

Third Avenue Real Estate Value Fund

THIRD AVENUE
MANAGEMENT

A Differentiated Approach to Global Real Estate Investing.

Institutional: TAREX | Investor: TVRVX | Z: TARZX | December 31, 2018

Portfolio Team

Jason Wolf, CFA

Co-Lead Portfolio Manager
24 years of investment experience

Ryan Dobratz, CFA

Co-Lead Portfolio Manager
14 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
Minimum investment (Z)	\$1,000,000
Gross Expense Ratio (Inst.)*	1.11%
Gross Expense Ratio (Investor)*	1.36%
Gross Expense Ratio (Z)*	1.01%

*As of March 1, 2018

Overall Morningstar Rating™



Out of 192 Global Real Estate Funds as of December 31, 2018*

4Q18 Highlights

- The Fund initiated a position in the common stock of Derwent London, a UK-based REIT that is one of the leading owners of office properties in central London with a focus on the West-End and Tech-Belt sub-markets. The Fund also increased its stake in the common stock of Weyerhaeuser Company (the largest owner of timberlands in the US with more than 12 million acres that are primarily located in the Pacific Northwest and the US South) as well as exited its real estate related investment in the common stock of Zions Bancorporation (a regional bank concentrated on the West Coast of the US and Texas) at a profit.
- Contributors during the quarter included the Fund's investments in the common stock of Hong Kong based real estate operating companies Sun Hung Kai Properties and Sino Land, as well as the common stock of St. Modwen—a UK based real estate operating company. The primary detractors during the quarter were the common stocks of companies with ties to the US residential markets, such as Weyerhaeuser (timber), Lennar Corp (homebuilding), and Five Point Holdings (land development). All three companies remain well-capitalized and trade at substantial discounts to Fund Management's estimates of Net Asset Value.
- The Portfolio Management team continues to strive to protect capital in a rising rate environment and potentially even benefit from it. As a result, approximately 65% of the invested capital is in well-capitalized 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 approximately 3.0% of the Fund in Cash & Equivalents and selective hedges.

Growth of \$10,000

Hypothetical investment made since Fund inception (September 17, 1998)



Top Ten Holdings

Allocations are subject to change without notice

	TAREX	INDEX ¹
CK Asset Holdings Ltd.	6.7%	1.4%
Lennar Corp.	6.6%	-
Weyerhaeuser Co.	5.8%	-
Henderson Land Development Co. Ltd.	5.0%	0.4%
Wheelock & Co. Ltd.	5.0%	-
Brookfield Asset Management, Inc.	5.0%	-
Macerich Co.	4.9%	0.4%
Rayonier, Inc.	4.7%	-
Five Point Holdings, LLC, Class A	4.2%	-
Berkeley Group Holdings plc	4.0%	-
Total	51.9%	2.2%

Active Management, High Active Share*

92.60%

Active Share* vs. FTSE EPRA/NAREIT Developed Index^{1,3}

30

Total Equity Holdings

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

\$1.22 bn

Assets Under Management

- 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.
- 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.
- 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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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

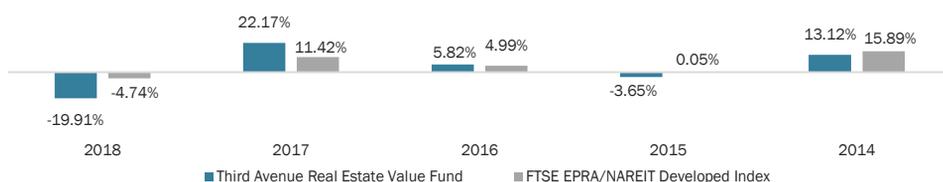
Concentrated, high active share, use of options and hedging strategies

Investment Performance

	Annualized					
	3 mo.	1 yr	3 yr	5 yr	10 yr	Inception ¹
Third Avenue Real Estate Value Fund (Institutional Class) ¹	-13.43%	-19.91%	1.17%	2.45%	9.86%	9.41%
Third Avenue Real Estate Value Fund (Investor Class) ²	-13.46%	-20.15%	0.91%	2.19%	N/A	N/A
FTSE EPRA/NAREIT Developed Index ³	-5.46%	-4.74%	3.67%	5.26%	10.53%	9.20%

The gross expense ratio for the fund's institutional and investor share classes is 1.11% and 1.36%, respectively, as of March 1, 2018.

Performance Snapshot



Portfolio Summary Characteristics

Weighted Market Cap ⁴	\$14.45 Billion	Price-to-Book ⁴	0.98x
Median Market Cap ⁴	\$7.57 Billion	Portfolio Turnover ⁵	27%

Evolution of Top Segments

Allocations are subject to change without notice

Top 5 Industries

	12/31/18	12/31/17
Non-U.S. Real Estate Operating Companies	34.6%	34.7%
U.S. Real Estate Investment Trust	16.5%	13.7%
Forest Products & Paper	10.6%	10.4%
Non-U.S. Real Estate Investment Trust	9.0%	11.3%
U.S. Real Estate Operating Companies	7.2%	9.3%
Cash & Equivalents	2.4%	5.1%

Country Exposure⁴

	12/31/18	12/31/17
United States	48.9%	45.7%
Hong Kong	25.3%	16.8%
United Kingdom	18.5%	12.9%
Canada	5.0%	4.6%

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, 2018.

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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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.