INTERNATIONAL REAL ESTATE VALUE FUND

THIRD AVENUE MANAGEMENT

AS OF JUNE 30, 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 June 30, 2021. During the quarter, the Fund returned +6.79%, ahead of the most relevant benchmark, the FTSE/EPRA NAREIT ex US Index (the "Index"), which returned +4.58% for the same period. Returns for the Fund have averaged 11.46% per year over the past five years, ahead of an investment in the Index, which delivered an average annual return of 6.45% during the same period.

PERFORMANCE AND ALPHA GENERATION

As of June 30, 2021

			Annualized		
	3 mo	1 yr	3 yr	5 yr	Inception*
Third Ave Int'l Real Estate Value Fund (REIFX)	6.79%	35.49%	8.88%	11.46%	7.12%
FTSE EPRA/NAREIT Global ex US Index[1]	4.58%	24.68%	4.37%	6.45%	5.46%
MSCI ACWI Real Estate ex US Index[2]	4.46%	25.76%	4.22%	6.16%	5.63%
MSCI US REIT Index[3]	12.00%	38.05%	10.13%	6.32%	9.35%
Third Ave Int'l Real Estate Alpha[4] v Benchmark	2.21%	10.81%	4.51%	5.01%	1.66%

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

INCREASED TAKEOVER ACTIVITY BENEFITS THE FUND

Over the past five years, the Fund has directly benefitted from several takeover offers of Fund holdings at significant premiums to investment cost. Maintaining a concentrated portfolio of 20-25 high conviction investments ensures that when a takeover offer occurs, it has a meaningful impact on the Fund's returns. Recently, two of the Fund's holdings have been subject to privatization offers, one from a private equity manager and one from a consortium of mostly pension fund investors with a competing offer rumored. Including these two offers, takeover activity has occurred at an average ~60% premium to the Fund's cost basis for eleven holdings over the past five years. This serves as a reminder of both the deep mispricing that often occurs in international listed real estate, and how the Fund's investment underwriting can take advantage of it.

Estimates of global private real estate "dry powder" are at record levels, with funds available for investment exceeding $300 Billion USD (per Preqin). As such it seems that the recent uptick in international listed real estate takeover activity could well continue, and may even accelerate over coming periods. Over the past few years private real estate fund raising has increasingly concentrated into the hands of larger managers. With large pools of capital, we believe these managers understand the appeal of listed markets as a source of potential investment opportunity. Not only do listed real estate companies offer the portfolio scale desirable to large managers, share prices are often discounted versus the value of their underlying portfolios. It should also be noted that these values often fail to adequately account for the management team's ability to create value through intensive asset management and accretive capital allocation.

Similar to the Fund's investment preferences, rather than targeting passive portfolios of income producing assets, takeover candidates are increasingly likely to own assets benefiting from structural growth tailwinds, and are operated by management teams that can create and compound shareholder value over time.

POTENTIAL PRIVATIZATION OF SYDNEY AIRPORT AND ST. MODWEN

The deep mispricing often seen in international listed real estate can occur for many different reasons. Sometimes, valuation discrepancies can be caused by temporary volatility in short-term earnings, a lack of focus by the current management team in operating their business, or by a diversified group of assets that are not well understood by the market.

An asset facing short term depressed earnings from COVID travel restrictions is the Fund's investment in **Sydney Airport**. Subsequent to the quarter end, a consortium including Australian superannuation (pension) funds offered to privatize Sydney Airport. The offer was made at a 42% premium to the Fund's February/March 2021 investment cost. As highlighted in last quarter's letter:

> *'Sydney Airport continues 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…'*

At the time of writing this letter, it remains unclear if the offer will be successful or if other higher competing bids might emerge, though clearly Sydney Airport is an example of how the Fund's long-term investment horizon and ability to overlook short-term risks can prove beneficial.

Earlier in the quarter, the Fund's investment in UK listed **St. Modwen Properties** was subject to a privatization offer from private equity firm Blackstone Group ("Blackstone") at a 74% premium to the Fund's investment cost. St. Modwen has a diversified business, owning a valuable logistics portfolio and development land, together with a regional UK homebuilding business. At the time of the Fund's investment in St. Modwen in September last year, we deemed the investment a 'special situation' commenting in our quarterly letter that:

> *'Like many listed 'diversified' real estate companies globally, a lack of specialization usually results in a discounted share price relative to both listed peers and the underlying value of the real estate. Fund Management believes it is likely that at some point over the next two years, if St. Modwen's discounted valuation (low share price) does not improve, the board and management might act to realize the valuation disconnect by splitting up or selling the company.'*

We were not surprised by the takeover offer and suspect Blackstone is particularly attracted to the logistics development platform and pipeline. Logistics assets are in such high demand globally that in the private market it is very difficult to source newly built stabilized investments at reasonable valuations.

THE FUND'S HISTORY IN TAKEOVER ACTIVITY

Including St. Modwen and Sydney Airport, the Fund's track record of favorable takeover outcomes is outlined in the below table. With takeovers occurring at substantial premiums to the Fund's cost basis, it serves as a reminder of the deep mispricing that often occurs in international listed real estate. We continue to believe that using a deep dive investment process and owning a concentrated portfolio is the best way to capture and benefit from this apparent mispricing.

Company	Offer Date	Exposure	Takeover Premium to REIFX Cost
Sydney Airport	July '21	Australian airport	42%
St. Modwen	May '21	UK logistics and housing	73%
Wheelock	Feb '20	Hong Kong & China residential, retail etc.	55%
InterXion	Oct '19	Pan European data centers	49%
Belmond	Dec '18	Global boutique luxury resorts	176%
Gateway Lifestyle	Aug '18	Australian manufactured housing	31%
Hispania	Nov '17	Spanish resorts	53%
Buwog	Dec '17	German/Austrian multifamily	16%
Axiare	Nov '17	Madrid office and logistics	65%
Kennedy Wilson Europe	Sept '17	UK/Europe diversified value-add	17%
Global Logistics	July '17	China/Japan/US logistics	69%

Sydney Airport–Offer only, deal has not closed.
Source: Company Reports, Bloomberg, Third Avenue Management

Over the quarter, Blackstone continued to be one of the most acquisitive private equity real estate investors globally. In addition to St. Modwen, Blackstone was involved in another three listed real estate deals. While not within the Fund's investment universe, it was interesting to note that Blackstone sought to acquire US datacenter REIT, QTS Realty Trust Inc ("**QTS**"). Rather than buying a stabilized portfolio of passive assets, QTS has assets under lease up and potential for development expansion. In a management intensive asset class such as datacenters, a platform gives the acquirer the industry knowledge and operational capability to grow through acquisitions and perhaps take a more aggressive stance on development.

Also, during the quarter the founders of Mainland Chinese office owner/developer **Soho China** (listed in Hong Kong) sold their controlling stake to Blackstone. Notably, many managers of private real estate funds have tended to avoid office investment recently, preferring lower capex[5] asset classes with less vacancy risk. Fund management has indeed shied away from mainland China office investment given the near-term supply risk from new space in many sub-markets. The Soho China deal perhaps highlights how difficult it can be for private funds to invest in Asian real estate where many of the best assets are tightly held through a controlling family or indirectly through state-controlled vehicles. Thankfully, many of these real estate companies are listed, and the Fund can invest alongside control groups, often at substantially discounted prices relative to our conservative estimate of net asset value.

While the Fund did not directly benefit by having an investment in Soho China, the deal announcement helps support our view that Asian listed real estate companies are edging toward modernizing capital management, and some families are open to selling or restructuring entities which can help close the gap between discounted public and private market value. This thesis was supported by last quarters announcement by Fund holding Capitaland, which is indirectly state controlled, that a value additive restructuring would occur. To this end, the Fund has some Asian investments where high-quality assets are deeply mispriced in the current structure and could have substantial upside under various restructuring scenarios. Even if no restructurings occur, these investments are underwritten to ensure that growing cash flows can result in compounding shareholder value over time.

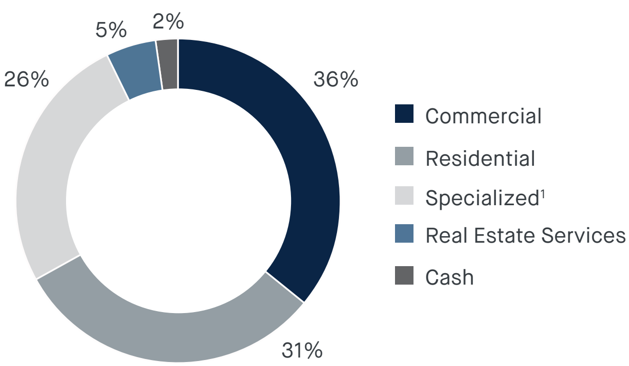
Along these lines, the Fund initiated a position in a deeply mispriced Japanese real estate company **Nomura Real Estate Holdings** during the quarter. This company has unusually good corporate governance for a Japanese based property company and a track record of growing cash flows and book value since its 2006 IPO. Despite this, shares trade at around 10x earnings and at a 40% discount to a conservative estimate of net asset value. Importantly, management is committed to returning roughly half of annual cash flow to shareholders through a combination of dividends and accretive share buybacks. Something to also consider, Japanese financial services group Nomura Holdings has a 36% controlling stake in Nomura Real Estate Holdings. Increasingly there is pressure in corporate Japan to simplify and increase shareholder returns which could result in subsidiary shareholdings being divested. If Nomura Holdings were to sell its stake in Nomura Real Estate Holdings, we could again see interest from private equity.

POSITIONING

The Fund continues to have a meaningful 26% exposure to specialized real estate asset classes including self-storage, datacenters and infrastructure. Our analysis suggests these asset classes have a substantial runway of growth opportunities and offer higher return prospects relative to more traditional commercial real estate assets. The Fund's benchmark index has a negligible exposure to these specialized asset types. The Fund's 36% exposure to commercial real estate is weighted toward prime office and logistics and is substantially lower than the Index which is 60% exposed to commercial real estate. The Fund has 31% of its capital invested in residential real estate evenly split between multifamily rental and residential development.

ASSET TYPES AS OF JUNE 30, 2021

THIRD AVENUE INTERNATIONAL REAL ESTATE VALUE

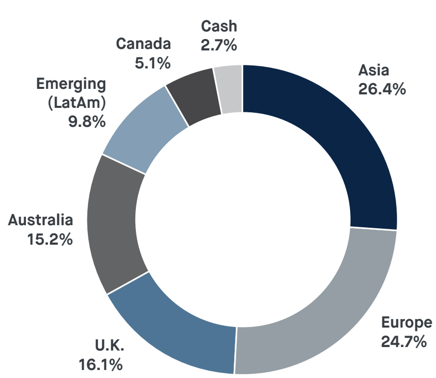


Source: TAM, company disclosures and Bloomberg

The Fund's geographic exposure remained similar over the last quarter, with a slight increase in Asian exposure following the initiation of the position in Nomura Real Estate. The Fund's Japanese exposure of 3% remains much lower compared to the Index at 20%.

COUNTRY/REGION EXPOSURE AS OF JUNE 30, 2021

THIRD AVENUE INTERNATIONAL REAL ESTATE VALUE



Source: TAM, company disclosures and Bloomberg

SUSTAINABILITY

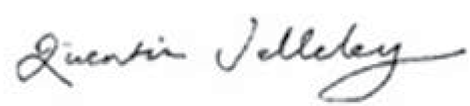
Since formalizing a sustainable (Environmental, Social and Governance "ESG"), approach to investing back in 2016, the Fund has utilized a proprietary analysis of sustainability, consistently applied to all holdings and potential investments in the portfolio. A proprietary evaluation of sustainability is used given industry ratings/evaluations are inconsistent across regions and often do not exist for smaller international real estate companies. It was therefore pleasing to see Aedas Homes in Spain announce over the quarter significantly improved data disclosure that has enabled it to achieve a very high 'sustainability' rating from Sustainalytics, an independent ESG research group. Additionally, Aedas Homes' commitments to sustainable developments enabled it to issue green bonds at attractive terms, again highlighting that sustainability can flow through to help create shareholder value from improved access to capital markets and at potentially lower costs of capital.

With several positive announcements by Fund holdings over the quarter, and the potential for more accretive privatizations in the international listed real estate sector, we remain optimistic on the overall return outlook for the Fund's concentrated portfolio of international real estate investments. Fund Management sees many additional opportunities and is closely monitor a number of potential investments.

We thank you for your continued support and look forward to writing to you again next quarter. In the interim, 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 June 30, 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: July 15, 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. The Fund will concentrate its investments in real estate companies and other publicly traded companies whose asset base is primarily real estate. As such, the Fund will be subject to risks similar to those associated with the direct ownership of real estate including those noted above under "Real Estate Risk." Foreign securities from a particular country or region may be subject to currency fluctuations and controls, or adverse political, social, economic or other developments that are unique to that particular country or region. Therefore, the prices of foreign securities in particular countries or regions may, at times, move in a different direction than those of U.S. securities. Emerging market countries can generally have economic structures that are less diverse and mature, and political systems that are less stable, than those of developed countries, and, as a result, the securities markets of emerging markets countries can be more volatile than more developed markets may be. Recent statements by U.S. securities and accounting regulatory agencies have expressed concern regarding information access and audit quality regarding issuers in China and other emerging market countries, which could present heightened risks associated with investments in these markets. 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.

1 The **FTSE EPRA Nareit Global ex US Index** are 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). Index performance reported since inception of Institutional Share Class.

2 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.

3 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.

4 **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

5 **Capital expenditures (CapEx)** are funds used by a company to acquire, upgrade, and maintain physical assets such as property, plants, buildings, technology, or equipment.

INTERNATIONAL REAL ESTATE VALUE FUND

THIRD AVENUE MANAGEMENT

AS OF JUNE 30, 2021

INSTITUTIONAL: REIFX | Z: REIZX

FUND PERFORMANCE

As of June 30, 2021

	3 mo	1 yr	3 yr	5 yr	Inception	Inception Date
Third Ave International Real Estate Value Fund (Institutional Class)	6.79%	35.49%	8.88%	11.46%	7.12%	5/8/2014
Third Ave International Real Estate Value Fund (Z Class)	6.81%	35.51%	8.90%	N/A	8.07%	4/20/2018

REIFX Gross/Net Expense Ratio: 1.68%/1.03%, REIZX Gross/Net Expense Ratio: 1.58%/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, 2022. 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	6.1%
Big Yellow Group Plc	6.0%
National Storage REIT	5.4%
CapitaLand Limited	5.4%
Corp. Inmobiliaria Vesta SAB de CV	5.3%
Wharf Holdings Ltd.	5.3%
Boardwalk REIT	5.1%
Grainger Plc	4.8%
Swire Pacific Limited Class B	4.6%
Sunevision Holdings Ltd.	4.5%
Total	**52.5%**

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 MANAGEMENT

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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:

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