Portfolio Manager Commentary

INTERNATIONAL REAL ESTATE VALUE FUND

Quentin Velleley, CFA

Joined Third Avenue in 2020
24 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 June 30, 2024 quarter. During the quarter, the Fund generated a return of -3.98% (after fees) compared to the most relevant benchmark, the FTSE/EPRA NAREIT Global ex US Index[1] (the "Index"), which declined -6.79% for the same period. Over the past year, the Fund generated a return of +3.20% (after fees) versus +2.59% (before fees) for the Index.

PERFORMANCE AND EXCESS RETURN

As of June 30, 2024

			Annualized			
	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr	Inception*
Third Ave Int'l Real Estate Value Fund (REIFX)	-2.31%	3.20%	-0.98%	4.08%	4.81%	4.69%
FTSE EPRA/NAREIT Global ex US Index	-4.62%	2.59%	-9.38%	-4.73%	0.03%	0.89%
Third Ave Int'l Real Estate Value Fund Excess Return[2]	2.31%	0.61%	8.40%	8.81%	4.78%	3.80%

*Inception Date 3/19/2014. Source: Third Avenue Management, Company Reports, Bloomberg.

ACTIVITY AND OBSERVATIONS

In the most recent quarter, the Fund benefited from its investments in several 'special situation' real estate investments, with solid share price performance from investments such as Helical plc (a London-based office developer) and the Fund's deeply discounted Asian luxury hotel exposure through Shangri La and Mandarin Oriental. However, during the quarter, the top-performing investment position was the Fund's investment in the ESR Group ("ESR")—a special situation pan-Asia logistics and data center developer and manager.

Like many real estate companies listed in Asia (ex-Japan), ESR's share price has been under pressure over the past few years. Taking advantage of deeply discounted values, despite a compelling growth outlook, US-based private equity firms Starwood Capital, Sixth Street Partners, and SSW Partners presented a non-binding and conditional proposal for the possible privatization of ESR. This private equity consortium sees some of the value that Fund Management does—namely, a leading pan-Asia logistics and datacenter platform with key exposures to Japan, South Korea, Australia, India, and Southeast Asia more broadly. ESR has over US$80 billion of assets under management and a development pipeline of high-quality logistics and data center assets totaling US$14 billion, funded primarily through equity already raised in the fund platform.

With the 'booming' demand for new data center space, ESR is set to benefit from a vast 1+ Gigawatt (GW) pipeline of data center projects, recently raising a data center development fund with external capital to take advantage of this opportunity. In addition, ESR has several components of hidden value that are not factored into the current share price. For example, ESR owns a 30% stake in Japanese real estate fund manager Kenedix. Held at about US$430 million on ESR's balance sheet, this stake could be worth over US$1 billion based on recent asset manager transactions in Japan.

Past performance is no guarantee of future results; returns include reinvestment of all distributions. 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 visit the Fund's website at www.thirdave.com.

Despite these developments, the current ESR share price seems to be factoring in a low probability of a successful privatization as there is no certainty of a successful transaction given Hong Kong Merger & Acquisition rules require that 75% of non-interested shareholders would have to vote to approve any privatization, and no more than 10% can vote against the offer. As such, we contend that an offer would need to be made at a significant premium to the current share price to obtain the necessary level of shareholder acceptance. Fund Management's net asset value ("NAV") assessment for ESR Group is approximately HK$20 per share or almost double the current share price. The late 2019 initial public offering of ESR shares was executed at just under HK$17 per share, and a merger with ARA Asset Management in 2021 was conducted at HK$27 per share. Fund Management believes the probability of a successful merger is higher than market expectations; as such, Fund Management increased the Fund's position in ESR during the quarter.

While staying on the resource conversion theme, it was interesting to see Jardine Matheson, the controlling shareholder of Fund investment Mandarin Oriental (Asian luxury hotels), increase its shareholding during the quarter by buying an additional 5% stake and taking ownership to over 85%. As outlined in recent letters, Fund management has recently been impressed with Mandarin's resource conversion activities, selling assets to realize significant value. With Jardine's ownership increase, it seems plausible that Jardine could look to privatize the remaining public 15% stake. While shares trade at US$1.73 per share, Fund Management estimates a US$4.25 NAV when valuing the hotels at market value, attributing value to Mandarin's rapidly growing management platform, and a discounted value for the Hong Kong office and retail development project. While Jardine's purchase of an additional 5% stake may have just been opportunistic, Fund Management prophesizes that the probability of privatization of the remaining public equity stub is considerably more likely.

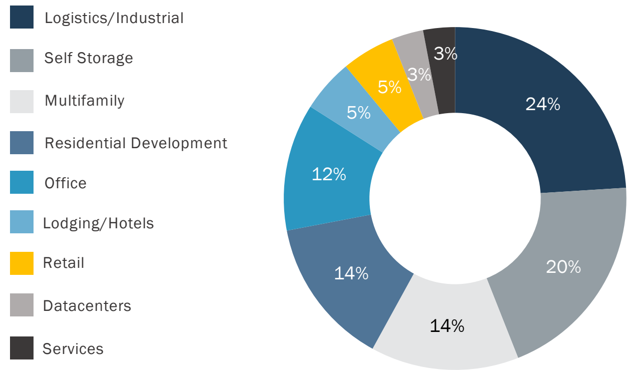
We believe that the potential privatizations of ESR Group and Mandarin Oriental point to the ongoing increase in overall resource conversion activity in Asian real estate companies. This trend strongly supports Fund Management's deeply discounted Asian property company investments, which currently represent 30% of Fund assets.

POSITIONING

Consistent with the prior quarter, industrial/logistics, residential, and self-storage real estate asset types continue to make up the majority (72%) of the Fund's exposure. These asset classes continue to benefit from structural long-term growth drivers.

CURRENT ASSET TYPES

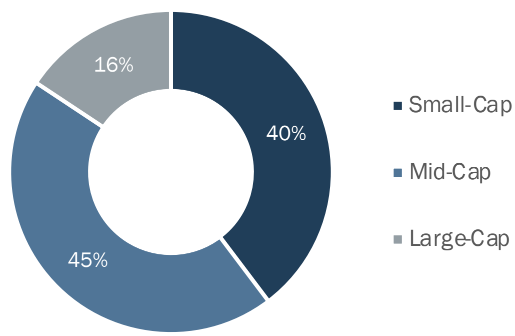
As of June 30, 2024 | Source: Company Reports, Bloomberg



Given this exposure to individual property asset types in a focused geographic footprint, they tend to have smaller portfolios of assets. As shown below, they are often characterized as small- and mid-market-cap companies.

CURRENT MARKET CAP WEIGHTINGS

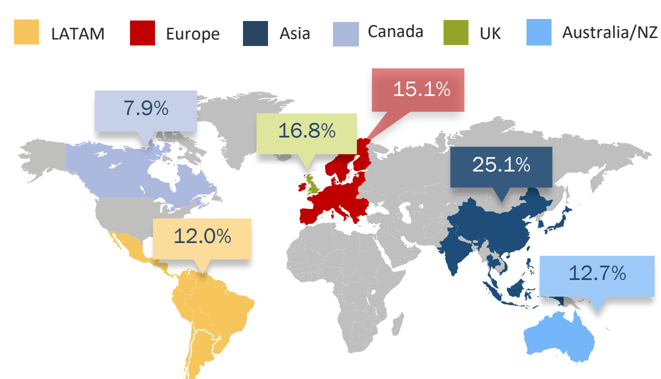
As of June 30, 2024 | Source: Factset, Company Reports



The Fund's exposure to geographic regions remained somewhat consistent with the prior quarter, as shown below.

DIVERSE REGIONAL EXPOSURE*

As of June 30, 2024 | Source: Bloomberg, TAM



*Third Avenue International Real Estate Value Geographic exposure at 6/30/2024 Regional exposure reflects where the company is listed.

FUND COMMENTARY

During the quarter, the Fund recognized its 10th anniversary, with its first investments made in May 2014. The Fund was established with the view that a rigorous, concentrated, and value-oriented investing approach could produce attractive risk-adjusted returns in the expansive universe of international listed real estate. The Fund's focus on long-term, value-oriented opportunities and 'special situation' real estate investments provides a differentiated real estate exposure that can potentially benefit from pricing inefficiencies and uncorrelated returns often associated with international market investing.

Over the past ten years, the Fund's investment philosophy has been proven, in our view, as it has generated returns exceeding its relevant index by more than 425 basis points annually. Alongside these results, the Fund received a 5-star overall rating from Morningstar (based on risk-adjusted returns out of 175 funds in the Global Real Estate category as of June 30, 2024) and recently received a Silver Medalist rating as of May 31, 2024.

As a function of the Fund's investment process, this excess return has been achieved despite taking on lower risk as measured by several portfolio statistics. One of Fund Management's favored statistics is the upside and downside capture. This statistic stands at 133/91 over the past five-years. Put otherwise, for a month where the index was up 1%, the fund on average increased by 1.33%, and for a month where the index was down 1%, the fund would only decline by 0.91%, on average.

UPSIDE AND DOWNSIDE CAPTURE VERSUS INDEX

Source: Factset, TAM

	# of Months		Average Return (%) vs Market		Market Benchmark (%)	
	Up	Down	Up Market	Down Market	Up Capture	Down Capture
The Fund (net of Fees)	30	29	4.8	-3.6	133.1	91.1
Index*	29	31	4.1	-4.3		

*The Index is the FTSE/EPRA Nareit Global ex US

Several other factors contributed to the Fund's performance over the past decade. Fund Management believes the following ten standpoints were amongst the most essential elements:

1. **Active management is necessary when investing outside the US.** With 40 countries and 14 asset types, differing governance structures, management alignment, and balance sheet capitalization, passive index investing is fraught with risks that can be better managed by active management. Further, most countries have less sophisticated capital markets than the US, which presents an opportunity. As markets become more sophisticated and the cost of and access to capital improves, many real estate investment opportunities emerge. For example, the Fund has benefitted from the emergence of the Spanish and Irish REIT sectors and the growth of the Mexican public real estate market in recent years.

2. **A long-term, value-oriented approach is advantageous when investing in listed real estate.** In our experience, there are often opportunities to buy into premier real estate portfolios or platforms in the listed markets at significant discounts to prices that would never be paid in a negotiated transaction in the private markets. This price-to-value disconnect represents capital appreciation potential that can enhance the returns of the real estate underlying the investments if realized. However, it usually takes some time for that value to surface—four to five years in some cases. Therefore, one must operate with a long-term mindset while recognizing that a patient approach tends to result in other trading costs and tax efficiencies.

3. **Special situation investments can generate high and uncorrelated returns.** Part of the Fund's investment philosophy is to apportion some capital to 'special situations.' These are generally out-of-favor real estate companies with some catalyst to recognizing value, primarily through resource conversion. The Fund's average ten-year allocation to special situations has been about 15% of Fund assets; despite such a small allocation, these 20 investments have generated almost half of the Fund's overall returns. Currently, the Fund has a 17% allocation to special situations which, on average, trade at less than half of Fund Management's estimated NAV.

4. **It is crucial for real-state entities to remain well-capitalized through all market cycles.** Third Avenue's investment philosophy of only investing in well-capitalized companies has helped with the Fund's returns while limiting risk. This was particularly notable during the 'inflation shock' and interest rate sell-off in 2022, when highly indebted companies fared worse. Today, the Fund's portfolio of well-capitalized investments is in an advantageous position to take advantage of lower asset prices.

5. **Capital allocation decisions are vital in creating value.** A recurring theme in real estate investment is management's ability to create or destroy shareholder value through capital allocation decisions. For listed entities, we have found the best predictor of capital allocation success tends to be management's track record and financial alignment, together with a sufficiently

independent and suitably experienced board. Thus, the Fund's sustainability analysis (which includes a large governance section) focusing on these areas has proven beneficial.

6. **Good governance is a predictor of overall 'sustainability'.** The Fund's rigorous approach to sustainability has shown that companies with better governance, also tend to score better on environmental and social factors.

7. **Asset type selection has proven to be as important as geographic selection.** Focusing on asset types with favorable structural drivers, such as self-storage and logistics real estate, and limiting exposure to hostile structural forces, including office and retail in Western markets, has proven equally crucial as geographic allocations. Trends impacting asset types over time can change. Today we believe that residential, self-storage, industrial, and luxury Asian hotels are the best-positioned asset types.

8. **Divergence in local market real estate cycles is an essential driver of returns.** A key benefit of actively managing an international portfolio of concentrated investments is investing in regional markets with the best real estate fundamentals while avoiding those with deteriorating fundamentals. We believe that this is vital for more cyclical asset classes like residential development and homebuilders.

9. **Focus on income growth in projecting asset values.** There is often a temptation to select investments that might benefit from cap rate compression (i.e., higher valuations) as a function of interest rate declines or improved capital market liquidity. Notwithstanding, Fund Management's experience suggests it is better to focus on a portfolio's ability to generate rental and occupancy growth and re/development value creation as a driver of asset values. In our view, it has generally proven to be a better predictor of shareholder returns.

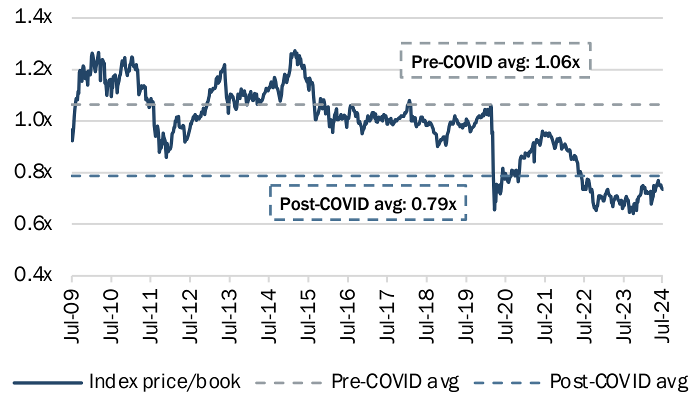
10. **Hedging can add value.** At specific points, it is prudent to hedge certain exposures. For example, following the Ukraine-Russia conflict, Fund Management worked to hedge the portfolio's European exposure from a significant drawdown by purchasing puts on European equity ETFs. After closing this profitable hedge, Fund Management was able to invest the proceeds into deeply discounted individual securities at advantageous timing.

Over the past ten years, these lessons have proven crucial when investing in a universe where index returns ('beta') have averaged close to 0% per year, with essentially all the Fund's positive returns coming from excess return ('alpha'). The poor index returns have resulted in industry-wide discounted valuations. When inflation and interest rates subside, the US dollar weakens, the pervasive tech/AI rally inevitably falters, and investors seek to diversify into value and alternative strategies, international real estate should benefit from a 'return to the mean,' in our opinion.

The following chart shows that the international real estate sector has historically traded at a slight premium to book value while currently trading at a significant 30% discount.

PRICE TO BOOK RATIO[2] INTERNATIONAL REAL ESTATE*

Source: Bloomberg, Daiwa Research, Company Reports, TAM.



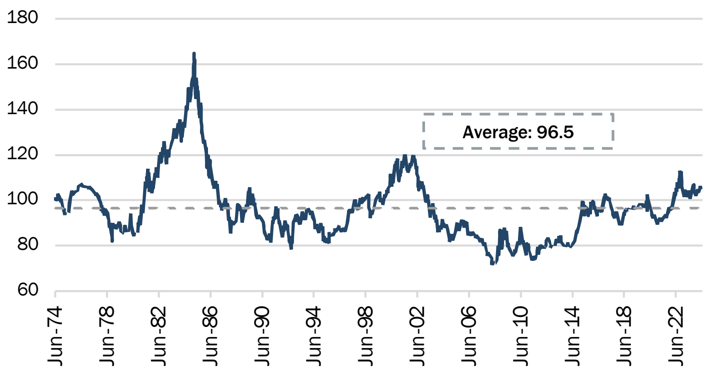
*The International Real Estate Index is a composite constructed by TAM. The index takes the regional average weights over the last 15 years. Price to book data is from each regional index. For Japanese REITs, Daiwa Research data is used, and for Japanese real estate companies an average of the three largest companies price to book value including unrealized gains is used.

Since the onset of the global COVID shutdown, international real estate has failed to trade back up to historical averages on most fundamental measures. This can largely be attributed to several factors: the onset of the Ukraine-Russia conflict, higher inflation and interest rates, and a slower economic recovery in Asia.

Fund Management considers current book values reasonably conservative, on average, and offers the prospect of growth once interest rate volatility subsides. If the index were to trade back to pre-COVID levels relative to book value, it would need to increase by almost 50%. In addition, if the US$ (as measured by the DXY index) were to revert to its 50-year average, it would need to depreciate against a basket of currencies by about 10%, providing additional upside through the Funds' foreign currency exposure.

US$ OVER 50 YEARS (DXY Index[3])

Source: Bloomberg



When combining the prospect for these attractive potential index returns with Fund Management's active management, which has delivered meaningful excess returns, Fund Management remains optimistic about the Fund's outlook.

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 or comments at realestate@thirdave.com.

Sincerely, The Third Avenue Real Estate Value Team

Quentin Velleley, CFA Portfolio Manager

FUND PERFORMANCE

			Annualized				
	3Mo	**1Yr**	**3Yr**	**5Yr**	**10Yr**	**Inception**	**Inception Date**
Third Ave International Real Estate Value Fund (Institutional Class)	-2.31%	3.20%	-0.98%	4.08%	4.81%	4.69%	3/19/2014
Third Ave International Real Estate Value Fund (Z Class)	-2.32%	3.28%	-1.0%	4.09%	N/A	3.59%	4/20/2018

As of March 1, 2024 REIFX Gross/Net Expense Ratio: 1.62%/1.00%, REIZX Gross/Net Expense Ratio: 1.54%/1.00%

The Advisor has contractually agreed, for a period of one year from the date of the Prospectus, dated March 1, 2024, to waive advisory fees and/or reimburse Fund expenses in order to limit Net Annual Fund Operating Expenses (exclusive of taxes, interest, brokerage commissions, acquired fund fees and expenses, dividend and interest expense on short sales and extraordinary expenses) to 1.00% of the average daily net assets of the Institutional Class and Z Class (the "Expense Limitation Agreement"). The Expense Limitation Agreement may be terminated only by the Board of Trustees of Third Avenue Trust. 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

Glenveagh Properties PLC	6.1%
CTP NV	6.1%
Ingenia Communitie	5.5%
ESR Group Ltd.	5.5%
National Storage REIT	5.3%
Big Yellow Group PLC	5.3%
Tosei Corp.	5.2%
Corp. Inmobiliaria Vesta SAB de CV	4.5%
StorageVault Canada, Inc.	4.3%
Grainger PLC	4.2%
TOTAL	**52.0%**

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.

Distributor of Third Avenue Funds: Foreside Fund Services, LLC.

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

THIRD AVENUE MANAGEMENT

Third Avenue Management

675 Third Avenue, Suite 2900-05
New York, New York 10017

www.thirdave.com

E: clientservice@thirdave.com
P: 212.906.1160

/third-ave-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 June 30, 2024 (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 23, 2024

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] **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.

[2] **Price to Book Ratio:** A company's price-to-book ratio is the company's current stock price per share divided by its book value per share (BVPS). This shows the market valuation of a company compared to its book value.

[3] **The U.S. Dollar Index** (**USDX**, **DXY**, **DX**, or, informally, the **"Dixie"**) is an index (or measure) of the value of the United States dollar relative to a basket of foreign currencies, often referred to as a basket of U.S. trade partners' currencies. The Index goes up when the U.S. dollar gains "strength" (value) when compared to other currencies.

The Morningstar Medalist Rating is the summary expression of Morningstar's forward-looking analysis of investment strategies as offered via specific vehicles using a rating scale of Gold, Silver, Bronze, Neutral, and Negative. The Medalist Ratings indicate which investments Morningstar believes are likely to outperform a relevant index or peer group average on a risk adjusted basis over time. Investment products are evaluated on three key pillars (People, Parent, and Process) which, when coupled with a fee assessment, forms the basis for Morningstar's conviction in those products' investment merits and determines the Medalist Rating they're assigned. Pillar ratings take the form of Low, Below Average, Average, Above Average, and High. Pillars may be evaluated via an analyst's qualitative assessment (either directly to a vehicle the analyst covers or indirectly when the pillar ratings of a covered vehicle are mapped to a related uncovered vehicle) or using algorithmic techniques. Vehicles are sorted by their expected performance into rating groups defined by their Morningstar Category and their active or passive status. When analysts directly cover a vehicle, they assign the three pillar ratings based on their qualitative assessment, subject to the oversight of the Analyst Rating Committee, and monitor and reevaluate them at least every 14 months. When the vehicles are covered either indirectly by analysts or by algorithm, the ratings are assigned monthly. For more detailed information about the Medalist Ratings, including their methodology, please go to http://global.morningstar.com/managerdisclosures. The Morningstar Medalist Ratings are not statements of fact, nor are they credit or risk ratings. The Morningstar Medalist Rating (i) should not be used as the sole basis in evaluating an investment product, (ii) involves unknown risks and uncertainties which may cause expectations not to occur or to differ significantly from what was expected, (iii) are not guaranteed to be based on complete or accurate assumptions or models when determined algorithmically, (iv) involve the risk that the return target will not be met due to such things as unforeseen changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, tax rates, exchange rate changes, and/or changes in political and social conditions, and (v) should not be considered an offer or solicitation to buy or sell the investment product. A change in the fundamental factors underlying the Morningstar Medalist Rating can mean that the rating is subsequently no longer accurate.

The Morningstar Rating™ for funds, or "star rating," is calculated for mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period has the greatest impact because it is included in all three rating periods. Morningstar Rating is for the Institutional share class only; other classes may have different performance characteristics.

As of June 30, 2024, REIFX was rated against the following numbers of Global Real Estate Category Funds over the following time periods: 175 funds in the last three years, 173 funds in the last five years and 114 funds in the last ten years. With respect to these Global Real Estate funds, REIFX received a Morningstar Rating of 5 stars for the three-year period, 5 stars for the five-year period and 5 stars for the ten-year period, respectively, based on risk-adjusted returns.