INTERNATIONAL REAL ESTATE VALUE FUND

THIRD AVENUE MANAGEMENT

AS OF SEPTEMBER 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 quarter ended September 30, 2021. During the quarter, the Fund returned +2.30%, ahead of the most relevant benchmark, the FTSE/EPRA NAREIT ex U.S. Index (the "Index"), which suffered a decline of -3.71% for the same period. Through the first nine months of the calendar year, the Fund generated a return of +11.89% (after fees) versus +3.39% (before fees) for the Index.

PERFORMANCE AND ALPHA GENERATION

As of September 30, 2021

			Annualized		
	3 mo	1 yr	3 yr	5 yr	Inception*
Third Ave Int'l Real Estate Value Fund (REIFX)	2.30%	31.25%	10.15%	10.42%	7.20%
FTSE EPRA/NAREIT Global ex US Index[1]	-3.71%	16.44%	3.76%	4.64%	4.74%
MSCI ACWI Real Estate ex US Index[2]	-2.60%	18.26%	4.17%	4.59%	5.07%
MSCI US REIT Index[3]	0.98%	37.16%	10.09%	6.83%	9.16%
Third Ave Int'l Real Estate Alpha[4] v Benchmark	6.01%	14.81%	6.39%	5.78%	2.46%

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

The Fund's performance during the quarter was positively impacted by its large relative exposure to self-storage real estate, together with the positive impact of resource conversion events through both takeover activity (Sydney Airport) and restructuring (Capitaland). Returns also benefited by the Fund avoiding investments in Germany's multifamily residential sector, a region Fund Management has recently avoided given heightened regulatory risk, high balance sheet leverage and unattractive relative valuations. Similarly, the Fund's limited exposure to mainland China was a positive over the quarter given the amplified risks in poorly capitalized mainland China residential developers.

FUND ACTIVITY

During the quarter, the Fund took advantage of share price weakness in Asia and Brazil to invest in two high quality logistics real estate companies at attractive valuations (ESR Group and LOG Commercial Properties). Both of these investments trade at meaningful discounts relative to other global listed logistics REITs/companies and share some common characteristics.

Firstly, their portfolios are benefiting from the structural growth in online distribution (e-commerce) and changing supply chains, which is generating durable ongoing demand for modern logistics assets globally. Secondly, both companies are operated by 'owner-operators', where company founders or families own a significant stake in the company and are involved in day-to-day management, ensuring the alignment that often positively influences shareholder returns. Finally, both have proven expertise in developing modern logistics assets and leasing to quality tenants that can generate meaningful value creation.

ESR Group (ESR) is a Hong Kong-listed company that is focused on developing, owning and managing logistics real estate across the Asia Pacific. ESR manages funds totaling $36bn for blue chip institutional investors. The company seems set to benefit from both the positive fundamentals in logistics and increased securitization of Asian real estate. ESR's managed portfolio has a diverse exposure, 26% to South Korea, 25% to Japan, 21% to China and 17% to Australia. More than two thirds of the portfolio's end users are e-commerce and/or third-party logistics providers.

Recently ESR proposed a merger with Asia's largest asset manager ARA, following which the founders and senior management of ESR and ARA will own 22% of the combined company. If successful, the merger will increase ESR's managed logistics portfolio to $53bn, without a dramatic increase in debt levels given the merger is a mostly stock (equity) deal. The merger would also increase development work in progress to $10bn, funded by almost $8bn of uncalled equity capital from institutional investors. In addition, the combination with ARA and its associates would increase assets under management a further $78bn mostly from the management of listed Asian REITs. Fund Management considers fees from managing these public REITs to be highly valuable given they are generally based on the unlevered value of the underlying real estate portfolios, and as such are highly resilient. While the proposed transaction offers meaningful accretion to recurring cash flows, there are several potential synergies including cost reduction in the asset management platforms, reduced cost of capital, and access to an expanded investor base which could provide further upside over time.

LOG Commercial Properties (LOG) was created in 2008 as a subsidiary of Brazil's largest homebuilder, MRV, to develop and lease logistics real estate across Brazil. In 2018, LOG Commercial was spun off from MRV counting U.S. private equity group Starwood Capital as a significant shareholder with ongoing board representation. Similar to ESR, LOG is about two thirds exposed to tenants in e-commerce and third-party logistics. Brazil's distribution of goods to consumers is moving rapidly online and accelerating occupier demand for high quality logistics assets. Projections for growth in e-commerce in Brazil remain high, with estimates* that e-commerce penetration (% of retail sales) could increase from 13% to 22% over the next five years. Such growth would require substantial development of modern logistics space close to consumers. For LOG this is a key positive given the companies' substantial development pipeline is coupled with virtually no debt on balance sheet (net of cash), and a business model that can fund development largely through the sale of stabilized assets that LOG has previously developed. Importantly, LOG has been able to deliver shareholder value despite a weak economic environment in Brazil, and the structural growth drivers behind logistics, we expect LOG to continue to compound shareholder value over time.

Further supporting our investment thesis, we see potential for Brazilian economic conditions to improve over the medium term, particularly if recent commodity price increases are sustained. However, we are also highly cognizant of the numerous risks to a potential rebound. Therefore, in order to fund the investment in LOG, the Fund sold its investment in Brazil office owner BR Properties partly because Fund Management believes office assets to be more economically sensitive relative to logistics.

SECTOR POSITIONING

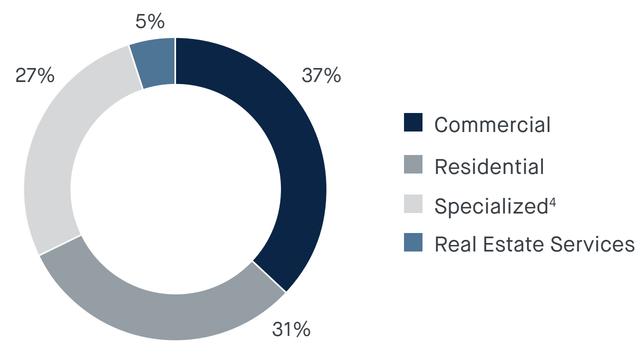
Following the addition of ESR and LOG, the Fund's largest real estate asset class exposure is to logistics/industrial, comprising 18% of the Fund's investment across eight different countries. Fund management is particularly positive on the long-term outlook for this portion of the portfolio given the following factors:

- Logistics real estate demand is likely to remain high as online retail sales penetration grows at the expense of traditional retail real estate
- Online order fulfillment requires more than 3 times the logistics space of brick-and-mortar retail**
- Global supply chain disruptions will be a driver of additional logistics demand
- Delivering new logistics supply is getting more difficult, limiting supply
- Institutional capital is 'underweight' logistics, the Fund's investments could benefit from resource conversion in line with the Fund's prior experiences (St Modwen and GLP)
- Increasing emphasis on environmental and social attributes means modern product is in higher demand.

Combining the logistics exposure with office and retail, the Fund is 34% exposed to the traditional definition of 'commercial real estate', substantially below the index which we estimate at 64%. The Fund has a similar exposure to residential real estate with 29% of the Fund's assets roughly split between multifamily rental and residential developers.

ASSET TYPES AS OF SEPTEMBER 30, 2021

THIRD AVENUE INTERNATIONAL REAL ESTATE VALUE



Source: TAM, company disclosures and Bloomberg

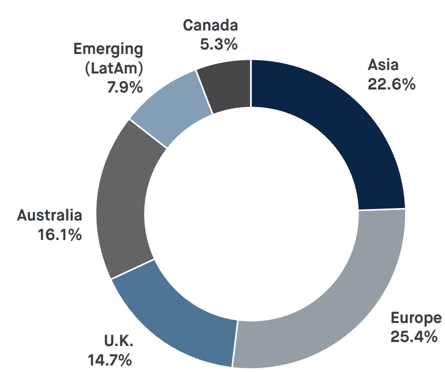
Differing from indices and many private funds, the Fund has a 25% exposure to 'specialized' real estate. The majority of which is in self-storage in the UK, Europe and Australia. As explained previously in our quarterly letters we see continued possible upside to self-storage fundamentals for many years given positive demand drivers, and an industry structure that is immature versus the U.S. Finally, the Fund is 5% exposed to real estate services which largely consists of real estate asset managers. At quarter end the fund had a higher than normal cash balance of just under 8%, a function of successful resource conversions in the portfolio, with the Fund reducing exposure to Sydney Airport which is under privatization offer, and Capitaland which underwent a large restructuring.

GEOGRAPHIC POSITIONING

The Fund's geographic exposure remained generally consistent over the quarter. A significant amount (almost half) of the Fund's capital is invested in the UK, Australia, Canada and Ireland. This exposure is much higher than the index which is only 23% exposed. We maintain a positive outlook on our large exposures to these countries given underlying investments are generally in highly focused real estate entities operating in market niches where operating fundamentals are attractive. These countries tend to have similar legal structures, regulatory frameworks, and an emphasis on free markets similar to the U.S. Overall these factors reduce risk and make resource conversion opportunities such as M&A more likely.

COUNTRY/REGION EXPOSURE AS OF SEPTEMBER 30, 2021

THIRD AVENUE INTERNATIONAL REAL ESTATE VALUE



Source: TAM, company disclosures and Bloomberg

*Source: LOG Company Reports and Morgan Stanley. **Source: Prologis

Of note, the Fund's 23% exposure to Asia remains significantly lower than the benchmark index (49%) and has declined from 28% in the previous quarter. During the quarter, share price returns in the Fund's Asian investments were negatively impacted by poor sentiment given the liquidity concerns of one of China's major real estate developers (Evergrande). As avid readers of this quarterly report will be aware, Fund Management has long been careful when investing in mainland China given various risks, including poor transparency, high balance sheet leverage, and weak governance. Over recent periods the central government in Beijing has taken regulatory steps in an attempt to reduce the risks inherent in a highly leveraged residential development sector by restricting credit growth to developers with insufficiently capitalized balance sheets. This has resulted in heightened risk and thus poor share price performance of a number of listed China developers following the uncertainty surrounding the Evergrande situation. Despite these impacts, Fund Management remains confident in the long-term outlook for the Fund's Asian exposure given:

- Valuations are deeply discounted offering investors a margin of safety rarely seen in other markets
- Investments are well capitalized (low debt) with significant cash (>$44bn in total) to take advantage of possible dislocation or industry consolidation
- A small mainland China exposure is mostly to high quality commercial real estate (retail, logistics, office) predominately located in Tier 1 cities
- Logistics and datacenter assets make up almost 40%, sectors with higher growth rates and less cyclicality
- A preference for investments with alignment of interest, where insiders have significant ownership and are involved in day to day management of the business

While deleveraging of Chinese residential developers increases uncertainty in Asia over coming periods, many of these risks seem more than factored into current share prices, such that for long-term investors, such as Fund Management, some unusual investment opportunities exist.

SUSTAINABILITY

Consistent with the Fund's investment process since 2016, Fund Management incorporates an analysis of ESG (Environment, Social, and Governance) factors to identify companies that are committed to ESG standards. Over the long-term, these companies should provide better relative performance as investors increasingly focus on ESG factors in allocating capital. The Fund's investment in Big Yellow, a UK self-storage operator, recently highlighted some benefits for companies focused on sustainability. Big Yellow announced an expanded credit facility with sustainability key performance indicators (KPIs) incorporated into the borrowing. The KPIs include installing solar panels to reduce store emissions and running costs together with progress on the existing goals of 'Net Renewable Energy Positive' by 2030. Upon reaching certain sustainability KPIs, Big Yellow (and shareholders) will directly benefit from reduced borrowing costs on the new facility. Fund Management intends to provide readers with more in-depth information on our ESG process in next quarters letter.

FUND OUTLOOK

Investor allocations to real estate strategies are on the rise given the combination of both current yield and inflation protection. This is especially the case for private equity real estate funds where it is reported that the amount of "dry powder" in real estate private equity funds has reached record high levels exceeding $300 billion on a global basis (per Preqin). Further, the amount of capital flowing into the private-REIT format is accelerating with new subscriptions exceeding $3 billion per month in the U.S. alone (per Robert A. Stranger & Co.). Of particular interest to the Fund, private equity firms such as Blackstone have also recently expanded their private REIT fundraising to Europe, which might be a precursor to more M&A activity in Europe.

In Fund Management's view, the substantial capital flowing into private funds has three positive implications for the Fund. Firstly, the Fund's investments in real estate asset managers such as ESR and Centuria Capital should directly benefit from growing their assets under management. Secondly, and as discussed in last quarter's letter, the privatization of public real estate companies will continue to be a method of deploying such large sums of private capital. The Fund's returns have been positively impacted by takeover activity over its history, and the Fund's weighting toward mid and smaller size companies are likely to be more attractive to private funds. Thirdly, real estate asset values are likely to continue to rise given the increasing competition amongst many investors including these private funds.

On this last point, the Fund's investments in REITs/companies with portfolios of income producing assets should become increasingly valuable. Also, the majority of the Fund's investments are in smaller real estate companies that tend to have attractive development pipelines which make up a meaningful proportion of their asset base. These development pipelines should become more profitable as asset values rise, and given many of the Fund's investments are focused on recycling capital, this should positively impact shareholder returns.

In relation to the fund flows to private real estate funds, during the quarter Fund management was interested to read the Journal of Portfolio Management's Special Real Estate Issue. In this issue, its authors examined the historical performance of real estate private equity funds over a 20-year period (1999-2019). The authors carefully compared these results to other real estate alternatives such as publicly-traded real estate over the same period.

While the study largely focused on U.S. markets, we found some important takeaways noted by the authors, including that "private equity real estate funds have underperformed listed real estate funds even before adjusting for risk, leverage, illiquidity and the uncertain investment timing associated with unfunded capital commitments", also noting that their study "provides additional support for the superior performance of listed real estate relative to a private market alternative."

When combined with generally attractive underlying real estate fundamentals, a weighting to higher growth asset types such as logistics and storage, well capitalized companies and attractive valuations we remain constructive on the return outlook for the Fund.

We thank you for your continued support and look forward to writing to you again next quarter. In the meantime, 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 September 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: October 18, 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 U.S. 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 Specialized includes self-storage, datacenter, airport and healthcare.

INTERNATIONAL REAL ESTATE VALUE FUND

THIRD AVENUE MANAGEMENT

AS OF SEPTEMBER 30, 2021

INSTITUTIONAL: REIFX | Z: REIZX

FUND PERFORMANCE

As of September 30, 2021

	3 mo	1 yr	3 yr	5 yr	Inception	Inception Date
Third Ave International Real Estate Value Fund (Institutional Class)	2.30%	31.25%	10.15%	10.42%	7.20%	5/8/2014
Third Ave International Real Estate Value Fund (Z Class)	2.22%	31.14%	10.15%	N/A	8.16%	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
National Storage REIT	6.1%
Glenveagh Properties Plc	6.0%
Big Yellow Group Plc	5.8%
Grainger Plc	5.3%
Boardwalk REIT	5.3%
Corp. Inmobiliaria Vesta SAB de CV	5.2%
VIB Vermoegen AG	4.8%
Centuria Capital Group	4.4%
AEDAS Homes SA	4.2%
Shurgard Self Storage SA	4.1%
Total	**51.2%**

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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