THIRD AVENUE MANAGEMENT

INTERNATIONAL REAL ESTATE VALUE FUND

AS OF DECEMBER 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 quarter and year ended December 31, 2021. During the quarter, the Fund returned +6.14%, ahead of the most relevant benchmark, the FTSE/EPRA NAREIT Global ex US Index (the "Index"), which returned +0.92% for the same period. Through the calendar year 2021, the Fund generated a return of +18.76% (after fees) versus +4.34% (before fees) for the Index.

PERFORMANCE AND ALPHA GENERATION

As of December 31, 2021

			Annualized		
	3 mo	1 yr	3 yr	5 yr	Inception*
Third Ave Int'l Real Estate Value Fund (REIFX)	6.14%	18.76%	14.82%	12.62%	7.77%
FTSE EPRA/NAREIT Global ex US Index[1]	0.92%	4.34%	5.40%	6.59%	4.72%
MSCI ACWI Real Estate ex US Index[2]	0.22%	4.67%	5.52%	6.41%	4.94%
MSCI US REIT Index[3]	16.32%	43.06%	18.48%	10.77%	10.99%
Third Ave Int'l Real Estate Alpha[4] v Benchmark	5.22%	14.42%	9.42%	6.03%	3.05%

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

The Fund's outperformance during 2021 was driven by three key factors. First, the Fund's large exposure to property types with favorable cyclical and structural real estate fundamentals. These property types including self-storage, multifamily and logistics, together accounted for 52% of the Fund versus only 30% of the index. Second, the Fund's exposure to special situation type investments including Sydney Airport, St Modwen and Capitaland which benefited from major resource conversions including privatizations or restructurings. Third, the Fund had limited exposure to German residential and Chinese homebuilders, both sectors that comprise significant portions of the Index and underperformed during the year.

FUND ACTIVITY

In December, Third Avenue Management announced a strategic relationship with Longevity Partners, a global sustainability consultancy focused on property and the built environment. This relationship will strengthen and enhance the Fund's existing Environmental, Social, and Governance ("ESG") analysis and include an ongoing review process. In a rapidly evolving regulatory environment, the relationship will also give the Fund access to Longevity's global network and industry leading expertise.

With sustainability firmly established as a key risk and opportunity in real estate investing, Fund Management believes it is crucial to manage listed real estate investments with a deep understanding of ESG factors. For more than five years, the Fund has incorporated an ESG approach to investing. By collaborating with Longevity, a leader in ESG advisory within direct real estate, Fund Management expects to remain at the forefront of rapidly evolving sustainability trends, and to be increasingly recognized for its distinct ESG approach.

During the quarter, the Fund also took advantage of share price weakness in Japan and Europe to invest in two high quality real estate companies, Tosei Corporation ("Tosei") of Japan, and Patrizia Immobilien ("Patrizia") of Germany. These companies are both managed by 'owner-operators', where the company founders own a significant stake and are involved in day-to-day management, ensuring management alignment that often positively influences shareholder returns. Both companies control leading real estate asset management platforms in their respective markets where the environment is conducive to fund raising and growth for real asset strategies.

Historically Fund Management has been cautious when investing in Japan, preferring companies that actively manage their real estate assets to create value over the more passive REITs. Fund Management also considers good governance and management alignment especially crucial to successfully investing in Japan, where governance and management alignment have not historically been areas of corporate focus. During the quarter, the Fund initiated a position in Tosei which is 26% owned by the founder who is focused on creating value for shareholders. Tosei is Japan's largest independent property manager, and has more than US$11 billion of real estate assets under management, a substantial amount of which is managed for international investors such as Blackstone and Allianz. Impressively, assets under management have grown at over 25% per year for the last three years, and with increasing international interest in Japanese real estate, we believe Tosei is well positioned to continue this growth. Tosei is also focused on value creation by buying, revitalizing and selling smaller office, logistics and residential rental buildings. Often these revitalizations include a dramatic improvement in ESG standards. With greater Tokyo's large inventory of older small buildings, combined with increased tenant demand and regulation of ESG standards, we see opportunity for Tosei to create significant value over time. Despite the positives, Tosei trades at surprisingly discounted valuations, with a price to earnings[4] multiple of only 6.1 times, a price to book[5] ratio of only 0.74 times, and a price to net asset value multiple of less than 0.50 times after including a conservative estimate of the asset management business.

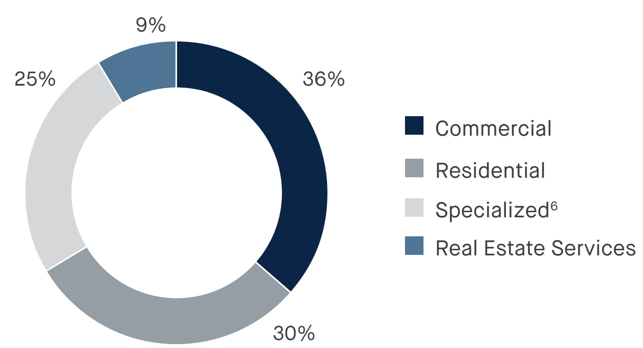
Since its founding in 1984 as an investor in Germany's residential sector, Patrizia has evolved into a leading pan-European real estate investment manager with assets under management exceeding US $54 billion. Patrizia's Chairman/CEO and Founder continues to own more than half of the company. Patrizia co-invests its capital alongside institutional partners across a diversified set of property-types (office, retail, residential, logistics, and infrastructure) and strategies (core, core-plus, value-add, and opportunistic). Alongside a strong financial position with net cash on the balance sheet, Patrizia seems well positioned to win additional investment mandates from institutional managers who are boosting allocations to real estate amidst negligible bond yields and prospects for higher rates of inflation. These managers seem to increasingly be looking for a reduced set of managers that offer a diverse set of funds, strong performance in prior strategies, and the ability to co-invest capital. Despite the positives, Patrizia trades at a deeply discounted valuation relative to other public peers. As such it was pleasing for Fund Management to see Patrizia announce a meaningful share buyback following the Fund's investment.

POSITIONING

Following the aforementioned investments, and as highlighted below, the Fund is 36% exposed to commercial real estate, 30% to residential real estate, 25% to specialized real estate and 9% exposed to real estate service.

ASSET TYPES AS OF DECEMBER 31, 2021

THIRD AVENUE INTERNATIONAL REAL ESTATE VALUE

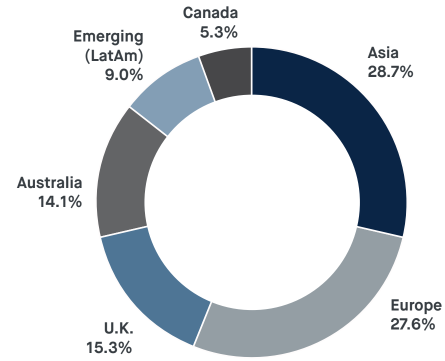


Source: TAM, company disclosures and Bloomberg

Breaking this down further, the Fund's largest exposures are to logistics, self-storage and multifamily real estate, together representing 52% of the Fund's exposure. The underlying investments in these sectors are benefiting from both cyclical and structural growth drivers. The Fund continues to have a low exposure to office and retail real estate, combining to account for only 17% of the Fund's capital. As shown in the chart to the right, the Fund remains diversified by region and country. Over the course of the year, the Fund's exposure to Asia increased from 18% to 29%, given the increasingly attractive value opportunities across the region.

COUNTRY/REGION EXPOSURE AS OF DECEMBER 31, 2021

THIRD AVENUE INTERNATIONAL REAL ESTATE VALUE



Source: TAM, company disclosures and Bloomberg

FUND COMMENTARY

International public real estate is attractively priced both relative to private markets and the US REIT sector. This is notable across the Fund's various valuation metrics including earnings multiples and yields, together with the discount to the Fund's net asset value estimates while, the US REIT sector trades at a considerable premium. Fund Management considers these valuation spreads to be unusually wide, exacerbated by the US REIT sector's substantial 43% rally during 2021 (MSCI US REIT Index).

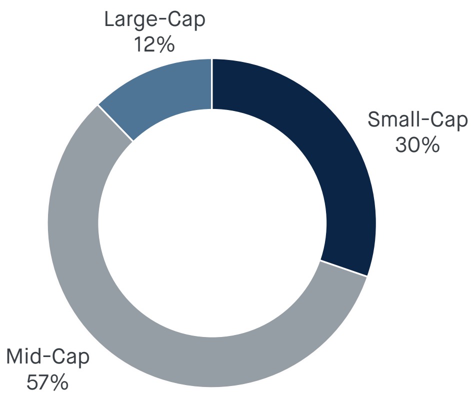
FUND CHARACTERISTICS VERSUS US REITS

	The Fund	US REIT Sector[7]
Price to Net Asset Value	88%	121%
Price to Free Cash Flow[8]	20.6x	27.6x
Free Cash Flow Growth	18%	9%
EBITDA[9] Yield	6.3%	3.8%
Impled Cap Rate[10]	6.0%	4.3%
Net Debt/Private Market Value	22%	29%

Source: Bloomberg, [7]Source: Citi Investment Research

Fund Management currently sees three key investment opportunities in international public real estate. First, mid and small-cap real estate companies in immature asset types that can compound value over long periods of time, representing 38% of the Fund's exposure. These smaller companies operate in asset classes that will benefit from scale, and have management teams that are aligned and focused on creating value for shareholders. Although consumer awareness is growing, self-storage real estate outside the US remains immature and is undersupplied. Public self-storage REITs such as National Storage in Australia and Big Yellow in the UK are uniquely positioned to take advantage of a very long cycle of growth, where their respective platforms can benefit from scale and attractive returns on cost from incremental development.

THE FUND'S MARKET CAP[11] WEIGHTING



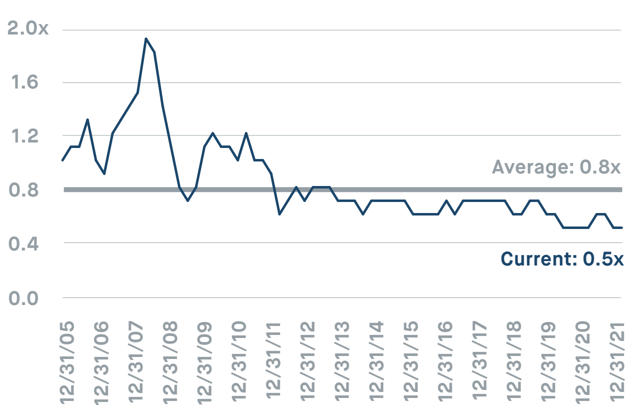
[11]Small Cap is Equity Market Cap up to US$2bn, Mid Cap US$2bn-US$10bn, Large Cap >US$10bn

Source: Bloomberg, Company Reports

Similar to self-storage, in many markets such as the UK, Ireland and Australia, multifamily real estate is only just now emerging as an institutional asset class. Multifamily real estate owners like Grainger in the UK and IRES in Ireland can leverage their leading management platforms into this growth opportunity. Also, residential developers like Glenveagh in Dublin and Aedas in Spain can build multifamily assets for sale to institutional investors, generating attractive risk adjusted returns. Lastly, there are select opportunities in niche segments such as data centers in Hong Kong, where high barriers to entry combined with high demand are a positive for the Fund's investment in SuneVision.

The second key opportunity is in publicly-listed Asian property companies which represents 29% of the Fund's exposure. For most of 2021 there was weak sentiment across the region as fears that a potential default of Chinese homebuilder Evergrande might cause regional contagion, together with the negative economic impact of draconian travel restrictions related to COVID. Additionally, the Asian economies have had on average lower fiscal and monetary stimulus compared to the US and other western economies. Some of this negative sentiment appears to be turning around which is a positive given the deeply discounted value in Asian property companies. In Hong Kong the valuation discounts are historically wide, trading at half of book value as shown below.

HONG KONG PROPERTY COMPANIES[12] PRICE/BOOK VALUE

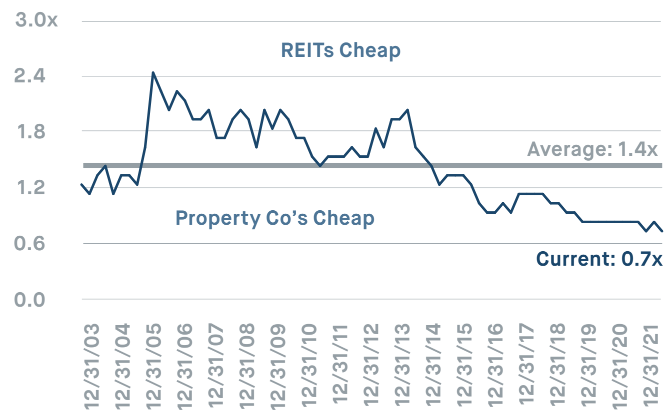


[12]Hong Kong Property Companies Includes Constituents in the FTSE EPRA NAREIT Hong Kong Index

Source: Bloomberg

The same is true in Japan where weak share price performance has resulted in attractive historic valuations. Of note, the publicly-listed Japanese property companies have been share price underperformers relative to Japanese real estate structured as public REITs. That's despite the property companies owning and managing some of the best real estate in Japan, generating much higher cash flow yields, and not being reliant on financial engineering to generate incremental growth. We see opportunity in Japanese property companies like Tosei and Nomura Real Estate that are active capital allocators and have proven ability to grow both cash flows and book value over time.

PRICE TO BOOK VALUE IN JAPAN – PROPERTY COMPANIES VERSUS REITS[13]



[13]Japan Property Companies include constituents in the TOPIX Real Estate Index, REITs include constituents in the TOPIX REIT Index. TOPIX is a market benchmark with functionality as an investable index, covering an extensive proportion of the Japanese stock market. TOPIX is a free-float adjusted market capitalization-weighted index. Source: Japan Exchange Group.

Source: Bloomberg

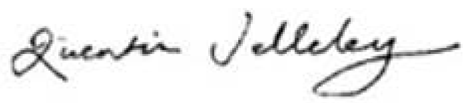
The securitization of Asian real estate is accelerating with relatively new REIT legislation in China, India and Korea. Together with more established REIT markets like Japan and Singapore, the size of the listed Asian REIT market could grow substantially. Unfortunately, Asian REITs are largely structured with an external manager that is often incentivized to grow assets as opposed to shareholder value when viewed on a per share basis. Fund Management rarely invests in such structures given what is often a lack of management alignment with shareholders. Rather, to benefit from growth in Asian REITs, the Fund is focused on investing in Asian property companies that have REIT fund management platforms such as ESR Group, together with companies that have large passive portfolios of real estate that could be divested into REITs to unlock value (i.e., Vanke).

A third key area of opportunity is in Latin American logistics real estate which represents 9% of the Fund's exposure. In Latin America, logistics real estate share prices are deeply discounted and we believe the market is mispricing the value of their high yielding inflation indexed portfolios, together with their ability to create value by generating attractive returns on development. Importantly, Latin American logistics real estate is supported by positive fundamentals. E-commerce penetration is in its early stages of growth and requires significant modern logistics space which is currently in short supply. Particularly relevant to Mexico, with clogged supply chains and the potential for "near shoring" of manufacturing to the US, evidence is emerging of increased industrial and logistics demand across the region. While we are always cautious when investing in emerging markets, these fundamental drivers, combined with discounted values, present a unique opportunity for long term investors such as ourselves.

We remain constructive on the return outlook for the Fund and 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 Value Team



Quentin Velleley, CFA
Portfolio Manager

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 December 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: January 20, 2022

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 **Price-to-Earnings Ratio:** Price-to-earnings ratio (P/E ratio) is the ratio for valuing a company that measures its current share price relative to its earnings per share (EPS).

5 **Price-to-Book Ratio:** Price-to-book ratio (P/B ratio) measures the market's valuation of a company relative to its book value. Source: Investopedia.

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

8 **Free Cash Flow:** Free cash flow (FCF) represents the cash a company generates after accounting for cash outflows to support operations and maintain its capital assets. Unlike earnings or net income, free cash flow is a measure of profitability that excludes the non-cash expenses of the income statement and includes spending on equipment and assets as well as changes in working capital from the balance sheet.

9 **EBITDA**, or earnings before interest, taxes, depreciation, and amortization, is a measure of a company's overall financial performance and is used as an alternative to net income in some circumstances. Source: Investopedia.

10 **Capitalization Rate** (also known as cap rate) is used in the world of commercial real estate to indicate the rate of return that is expected to be generated on a real estate investment property. Source: Investopedia.

INTERNATIONAL REAL ESTATE VALUE FUND

THIRD AVENUE MANAGEMENT

AS OF DECEMBER 31, 2021

INSTITUTIONAL: REIFX | Z: REIZX

FUND PERFORMANCE

As of December 31, 2021

	3 mo	1 yr	3 yr	5 yr	Inception	Inception Date
Third Ave International Real Estate Value Fund (Institutional Class)	6.14%	18.76%	14.84%	12.63%	7.78%	5/8/2014
Third Ave International Real Estate Value Fund (Z Class)	6.17%	18.83%	14.85%	N/A	9.34%	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.

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	6.7%
Big Yellow Group Plc	6.1%
Glenveagh Properties Plc	6.0%
Corp. Inmobiliaria Vesta SAB de CV	5.9%
Grainger Plc	5.4%
VIB Vermoegen AG	5.3%
ESR Cayman, Ltd.	5.3%
Boardwalk REIT	5.2%
SUNeVision Holdings, Ltd.	4.8%
Shurgard Self Storage SA	4.5%
Total	**55.2%**

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

/third-ave-management

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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