Portfolio Manager Commentary

INTERNATIONAL REAL ESTATE VALUE FUND

Quentin Velleley, CFA

Joined Third Avenue in 2020
20 yrs investment experience

Dear Fellow Shareholders,

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, 2023. During the period, the Fund generated a return of -5.60% (after fees) compared to the most relevant benchmark, the FTSE/EPRA NAREIT Global ex US Index (the "Index")‡, which declined –2.86% for the same period.

PERFORMANCE AND EXCESS RETURN

As of September 30, 2023

			Annualized		
	3 Mo	1 Yr	3 Yr	5 Yr	Inception
Third Ave Int'l Real Estate Value Fund (REIFX)	-5.60%	6.13%	4.44%	3.02%	4.09%
FTSE EPRA/NAREIT Global ex US Index	-2.86%	2.95%	-5.19%	-3.95%	0.39%
Third Ave Int'l Real Estate Value Fund Excess Return[1]	-2.74%	3.18%	9.63%	6.97%	3.70%

*Inception Date 3/19/2014. Source: TAM, Company Reports, Bloomberg.

Performance And Excess Return

For the first three quarters of the 2023 calendar year, the Fund generated a return of 0.00% compared to the Index, which declined by -7.06%. The outperformance of the Fund so far this year has primarily resulted from three key areas, including the Fund's: (i) investments in residential real estate businesses with strong ties to high immigration cities in the UK, Australia, Canada, and Europe; (ii) significant investment positions in 'nearshoring'-exposed industrial owners and developers 'Vesta' and 'CTPNV,' and (iii) select investments in small/mid-cap Japanese real estate operating companies. These positive performance contributors were, however, offset by weakness in the Fund's Asian (ex-Japan) investments, which now trade at discounts wider than previous crisis periods (Asian Financial Crisis and Great Financial Crisis), suggesting high returns might occur upon any modest sentiment shift. Furthermore, the Fund's self-storage investments have underperformed so far this year. However, it seems temporary given that implied real estate cap rates are now averaging 7% and the property type has many long-term positive drivers internationally, as outlined below.

Activity

During the quarter, the Fund took advantage of self-storage share price weakness to increase position sizes, firstly in StorageVault Canada, which we discussed in last quarter's letter, and secondly in Big Yellow Group PLC ("Big Yellow"). Big Yellow owns 108 UK purpose-built self-storage assets over 6.3 million square feet, including a development pipeline of 9 self-storage properties.

Big Yellow has consistently delivered high real estate returns[2], compounding growth in net asset value per share (including dividends paid) of 16% per year over the last ten years. Share price returns (including dividends) have not kept up with real estate returns, delivering under 12%

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annually over the same period. Like many UK and European REITs, Big Yellow shares are now trading 45% below their peak price in January 2022. While fundamentals have slowed, healthy rent growth is still being achieved, and self-storage earnings will probably prove resilient in a recession, as they did in the global financial crisis. The decline in Big Yellow shares presents a unique value proposition, now trading at a 7.3% implied cap rate despite occupancy only being 83%. Given UK self-storage's immaturity compared to the US, where occupancy exceeds 90%, Big Yellow should benefit from meaningful cash flow and value growth as the UK self-storage sector matures.

In addition to Big Yellow, the Fund increased its position size in Australia's National Storage REIT ("National Storage") during the quarter. National Storage owns a portfolio of 195 self-storage assets representing over 11.2 million square feet. In addition, National Storage has a sizeable development pipeline of 45 projects, with the ability to increase portfolio size by 35%.

The self-storage industry structure is similarly favorable in Australia as in the UK. Supply is a fraction of the US per capita, and ongoing population growth and urbanization are positive growth drivers. In addition, Australia's prime industrial space is fully occupied (1% vacancy), so self-storage is increasingly utilized for small and medium-sized businesses instead of traditional warehouse space.

Since its 2013 initial public offering, National Storage has generated high real estate returns, compounding growth in net asset value per share (including dividends paid) of over 20% per year by our estimates. Share price returns (including dividends) have trailed real estate returns, delivering 13.4% annually over the same period. National Storage shares are now trading 20% below their peak price in October 2022. While fundamentals have normalized following the COVID period's unusually strong levels, healthy rent growth and margin improvement are still being achieved, and again self-storage earnings will probably prove resilient in a recession.

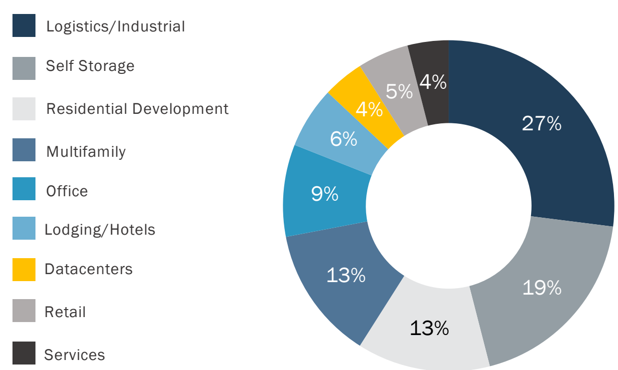
During the quarter, Fund Management also took advantage of share price volatility to continue to increase exposure to the vital investment theme of nearshoring, increasing the Fund's FIBRA Macquarie position as discussed in last quarter's letter. Fund Management also increased the Fund's position size in industrial/logistics real estate owner and developer CTP NV (CTP). CTP owns, develops, manages, and leases logistics and industrial real estate properties in Central, Western, and Eastern Europe. Like the Fund's position in Mexico's industrial real estate company Vesta, CTP is positively exposed to the trend of nearshoring or reshoring supply chains but to European markets. Central and Eastern European markets also have significantly lower production costs (labor) and high-quality infrastructure. CTP's investment model is somewhat unique in listed real estate. The company is successfully developing assets at attractive (~11%) yields and with high-value creation such that new equity capital is unnecessary. At its recent investor day, the company introduced an ambitious growth plan whereby portfolio rent will more than double by the end of the decade through a combination of new developments, rent indexation (to inflation), and occupancy increases. Fund management estimates that CTP could generate high teen compound annual real estate returns if this target is achieved.

Positioning

With the aforementioned investments in self-storage and industrial/logistics real estate added in the quarter, the Fund has almost half its assets invested in these two property types.

CURRENT ASSET TYPES

As of September 30, 2023 | Source: Company Reports, Bloomberg



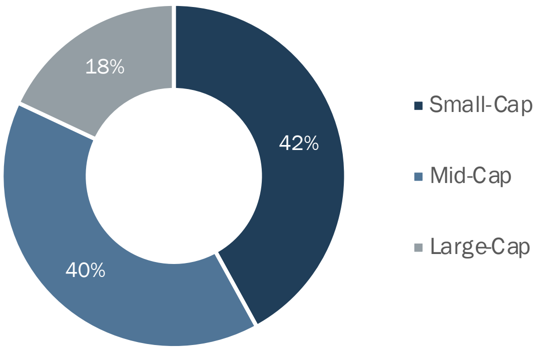
The Fund's exposure to residential real estate (multifamily rental and development) now totals almost 30%, mainly exposed to the positive impact of high immigration in the UK, Australia, Canada, and Ireland.

The structurally challenged office asset class only accounts for 9% of the Fund's exposure, whereas Fund Management estimates that the Fund's benchmark has a 25% exposure to office real estate. Further, the Fund's office exposure is through diversified real estate owners in key Asian cities such as Tokyo, Hong Kong, and Singapore, where 'work from home' is not as feasible given small home sizes and efficient and safe public transport.

Many of the Fund's holdings are highly focused on property type and location. As such, they tend to have smaller portfolios of assets, and are often small- and mid-market cap companies as shown below.

CURRENT MARKET CAP WEIGHTINGS[6]

As of September 30, 2023 | Source: Factset, Company Reports



During the quarter the Fund's exposure to geographic regions remained somewhat consistent to the prior quarter, with reduced exposure to Hong Kong and China, in favor of Canada and Europe.

Fund Commentary

International listed real estate comprises a universe of over 400 potential investments with more than U.S.$1 trillion of market cap across 40 countries and 14 real estate asset types. Most investors are well aware of the benefits of incorporating a real estate allocation into the portfolio construction process, including the prospects to earn income and capital appreciation, while also having the potential to protect against inflation and enhancing diversification. That said, many U.S.-based investors are less familiar with the advantages of adding an international component, some of which include varied supply-demand drivers, differing valuations and interest rate exposures, and an added layer of diversification within a balanced portfolio.

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

1. The highest quality real estate available outside the U.S. is generally controlled by publicly traded Real Estate Investment Trusts or Real Estate Operating Companies.

2. These entities are often led by specialized management teams that have a track record of adding value in their local market and asset type.

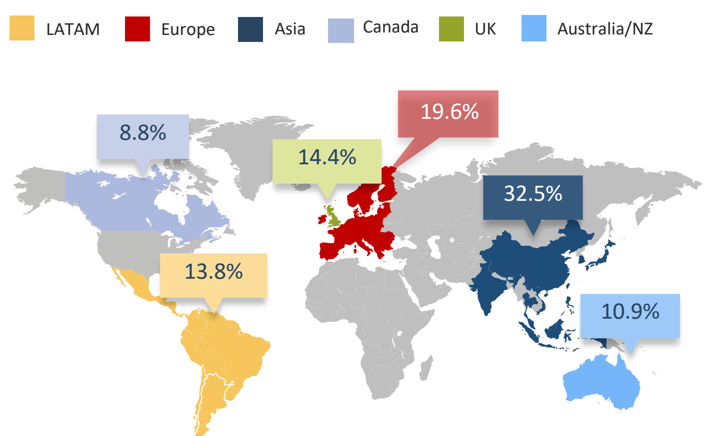
3. A select set of niche asset types that are less mature than the U.S. and have a lengthy growth opportunity (such as self-storage, multifamily, and datacenters) are often only available in listed companies.

As a result, these types of exposures are difficult to replicate in private funds, with the majority of international real estate companies also benefiting from well-capitalized balance sheets and much more favorable management fees than often found in private equity vehicles. It has also been Third Avenue's experience that outside of the U.S., listed real estate has a lack of active management by a dedicated investor base, which creates an investment opportunity for active managers. In fact, the majority of international real estate funds are passive products that track an index. The lack of active management is one of the reasons why share prices are often disconnected from private market pricing, in our view, and are frequently cheaper compared to U.S. REIT valuations, creating opportunities for fundamental investors across both geographic markets and asset types.

The graphic below shows the Fund's current geographic breakdown.

DIVERSE REGIONAL EXPOSURE*

As of September 30, 2023 | Source: Bloomberg, TAM



*Third Avenue International Real Estate Value Geographic exposure at 09/30/2023 Regional exposure reflects where the company is listed.

Fund Management recently published an investment insight, *Value with Catalysts*, that discusses the International listed real estate sector and highlights pertinent investment considerations. Some key takeaways are:

International real estate offers exposure to unique supply-and-demand drivers, in addition to inflation and diversification benefits for most portfolios. Further, real estate companies listed outside of the U.S. currently offer attractive valuation and growth characteristics, as well as opportunities for active managers to benefit from inefficient pricing with a lack of competition.

- The Third Avenue International Real Estate Value Fund ("the Fund") has delivered investors excess returns of approximately 7.0% per year for the last 5 years[3] compared to the benchmark[4], further complemented by superior portfolio risk metrics[5]. The investment team is highly experienced with a differentiated and concentrated value approach to investing.

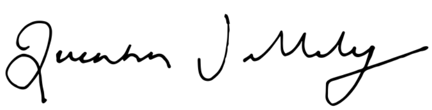
- The Fund is a distinct portfolio that represents "value with catalysts", such as supply chain nearshoring, a spike in immigration in western markets, high growth in immature asset classes, and valuations that are cheaper than previous "crisis" levels in certain cases. These drivers could be enhanced further by "macro" catalysts including lower interest rates and a weaker U.S. dollar.

We encourage readers to review this important investment insight for a more detailed explanation of why Fund Management believes now is an opportune time to invest in international real estate.

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



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FUND PERFORMANCE

	3Mo	1Yr	3Yr	5Yr	Inception	Inception Date
Third Ave International Real Estate Value Fund (Institutional Class)	-5.60%	6.13%	4.44%	3.02%	4.09%	3/19/2014
Third Ave International Real Estate Value Fund (Z Class)	-5.59%	6.10%	4.40%	3.00%	2.39%	4/20/2018

As of March 1, 2023 REIFX Gross/Net Expense Ratio: 1.59%/1.00%, REIZX Gross/Net Expense Ratio: 1.52%/1.00%

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 March 1, 2024. 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.

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TOP TEN HOLDINGS

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

Allocations are subject to change without notice

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

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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MANAGEMENT

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This publication does not constitute an offer or solicitation of any transaction in any securities. Any recommendation contained herein may not be suitable for all investors. Information contained in this publication has been obtained from sources we believe to be reliable, but cannot be guaranteed.
The information in this portfolio manager letter represents the opinions of the portfolio manager(s) and is not intended to be a forecast of future events, a guarantee of future results or investment advice. Views expressed are those of the portfolio manager(s) and may differ from those of other portfolio managers or of the firm as a whole. Also, please note that any discussion of the Fund's holdings, the Fund's performance, and the portfolio manager(s) views are as of September 30, 2023 (except as otherwise stated), and are subject to change without notice. Certain information contained in this letter constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" or "believe," or the negatives thereof (such as "may not," "should not," "are not expected to," etc.) or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of any fund may differ materially from those reflected or contemplated in any such forward-looking statement. Current performance results may be lower or higher than performance numbers quoted in certain letters to shareholders.

Date of first use of portfolio manager commentary: October 13, 2023

FUND RISKS: In addition to general market conditions, the value of the Fund will be affected by the strength of the real estate markets. Factors that could affect the value of the Fund's holdings include the following: overbuilding and increased competition, increases in property taxes and operating expenses, declines in the value of real estate, lack of availability of equity and debt financing to refinance maturing debt, vacancies due to economic conditions and tenant bankruptcies, losses due to costs resulting from environmental contamination and its related clean-up, changes in interest rates, changes in zoning laws, casualty or condemnation losses, variations in rental income, changes in neighborhood values, and functional obsolescence and appeal of properties to tenants. The 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] **Excess Return**, Excess return refers to the return from an investment above the benchmark. Source: Investopedia

[2] Real Estate Returns are based on annual compound book value and dividend per share growth.

[3] References Performance and Excess Return Table above.

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

[5] As of 6/30/23 the following portfolio risk metrics are superior to the benchmark based on trailing 5-year annualized data: Fund Standard Deviation 17.69% vs Benchmark 18.61%, Beta 0.89.

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