

Third Avenue Real Estate Value Fund

THIRD AVENUE
MANAGEMENT

A Differentiated Approach to Global Real Estate Investing.

Institutional: TAREX | Investor: TVRVX | December 31, 2017

Portfolio Team

Jason Wolf, CFA

Co-Lead Portfolio Manager

23 years of investment experience

Ryan Dobratz, CFA

Co-Lead Portfolio Manager

13 years of investment experience

Objective

Founded in 1998, Third Avenue's global real estate strategy seeks long term capital appreciation by investing globally across an expansive universe that includes both real estate and real estate-related securities worldwide and across the capital structure.

Fund Facts

Inception Date	9/17/98
Minimum Investment (Inst.)	\$100,000
Minimum investment (Investor)	\$2,500
Gross Expense Ratio (Inst.)*	1.13%
Gross Expense Ratio (Investor)*	1.38%

*As of March 1, 2017

Overall Morningstar Rating™



Out of 200 Global Real Estate Funds as of December 31, 2017^Y

4Q17 Highlights

- The Fund initiated a position in the common stock of Capital & Counties plc (a UK based REOC that controls Covent Garden and Earl's Court in London), Amerco (the owner of U-Haul, a leading provider of moving and storage services), and Wharf Holdings (a Hong Kong based REOC that recently streamlined its business by spinning-out certain properties). The Fund also implemented an options strategy around JBG Smith Properties, a leading owner of office properties in the D.C. metro area.
- Key contributors during the quarter included the Fund's residential-related investments including homebuilder Lennar Corp., timber REIT Rayonier, Inc., and home improvement retailer Lowe's Companies. Two of the Fund's holdings also received takeover bids during the quarter, including Westfield Corp. and Millennium & Copthorne plc, both of which also contributed. Detractors were limited but included Forest City Realty Trust, as US based REIT that is currently exploring strategic alternatives.
- Fund Management continues to strive to protect capital in a rising rate environment and potentially even benefit from it. As a result, approximately 60% of the invested capital is in REOCs and real estate-related businesses (not REITs) with another 10% in REITs that own timberlands that have historically been less interest rate sensitive. The Fund also has more than 10% of the Fund in Cash & Equivalents and selective options & hedges.

Growth of \$10,000



Top Ten Holdings

Allocations are subject to change without notice

	TAREX	INDEX ¹
CK Asset Holdings, Ltd.	5.9%	1.6%
Lennar Corp.	5.8%	-
Weyerhaeuser Co.	5.2%	-
Forest City Realty Trust, Inc.	5.0%	0.4%
Brookfield Asset Management, Inc.	4.6%	-
Rayonier, Inc.	4.5%	-
Henderson Land Development Co. Ltd.	4.5%	0.5%
Land Securities Group PLC	4.5%	0.7%
Five Point Holdings LLC	4.4%	-
Westfield Corp.	4.1%	1.0%
Total	48.5%	4.2%

Active Management, High Active Share*

90.14%

Active Share vs. FTSE

EPRA/NAREIT Developed Index^{1,3}

31

Total Equity Holdings

*Active Share is the percentage of a fund's portfolio that differs from the benchmark index.

\$1.98 bn

Assets Under Management

1 The FTSE EPRA/NAREIT Developed Real Estate Index was developed by the European Public Real Estate Association (EPRA), a common interest group aiming to promote, develop and represent the European public real estate sector, and the North American Association of Real Estate Investment Trusts (NAREIT), the representative voice of the US REIT industry. The index series is designed to reflect the stock performance of companies engaged in specific aspects of the North American, European and Asian Real Estate markets. The Index is capitalization-weighted. The Indices are not securities that can be purchased or sold, and their total returns are reflective of unmanaged portfolios. The returns include reinvestment of interest, capital gains and dividends.

2 The S&P 500 Index is a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. The S&P 500 index is a registered trademark of McGraw-Hill Co., Inc. The S&P 500 Index is not a security that can be purchased or sold.

3 Source: FactSet Portfolio Analytics

Past performance is no guarantee of future results. Mutual Fund returns include reinvestment of all distributions. Returns are annualized for periods longer than one year. The returns represent 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.

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The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including 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 actually has the greatest impact because it is included in all three rating periods. Both TAREX and TVRVX were rated against the following numbers of Global Real Estate funds over the following time periods: 200 funds in the last three years, 150 funds in the last five years, and 99 funds in funds in the last ten years. With respect to these Global Real Estate funds, both TAREX and TVRVX received a Morningstar Rating of 4 stars, 5 stars and 5 stars for the three-, five- and ten-year periods, respectively. Past performance is no guarantee of future results.

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Fund Highlights

Focus on Total Return Over Income

Our focus is on maximizing after-tax returns through capital appreciation not generating current income like certain REIT funds

Long-Term Deep Value Investing

Our patience is the result of an 19-year investment history in public and private markets

Global Real Estate Universe

Flexible mandate among domestic and foreign REOCs, REITs & real estate-related companies; our investment universe is nearly 3x larger than that of our peers

Actively Managed

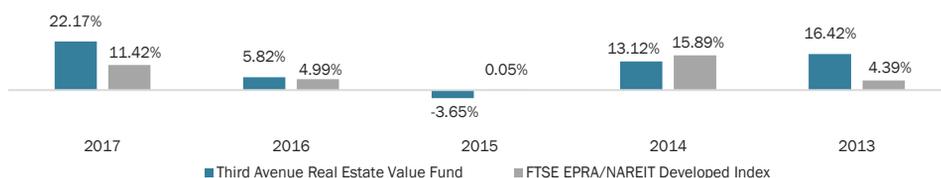
Concentrated, high active share, use of options and hedging strategies

Investment Performance

	Annualized					
	3 mo.	1 yr	3 yr	5 yr	10 yr	Inception ¹
Third Avenue Real Estate Value Fund (Institutional Class) ¹	6.43%	22.17%	7.60%	10.41%	5.87%	11.20%
Third Avenue Real Estate Value Fund (Investor Class) ²	6.35%	21.88%	7.33%	10.14%	N/A	N/A
FTSE EPRA/NAREIT Developed Index ³	3.83%	11.42%	5.38%	7.20%	4.09%	9.98%

The gross expense ratio for the fund's institutional and investor share classes is 1.13% and 1.38%, respectively, as of March 1, 2017.

Performance Snapshot



Portfolio Summary Characteristics

Weighted Market Cap ⁴	\$17.35 Billion	Price-to-Book ⁴	1.25x
Median Market Cap ⁴	\$9.26 Billion	Portfolio Turnover ⁵	7%

Evolution of Top Segments

Allocations are subject to change without notice

Top 5 Industries

	12/31/17	12/31/16
Non-U.S. Real Estate Operating Companies	28.4%	34.7%
U.S. Real Estate Investment Trust	14.2%	13.2%
Forest Products & Paper	9.7%	10.4%
Non-U.S. Real Estate Investment Trust	9.7%	11.3%
U.S. Real Estate Operating Companies	7.2%	9.3%
Cash & Equivalents	13.0%	5.1%

Top 5 Countries⁴

	12/31/17	12/31/16
United States	45.7%	46.6%
Hong Kong	16.8%	14.5%
United Kingdom	12.9%	13.7%
Canada	4.6%	3.9%
Australia	4.1%	4.3%

1 Institutional Share Class Inception Date: September 17, 1998.

2 Investor Share Class Inception Date: December 31, 2009.

3 The FTSE EPRA/NAREIT Developed Index was developed by the European Public Real Estate Association (EPRA), a common interest group aiming to promote, develop and represent the European public real estate sector, and the North American Association of Real Estate Investment Trusts (NAREIT), the representative voice of the US REIT industry. The index series is designed to reflect the stock performance of companies engaged in specific aspects of the North American, European and Asian Real Estate markets. The Index is capitalization-weighted. Index performance reported since inception of Institutional Share Class.

4 Source: FactSet Portfolio Analytics; based on equity holdings only.

5 For the year ended October 31, 2017.

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. For a full disclosure of principal investment risks, please refer to the Fund's Prospectus.

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MANAGEMENT

622 Third Avenue
New York, New York 10017

✉ clientservice@thirdave.com
☎ 212.906.1160

www.thirdave.com

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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 www.thirdave.com, or call 800-443-1021. Distributor of Third Avenue Funds: Foreside Fund Services, LLC.