All Country World Real Estate ex US Index (the "Index"), which returned +2.54% for the same period. Over the last year, the Fund generated a positive return of +44.34%, outperforming the index which returned +29.96%. The key contributors to performance during the quarter included the Fund's investments in Asian exposed diversified real estate value investments, Swire Pacific (Hong Kong/China) and Capitaland (Singapore). Detractors to performance included BR Properties (Brazil, office) and NextDC (Australia, datacenters).

PERFORMANCE AND ALPHA GENERATION

As of March 31, 2021

			Annualized		
	3 mo	1 yr	3 yr	5 yr	Inception*
Third Ave Int'l Real Estate Value Fund (REIFX)	2.43%	44.34%	6.49%	9.11%	6.51%
MSCI ACWI Real Estate ex US Index	2.66%	30.57%	1.83%	5.43%	4.70%
MSCI US REIT Index	8.76%	37.69%	9.50%	5.31%	6.99%
Third Ave Int'l Real Estate Alpha v Benchmark	-0.23%	13.78%	4.66%	3.68%	1.81%

*Inception Date 5/8/2014. Source: TAM, Company Reports, Bloomberg.

INTRODUCTION

Since we began investing outside the US nearly two decades ago, Fund Management has often found the most deeply discounted real estate investment opportunities in Asian-based real estate companies not in a REIT structure. Despite attractive long-term growth prospects, high quality assets and well capitalized balance sheets, discounts have often persisted. These discounts have been partially driven by a controlling shareholder's reluctance to address the concerns of minority shareholders, and hence foreign investor's skepticism in allocating capital to them. Recently there have been several examples of improved shareholder alignment in these Asian real estate companies, and in a few cases, outright resource conversion involving privatizations or spin outs. This was the case last year when the Fund's investment in Wheelock (Hong Kong) was privatized by the controlling family at a 52% premium. Other recent examples have included Hong Kong listed Chinese homebuilders creating value by spinning out valuable property services companies. There are now even several examples of notoriously shareholder 'unfriendly' Japanese real estate operating companies buying back deeply discounted shares, hinting at improved corporate governance and focusing on improving metrics like return on equity.

Along these lines, Singapore listed real estate company **Capitaland**, a Fund holding, announced a substantial restructuring with the intent of simplifying its organizational structure and becoming more of an 'asset light' investment manager during the quarter. The announcement was welcome news. Capitaland has persistently traded at wide discounts to the book value of its real estate, and an even wider discount to net asset value when giving appropriate value to the >S$700m of annual revenue Capitaland generates from real estate investment management. The restructuring, which is subject to shareholder approval, essentially involves the divestment of a large portfolio of assets under development, with shareholders set to receive cash amounting to over a quarter of the current share price in consideration. Capitaland will retain ownership stakes and management of 6 listed REITs and more than 20 private equity funds, together with a serviced residential platform managing 123,000 units globally. In addition, the new Capitaland will retain more than S$10bn of real estate assets on its balance sheet that can be monetized and/or recycled into new funds over the next 3 years.

Capitaland's board and management are taking a step to improve shareholder returns by simplifying and reducing the cash flow drag of long dated capital-intensive development projects. Eventually, if Capitaland successfully executes the restructuring and proves its ability to grow cash flows, shares could begin to trade at valuations more similar to real estate investment management peers in North America, Europe and Australia. These entities often trade at premiums to net asset value and earnings multiples above 20x. Fund management is confident this restructuring process can positively impact Capitaland's operational performance, and as such the Fund continues to hold a 5.7% position in Capitaland.

An investment opportunity that has some similar attributes to Capitaland was initiated in the Fund over the quarter in the Hong Kong listed shares of Mainland China property company **China Vanke**. As readers of this quarterly report will be well aware, Fund Management has long been cautious when investing capital in companies exposed to mainland China given various risks, including poor transparency, high balance sheet leverage, weak governance, and poor Environmental/Social/Governance ("ESG") rankings. To these risks, China Vanke is an exception.

The company is very well capitalized with low debt to assets and an investment grade credit rating from three international ratings agencies. The company has been publicly listed since 1991 and is one of China's largest real estate companies with a total equity market cap of almost US$50bn. Unlike many listed Asian property companies, the management team is not controlled by a family and is well aligned with minority shareholders given management's variable remuneration is largely dependent on their ability to generate attractive return on equity. China Vanke is also one of the leaders in sustainability in mainland China, arguably ahead of many US REITs in disclosures.

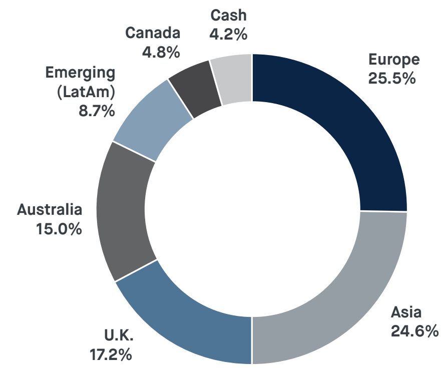
China Vanke's Hong Kong listed shares currently trade at about a 6x earnings multiple, 40% below net asset value, and despite having a low payout ratio, offers a 5% dividend yield. In addition to China Vanke's undemanding valuation, what's interesting is its portfolio of 'non-core' real estate which it has built up over recent years by reinvesting substantial profits from the core homebuilding business into new developments and real estate technology. These 'non-core' assets include a multifamily portfolio of over 184,000 units across China, and a large shopping center portfolio. Vanke is also one of China's largest owners of new logistics and cold storage facilities with over 120 million square feet, in addition to owning a 21% stake in leading global logistics real estate company GLP. Vanke has expanded operations of a highly profitable property services business with contracts to manage over 6 billion square feet of real estate. In aggregate, these assets account for roughly half of our assessment of China Vanke's net asset value.

With listed China peers successfully creating shareholder value by spinning out valuable real estate services divisions, there is the growing possibility that over time China Vanke could do the same. If China Vanke elects to monetize some of the above non-core assets, significant shareholder value could be created. Regardless of any resource conversion, our analysis suggests China Vanke is well positioned to deliver attractive double digit returns through a combination of dividend yield and compounding net asset value.

In addition to the China Vanke investment, over the quarter Fund Management directed capital into existing real estate value opportunities in Asia. As a result, the Fund's exposure to Asia (ex-Japan) increased to 25%, up from 18% at the start of the quarter, with a corresponding reduction in the Fund's exposure to continental Europe. However, the Fund's significant 12% exposure to Dublin, Ireland residential real estate has been maintained. With the Irish government's imposed COVID lockdowns delaying new home construction, the deep structural supply imbalance in Dublin has deteriorated further. Over time this will be a positive for our multifamily and homebuilding investments in Dublin which continue to trade at attractive discounts versus global peers.

COUNTRY/REGION EXPOSURE AS OF MARCH 31, 2021

THIRD AVENUE INTERNATIONAL REAL ESTATE VALUE



Source: TAM, company disclosures and Bloomberg

Over the quarter the Fund maintained an approximate 15% exposure to Australian real estate. A new position was initiated in the Australian-listed entity owning Australia's busiest airport 'Sydney Airport'. We view Sydney airport as perhaps one of Australia's most important assets, accounting for about a quarter of all Australian passenger flights, and almost half of Australia's air cargo. Approximately half of Sydney Airport's revenue is derived from traditional real estate income such as retail, logistics, office, hotel, and paid parking. The other half is generated from aeronautical services paid by airlines which is not regulated or subject to government concession. Furthermore, the Airport holds more than 300 acres of prime land only five miles from Sydney's Central Business District that over time can be developed into mixed use real estate. Following an equity raise last year, the entity is well capitalized with over $3.5bn of liquidity.

Unlike most enclosed retail mall assets, the retail at Sydney Airport is not broadly subject to the structural challenges from e-commerce. The duty-free section will have an ongoing price advantage for travelers, and the large amount of food and beverage services has a captive audience of 44 million annual travelers (pre-COVID). The airport could actually be a net beneficiary of e-commerce given substantial land for logistics development. Shares in Sydney Airport continue to trade well below pre-COVID peaks on attractive valuation metrics for such a high-quality asset and very well could recover as travel resumes following the pandemic, and as management continues to add value over many years by densifying the asset.

POSITIONING

After incorporating the above activity over the quarter, **34% of the Fund's capital is invested in Commercial Real Estate** (15% office, 12% industrial/logistics, and 7% retail). The Fund's exposure to commercial real estate remains substantially less than the Fund's index. Of note, the Fund continues to limit exposure to retail real estate, holding no pure play retail REIT investments. While interesting retail REIT value opportunities might present themselves in the future, for now the e-commerce induced structural headwinds globally are likely to produce negative income growth and asset value uncertainty in the near term. The Fund's lower than index office exposure continues to focus on well managed, high quality modern buildings that are likely to be in high demand post-COVID as businesses increasingly prefer efficient space for productivity, health and environmental concerns. These investments include Derwent London, which is mostly exposed to London's West End, Swire Pacific which is exposed to Island East and Admiralty in Hong Kong, and BR Properties exposed to Sao Paulo and Rio de Janeiro in Brazil. The industrial/logistics exposure is concentrated in two positions benefiting from structural tailwinds that should see them compound attractive returns for a number of years. The main exposures are through Vesta in Mexico and VIB Vermogen in southern Germany. Both are structured as real estate operating companies and tend to retain a good proportion of earnings to reinvest into high yielding projects.

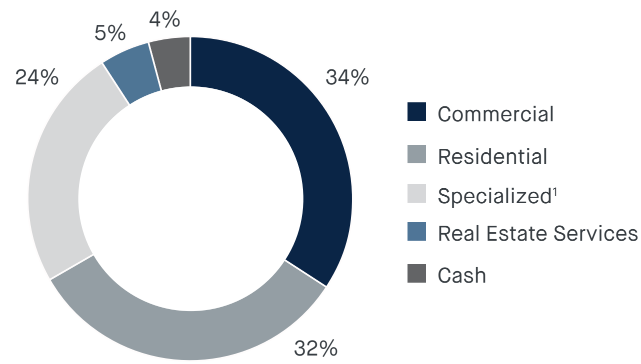
The Fund has **32% of its capital invested in residential real estate** evenly split between multifamily rental and residential development. The residential development component includes homebuilders in Ireland (Glenveaugh) and Spain (Aedas), and diversified developers with exposure to China/Hong Kong (China Vanke, Wharf) and the UK (St Modwen). The Fund's multifamily investments are in Ireland (Irish Residential) and the UK (Grainger) where multifamily remains an immature asset class with a long pathway of growth. The Fund's third dedicated multifamily investment is in Canadian listed Boardwalk REIT, based in Alberta. Despite improving fundamentals, Boardwalk continues to trade at roughly half of its 2014 peak share price. The Alberta economy has fared surprisingly well despite several years of low commodity prices. If the recent improvement in commodity prices globally is sustained, Boardwalk REIT should be positively impacted.

The Fund is **24% exposed to specialized real estate** asset classes (self-storage 14%, datacenters 8%, infrastructure 2%) compared to the Fund's index which only has about 1% exposure to these specialized asset types. The Fund continues to have a positive long-term view on these asset classes given demand tailwinds. In the case of self-storage, the Fund's three investments (National Storage Australia, Big Yellow UK, Shurgard Europe) all feature low maintenance capex, high return on growth capex and supply levels across their markets that are a fraction of the US.

Finally, the Fund is **5% exposed to real estate services**, mostly through Australian fund manager Centuria Capital, and has a **4% cash position** at the end of the quarter with the Fund's allocations across these various asset types outlined in the chart to the right.

ASSET TYPES AS OF MARCH 31, 2021

THIRD AVENUE INTERNATIONAL REAL ESTATE VALUE



Source: TAM, company disclosures and Bloomberg

FUND COMMENTARY

One of the benefits of investing in public liquid markets is that capital can be allocated across regions or asset types based on the best opportunities. This was highlighted this quarter as some of the Fund's capital was moved from continental Europe into Asia, where a deep mispricing of listed real estate is present. Asian countries have generally done better with COVID in terms of health impact and limiting the economic impact of tight lockdowns and government regulations. The Fund's investment exposure to the UK and Ireland has been the hardest impacted by government-imposed lockdowns. However, both countries are emerging from these lockdowns and we expect a surge in post-COVID activity to benefit the Fund's exposure to these countries. Given the positioning of the Fund, the majority of investments have been able to maintain earnings, with some even growing throughout COVID. However, the Fund has several investments set to benefit from economies re-opening, with Sydney Airport being a prime example. Across the portfolio, we expect to see a pick-up in post-COVID economic activity being a positive driver for operating fundamentals and share prices.

In addition to tailwinds from economies reopening, we expect that the trends in ESG requirements could be a positive for the Fund. The Fund's investment process has included ESG analysis for over four years. We consider many of the Fund's investments to be at the forefront of sustainability in global real estate investment, which is difficult to replicate in private real estate investment vehicles. A recent example comes from the Fund's investment in Spanish/Portuguese diversified REIT Merlin Properties. An issue for many corporations globally is that with increased technology adoption and data usage, datacenters which house and transfer data can use substantial amounts of water (for cooling) and energy. Hence for technology businesses, data can be the largest single user of water and generator of carbon emissions. In an attempt to solve for this, Merlin announced a long-term partnership devoted to 'net zero digital infrastructure', to build a major network of ultra-efficient, waterless data centers in the cities of Madrid, Bilbao, Barcelona and Lisbon, within Merlin's existing land bank. In addition to strengthening Merlin's ESG ranking, and

1 Specialized includes self-storage, datacenter, airport and healthcare.

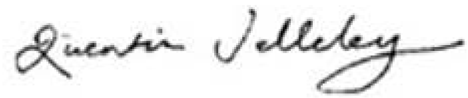
subject to further details, a venture such as this could generate attractive economic returns for shareholders in the future.

We often note that international listed real estate companies are ahead of their US peers in sustainability best practice, and innovative partnerships such as Merlin's reiterate this point. With increased emphasis on ESG, those real estate companies that can offer their tenants or end users a 'sustainable' product are likely to benefit from incremental demand compared to those who cannot. As such, investing in sustainable listed real estate companies should not just be viewed as an option only for 'ESG' focused investors, but also for investors who might be solely focused on risk adjusted total returns.

We remain positive on the outlook for the Fund and thank you for your continued support. Please don't hesitate to contact us with any questions, comments, or ideas at realestate@thirdave.com.

Sincerely,

The Third Avenue Real Estate Team



Quentin Velleley, CFA

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 March 31, 2021 (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: April 19, 2021

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. For a full disclosure of principal investment risks, please refer to the Fund's Prospectus.

Alpha, often considered the active return on an investment, gauges the performance of an investment against a market index or benchmark that is considered to represent the market's movement as a whole. The excess return of an investment relative to the return of a benchmark index is the investment's alpha. Source: Investopedia

The **MSCI All Country World Real Estate ex USA Index** is a free float-adjusted market capitalization index comprised of foreign stocks representing companies in 22 developed and 26 emerging markets engaged in the ownership, development, and management of specific core property type real estate. The index excludes companies, such as real estate services and real estate financing companies, that do not own properties.

The **MSCI US REIT Index** is a free float-adjusted market capitalization weighted index that is comprised of equity Real Estate Investment Trusts (REITs). The index is based on the MSCI USA Investable Market Index (IMI), its parent index, which captures the large, mid and small cap segments of the USA market. With 138 constituents, it represents about 99% of the US REIT universe and securities are classified under the Equity REITs Industry (under the Real Estate Sector) according to the Global Industry Classification Standard (GICS®), have core real estate exposure (i.e., only selected Specialized REITs are eligible) and carry REIT tax status.

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AS OF MARCH 31, 2021

INSTITUTIONAL: REIFX | Z: REIZX

FUND PERFORMANCE

As of March 31, 2021

	3 mo	1 yr	3 yr	5 yr	Inception	Inception Date
Third Ave International Real Estate Value Fund (Institutional Class)	2.43%	44.34%	6.49%	9.11%	6.51%	5/8/2014
Third Ave International Real Estate Value Fund (Z Class)	2.52%	44.42%	6.27%	N/A	6.38%	4/20/2018

REIFX Gross/Net Expense Ratio: 1.69%/1.03%, REIZX Gross/Net Expense Ratio: 1.59%/1.03%

The Adviser has contractually agreed to waive its fees and reimburse expenses so that the annual fund operating expenses for the Fund do not exceed 1.00% of the Fund's average daily net assets until April 30, 2021. This limit does not apply to distribution fees pursuant to Rule 12b-1 Plans, brokerage commissions, taxes, interest, short-sale dividends, acquired fund fees and expenses, other expenditures capitalized in accordance with generally accepted accounting principles 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.

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 call 1-800-673-0550.

TOP TEN HOLDINGS

Allocations are subject to change without notice

	REIFX
Glenveagh Properties Plc	5.9%
Big Yellow Group PLC	5.8%
CapitaLand Limited	5.8%
Irish Residential Properties REIT PLC	5.6%
Swire Pacific Limited Class B	5.1%
National Storage REIT	5.1%
Wharf Holdings Ltd.	5.0%
Sunevision Holdings Ltd.	4.8%
Boardwalk REIT	4.8%
Grainger plc	4.7%
Total	**52.6%**

Third Avenue Funds are offered only by prospectus. The prospectus contains important information, including investment objectives, risks, advisory fees and expenses. Please read the Prospectus carefully before investing or sending money. For a current Prospectus please visit our website at thirdave.com, or call 800-443-1021. Distributor of Third Avenue Funds: Foreside Fund Services, LLC.

Third Avenue offers multiple investment solutions with unique exposures and return profiles. Our core strategies are currently available through '40Act mutual funds and customized accounts. If you would like further information, please contact a Relationship Manager at:

THIRD AVENUE MANAGEMENT

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