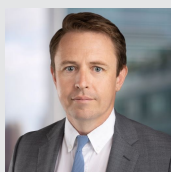




Portfolio Manager Commentary

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 quarter ended March 31, 2025. During the period, the Fund generated a return of +5.99% (after fees) compared to the most relevant benchmark, the FTSE EPRA/NAREIT Global ex-U.S. Index¹ (the "Index"), which returned +2.68% (before fees) for the same period.

PERFORMANCE AND EXCESS RETURN

As of March 31, 2025

	Annualized					
	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr	Inception*
Third Ave Int'l Real Estate Value Fund (REIFX)	5.99%	1.71%	-1.23%	9.27%	4.98%	4.75%
FTSE EPRA/NAREIT Global ex US Index ¹	2.68%	-2.33%	-7.04%	0.67%	0.24%	1.05%
Third Ave Int'l Real Estate Value Fund Excess Return ²	3.31%	4.04%	5.81%	8.60%	4.74%	3.70%

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

OBSERVATIONS

The Fund's outperformance in the quarter can largely be attributed to (i) a +60% return from leading Hong Kong data center company **SuneVision** – (investment thesis in our [3Q '24 Shareholder Letter](#)), (ii) the positive impact of foreign currency appreciation which added +2.6% in the quarter, and (iii) the Fund's high-conviction investments in Australian-manufactured housing real estate investment trust ("REIT") Ingenia and European-industrial real estate owner and developer CTP, which generated approximately +25% and +17% total returns, respectively.

The Fund's unique exposures to listed international real estate markets helped it act as a portfolio diversifier in the quarter, with its almost +6% return compared to a -2% decline in global equities³. This trend continued into April, with the Fund exhibiting lower volatility and downside than many liquid asset classes.

In the current environment of heightened trade and fiscal uncertainty, Fund Management considers it prudent for U.S.-based investors to diversify into tangible 'real' assets outside the U.S. As discussed in the Fund Commentary section, investors can benefit from deeply discounted (attractive) valuations with resilient and growing cash flows, together with significant potential currency appreciation from the Fund's exposure to several undervalued currencies such as the Euro, Pound, Yen, Australian dollar, and Canadian dollar.

ACTIVITY

The potential for higher tariffs, increased industry protectionism, and a desire to 'reshore' manufacturing suggests the long-term trend of 'globalization,' and the integration of economies could rapidly morph into a world where 'localization and regionalization' become the norm.

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.



Fund Management believes that some real estate asset classes will be key long-term beneficiaries of this trend. One is industrial and logistics real estate, where incremental manufacturing moves closer to consumers, and local supply chains and logistics are strengthened. This is particularly positive in economies with room for fiscal stimulus, such as continental Europe, where increased defense and infrastructure spending was recently announced by Germany, with plans to spend one trillion Euro supporting these initiatives over the next decade.

The Fund's most significant investment at quarter-end was in European industrial owner and developer CTP, which owns over 160 million square feet of light manufacturing and logistics real estate across central and eastern Europe. During the quarter, Fund Management met with CTP executives and discussed regionalization trends, confirming that Asian-based manufacturers who had previously absorbed about 10% of CTP industrial space, were now taking up closer to 20%. Along these lines, CTP remains uniquely exposed to benefit from ongoing reshoring and fiscal stimulus in Europe in our view.

Expanding on Fund Management's positive view of European logistics and industrial real estate, the Fund invested in **Warehouses De Pauw** ('WDP') during the quarter. The core of WDP's portfolio is 57 million square feet of logistics assets in the Netherlands and Belgium, where logistics markets benefit from two of Europe's largest ports (Antwerp and Rotterdam) and are integral to Europe's industrial supply chains. Also of note, both markets feature high e-commerce penetration rates of ~20% of retail sales, with expectations of sustained growth benefiting warehouse demand. In addition, WDP has a presence in the growing low-cost manufacturing hub of Romania and owns a ~10% stake in listed Swedish logistics owner and developer Catena.

Having followed the company closely for many years, Fund Management can attest to WDP having several attractive attributes, including an aligned management team and a long-term oriented family controlling approximately 20% of shares; a strong track record of creating value through operating and developing logistics assets in supply-constrained markets; and a well-capitalized balance sheet with resilient rental rates supported by indexation to inflation levels. Further, shares trade at attractive levels, including a discounted 13.5x price-to-earnings ratio and a 6% implied capitalization rate ("cap rate"), supported by a dividend yield above 5%.

From a portfolio standpoint, WDP's Western and Northern European exposures complement CTP's exposure in Central and Eastern Europe. As recently discussed in our [20 2024 Shareholder Letter](#), the Fund also has exposure to southern European logistics real estate through diversified Spanish and Portuguese (Iberia) REIT Merlin Properties. Merlin Properties has a leading Iberian logistics portfolio, including in the port of Barcelona, through a joint venture with ZAL Ports.

Overall, the Fund has a diverse 10% exposure to industrial and logistics real estate in Europe, totaling 300 million square feet through these three investments. In Fund Management's opinion, they also form a unique exposure and will be key long-term beneficiaries of the tailwinds of 'localization and regionalization'.

While the impact of 'localization and regionalization' on logistics and industry appears quite straightforward, an unintended consequence of the U.S. tariffs and immigration policies could be a negative impact on the number of international student enrollments in the U.S., as the U.S. is increasingly viewed as an 'unfriendly' destination, particularly for mainland Chinese students. In choosing higher education alternatives, many international students will compare several potential destinations, with the U.S., the U.K., Australia, and Canada all being high on the list.

A key beneficiary of a change in demand appears to be the U.K., particularly U.K.-listed student accommodation REIT **Unite Group** ("Unite"), which owns a portfolio of 153 purpose-built properties providing accommodation for 68,000 students across the U.K.'s world-class universities. About 30% of Unite's portfolio is rented to international students, with international demand up 3% for 2025/26 applications, including a substantial 9% increase from Chinese students. That said, most of the portfolio is rented to domestic U.K. students where demand is also positive, with expected growth of 11% in the number of U.K. 18-year-olds by 2030.

Alongside limited new student accommodation supply, Unite seems to be in a good position to deliver consistent and resilient rental growth, as highlighted by their 2025-year guidance of 4-5% rent growth. These positive underlying fundamentals are complemented by Unite's management and development capabilities, which provide optionality in creating value over time, supported by a well-capitalized balance sheet. Despite these attractive attributes, Unite's shares trade at discounted levels, with an implied real estate cap rate of 6% and £100k per unit value compared to recent private market transactions at cap rates around 4.5% and £140k per unit.

Like most of the Fund's investments, entities like WDP and Unite share underlying real estate characteristics that should generate attractive rental and net asset value growth over time. A smaller portion of the Fund's capital is deployed in special real estate situations where a deeply discounted real estate entity is determined to have an upside catalyst to help recognize that value. Such catalysts normally include 'resource conversion', through takeover or merger activity, the sale of a significant portion of assets, share buybacks, or sometimes the pending completion of a meaningful development program not factored into the current share price.



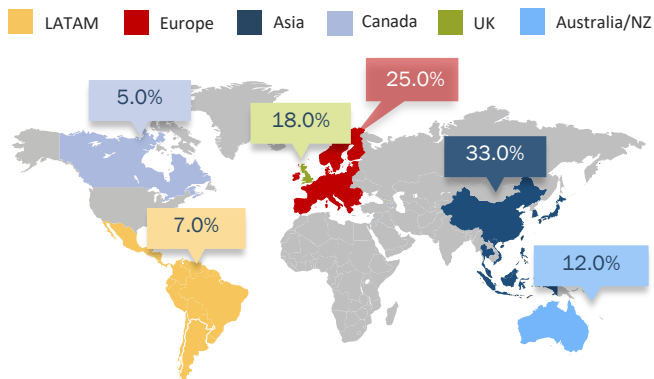
As mentioned in our [1Q 2024 Shareholder Letter](#), Japan has many resource conversion opportunities given deeply discounted (attractive) valuations. Pleasingly, there has been an uptick in activist investor activity amidst regulatory pressure to increase corporate Japan's return on capital and boost shareholder returns. There has been some activist success in listed real estate companies where asset sales, business simplification, share buybacks, and governance improvements result in enhanced shareholder returns. This has benefited the Fund through its investments in Japanese real estate operating companies **Tosei** and **Nomura Real Estate**.

However, discounts remain wide compared to private market real estate values despite some improvements. The Tokyo Stock Exchange also emphasizes simplifying corporate Japan by consolidating subsidiaries and cross-shareholdings, many examples of which exist in the listed real estate space. With that in mind, the Fund invested in a **Japanese real estate 'special situation'** during the quarter that should result in a large Japanese corporation consolidating its listed real estate subsidiary—which trades at a persistent discount to its conservatively valued real estate.

Following the additions of WDP and Unite, as well as the special situation in Japan, the Fund's regional exposure remains diverse as evidenced in the following chart.

DIVERSE REGIONAL EXPOSURE*

As of March 31, 2025 | Source: Bloomberg, TAM



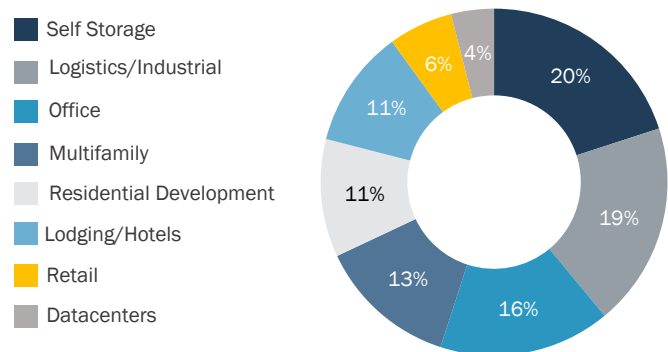
*Third Avenue International Real Estate Value Geographic exposure at 3/31/2025. Regional exposure reflects where the company is listed.

DIVERSE REGIONAL EXPOSURE*

Regarding asset types, nearly two-thirds of the Fund's capital is deployed in residential, industrial/logistics, and self-storage real estate assets. In addition, exposure to the traditional commercial real estate asset types of retail and office comprise 22% of the Fund, substantially lower than an index exposure of almost 50%. Further, specialized real estate assets like lodging, student accommodation, and data centers comprise 15% of the Fund.

CURRENT ASSET TYPES

As of March 31, 2025 | Source: Company Reports, Bloomberg

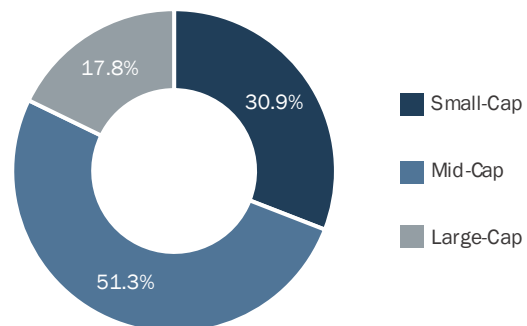


CURRENT ASSET TYPES

Given the Fund's exposure to companies focused on individual property types in select geographic markets, its holdings tend to be more focused than the large market cap constituents in the Index. As a result, the Fund's holdings are often characterized as small—and mid-market-cap companies, as illustrated below.

CURRENT MARKET CAP WEIGHTINGS⁵

As of March 31, 2025 | Source: Factset, Company Reports



FUND COMMENTARY

With tariff-led market volatility in the first weeks of the second quarter, the Fund's status as a relatively defensive portfolio diversifier continues. For instance, the Fund's year-to-date returns when publishing this letter are approximately + 8%, while global equities have declined approximately -5%. We attribute this to several of the Fund's underlying investment characteristics, including:

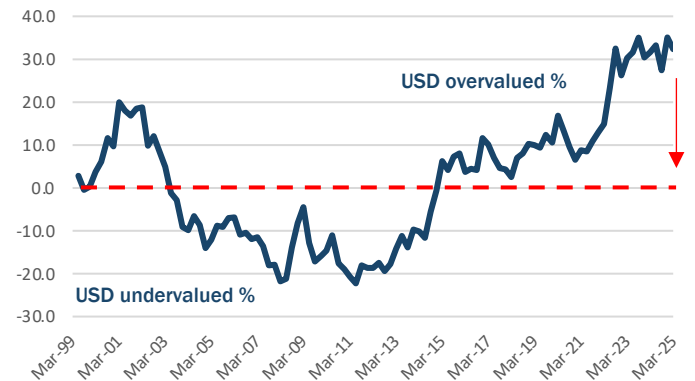


- I. Each investment has a wide valuation 'margin of safety' with low expectations and deeply discounted valuations (average 13x P/E, 35% discount to real estate value) that can reduce the risk of a significant drawdown.
- II. Most of the Fund's investments derive cash flows from high-margin rental income from assets with pricing power that should prove resilient under various economic conditions. Fund Management believes the risk is further reduced as the Fund owns very well-capitalized companies with low refinancing risk.
- III. The Fund's investments comprise tangible 'real assets' that provide a long-term inflation hedge. With a ramp-up in construction costs post-COVID and increased return on capital requirements, new real estate supply entering markets is low, providing a positive backdrop for long-term growth.
- IV. ...and finally, an acknowledgment that real estate depends on 'local' market conditions; as such, any tariff-induced retracement from 'globalization' to 'localization or regionalization' can be positive for certain real estate types.

Another important aspect of the differentiated returns has been the Fund's exposure to foreign currencies. Since the Fund's inception over 10 years ago, a strong U.S. Dollar has been a headwind on Fund performance, though this is now starting to be a tailwind. While interpretations of U.S. policy often conflict, it seems to favor a weaker U.S. Dollar, particularly versus trade surplus nations such as Japan and members of the Europe Union. Indeed, recent tariff announcements suggest that some damage has been done to the U.S. growth outlook and foreign investors' willingness to fund the external U.S. deficit.

While it is difficult to quantify just how overvalued the U.S. Dollar is, some measures such as purchasing power parity ('PPP') can be used as a rough guide, with the calculation based on the differences between a basket of goods or services between countries. This PPP methodology, using OECD estimates, suggests that the U.S. Dollar is overvalued by about 35% relative to the Fund's underlying currency exposures⁴. If the U.S. Dollar were to revert to equivalent levels based on purchasing power, it would imply a significant upside for the Fund's holdings denominated in foreign currencies. This is in addition to the steep (attractive) discounts international real estate shares trade at compared to the value of the real estate they own.

U.S. DOLLAR % OVER OR UNDER VALUED USING PPP

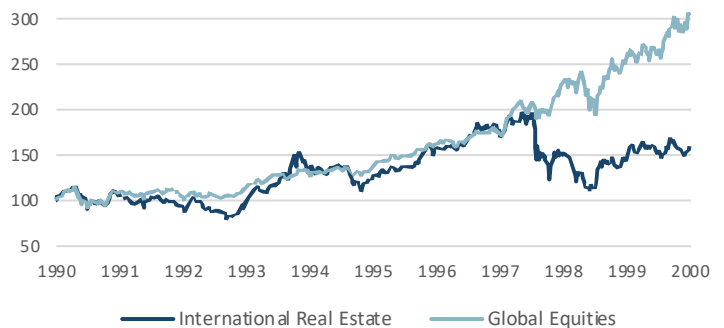


In combination, the current backdrop reminds Fund Management of another period: the post-tech bubble environment in the early 2000s. For instance, at the start of 2000 (the peak of the tech bubble), international listed real estate had suffered a period of meaningful underperformance versus broad equity indices, just like today.

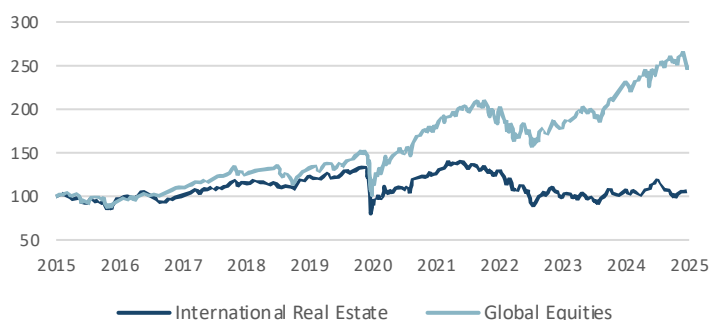
INTERNATIONAL REAL ESTATE LAGGED GLOBAL EQUITIES OVER 10 YEARS

Source: TAM, Bloomberg

Tech Bubble 2000



Magnificent 7 2025



International Real Estate is defined as the FTSE EPRA Nareit Developed ex U.S. Total Return Index. Global Equities is defined as the MSCI World Index (developed markets).

Past performance is no guarantee of future results.



At that time international commercial real estate had spent the better part of a decade absorbing the excess supply following the early 1990s recession. This was exacerbated by Japan's 'lost decade', together with the Asian Financial crisis in the late 1990s. As such, limited new real estate supply would be a powerful growth driver for many international markets in the early 2000s when demand picked up. This period (2000-2005) saw international listed real estate dramatically outperform global equities. Initially, the international real estate sector proved more resilient than global equities during a market 'regime change', after which positive underlying real estate fundamentals, an easing of financial conditions, and a weakening U.S. dollar acted as a powerful return catalyst. For further context, international real estate total returns compounded at about +16% per year over the ensuing five years, while global equities declined by almost -3% per year during the same time frame. Even when expanding the time horizon to incorporate the global financial crisis, international real estate compounded +10% per year for the 10 years through March 2010, while global equities posted negative returns.

INTERNATIONAL REAL ESTATE OUTPERFORMANCE 2000 THROUGH 2005

Source: TAM, Bloomberg



International Real Estate is defined as the FTSE EPRA Nareit Developed ex U.S. Total Return Index. Global Equities is defined as the MSCI World Index (developed markets).

While no two time periods will be the same, there are several similarities to today. That is to say, many international real estate markets have also had less supply added in recent years, as a function of COVID, higher interest rates, and higher construction costs. Similarly, a 'regime change' in equities seems to be underway where the previous technology leaders become laggards, and the U.S. Dollar appears overvalued on a PPP basis. Finally, like at the start of 2000, international listed real estate valuations are

attractive, with low multiples and notable discounts to underlying real estate value.

A key difference is that today, the listed international real estate sector offers much higher-quality investment opportunities. Why is that the case? Over the past 25 years, listed companies have worked to boost asset quality and improve management incentives and governance structures. Additionally, many international real estate companies (including those held in the Fund) have increasingly focused on enhancing returns on capital while also improving balance sheet leverage and overall liquidity relative to the early 2000s.

With this in mind, Fund Management remains constructive on the 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 or comments at realestate@thirdave.com.

Sincerely, The Third Avenue Real Estate Value Team

Quentin Velleley, CFA Portfolio Manager

Past performance is no guarantee of future results.



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 March 31, 2025 (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: April 17, 2025

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 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 Real Estate Investment Trusts 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 **Excess Return** refers to the return from an investment above the benchmark. Source: Investopedia

³ Global equities defined as the MSCI ACWI gross total return index

⁴ The calculation of PPP from the OECD uses a simple average of the Japanese Yen, the Euro, the Australian Dollar, the British Pound and the Canadian Dollar.

⁵ Small Cap is Equity Market Cap up to US\$2bn, Mid Cap US\$2bn-US\$10bn, Large Cap >US\$10bn.

For the Third Avenue Glossary please visit [here](#).

FUND PERFORMANCE

	3Mo	1Yr	Annualized			Inception	Inception Date
			3Yr	5Yr	10Yr		
Third Ave International Real Estate Value Fund (Institutional Class)	5.99%	1.71%	-1.23%	9.27%	4.98%	4.75%	3/19/2014
Third Ave International Real Estate Value Fund (Z Class)	5.96%	1.69%	-1.23%	9.27%	N/A	3.79%	4/20/2018

TOP TEN HOLDINGS

CTP NV	5.9%	Shurgard Self Storage, Ltd.	4.3%
Ingenia Communities Group	5.5%	Glenveagh Properties PLC	4.2%
National Storage REIT	5.3%	Sun Hung Kai Properties, Ltd.	4.1%
StorageVault Canada, Inc.	4.9%	Genting Singapore, Ltd.	4.0%
Big Yellow Group PLC	4.5%	Tag Immobilien AG	4.0%
Allocations are subject to change without notice		TOTAL	46.7%

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 visit the Fund's website at www.thirdave.com. The gross expense ratio for the Fund's Institutional and Z share classes is 1.54% and 1.48%, respectively, as of March 1, 2025.

Distributions and yields are subject to change and are not guaranteed.

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:



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