INTERNATIONAL REAL ESTATE VALUE FUND

THIRD AVENUE MANAGEMENT

AS OF DECEMBER 31, 2020

INSTITUTIONAL: REIFX | Z: REIZX

PORTFOLIO MANAGER COMMENTARY

QUENTIN VELLELEY, CFA

Dear Fellow Shareholders:

PERFORMANCE

We are pleased to provide you with the Third Avenue International Real Estate Value Fund's (the "Fund") report for the period ended December 31, 2020. For the fourth quarter of 2020, the Fund benefitted from a continued recovery in the pricing for international listed real estate companies, returning +17.30% (REIFX) and outperforming the Fund's most relevant benchmark, the MSCI Real Estate ex USA Index (the "Index"), which was up +13.23%. During the full calendar year, the Fund generated a positive return of +4.97% (REIFX), outperforming the index which declined -8.14%.

Since the Fund's inception in 2014, it has earned an annualized return of +6.38% (REIFX). As highlighted in the chart below, this performance is ahead of the most relevant international benchmark.

PERFORMANCE AND ALPHA GENERATION

As of December 31, 2020

			Annualized		
	3 mo	1 yr	3 yr	5 yr	Inception*
Third Ave Int'l Real Estate Value Fund (REIFX)	17.30%	4.97%	6.28%	8.62%	6.38%
MSCI ACWI Real Estate ex US Index	13.23%	-8.14%	1.00%	5.77%	4.46%
MSCI US REIT Index	11.52%	-7.57%	3.54%	4.84%	5.91%
Third Ave Int'l Real Estate Alpha[2] v Benchmark	4.07%	13.11%	5.28%	2.85%	1.92%

*Inception Date 5/8/2014. Source: TAM, Company Reports, Bloomberg.

INTRODUCTION

During the quarter, Third Avenue Management (the "Firm") announced that it had entered into an agreement with Real Estate Management Services Group, LLC ("REMS") to add the REMS International Real Estate Value-Opportunity Fund to the Third Avenue fund lineup.

Upon completion of the transition, the Fund was renamed the Third Avenue International Real Estate Value Fund (the "Fund"). Further, I have joined the Third Avenue Real Estate team as the sole Portfolio Manager of the Fund without any change to the investment process, style or portfolio management approach as a result.

From the inception of the fund in 2014 through today, it has been Fund Management's view that listed real estate markets outside the US are less efficient, and the opportunity to implement a real estate value investment process can generate attractive total returns over time. As a concentrated Fund, it can act as an investor's stand-alone real estate exposure as part of a broader portfolio. Alternatively, it can complement and diversify an investor's exposure to US REITs or less liquid private market US real estate funds. Finally, as a sustainable fund focused on ensuring environmental, social and governance (ESG) criteria are met, the Fund adheres to the increasing need for sustainability. The Fund's performance relative to passive international real estate indices and US REITs supports Fund Management's view.

Since inception, the Fund's investment style and process has been based upon the same principals as Third Avenue's investment approach, namely to invest in listed securities that are trading at discounts to their intrinsic private market value (net-asset value), companies that are well capitalized with good corporate governance, sufficient disclosures to enable deep dive analysis, and finally the ability to grow free cash flow and net asset value over time.

Bringing the Fund alongside Third Avenue's existing Real Estate Value Fund is beneficial given Third Avenue's experience in global real estate investing dating back to 1998, and the expanded resources and potential for idea generation. Fund Management has known both portfolio managers of the Third Avenue Real Estate Value Fund for over a decade and has long admired their modern approach to value investing. Highlighting the similarities in approach, both funds have often made investments in the same listed international companies with similar timing.

INVESTMENT PROCESS AND SUSTAINABILITY

The majority of the Fund's capital is allocated to what we deem 'core' real estate investments which share some common attributes. They are focused on a specific real estate asset type in a defined city or region where long-term real estate fundamentals are positive. In addition, they are run by management teams that are actively adding value by developing or redeveloping assets where return on invested capital is attractive versus their cost of capital. The vast majority of the Fund's investments are in entities with real estate portfolios in sizes ranging from US$1bn to US$5bn, such that effective active capital management can 'move the needle' for shareholder value. Finally, the fund is focused on sustainability, with all investments needing to pass an ESG analysis to be included.

Despite a substantial universe of more than 700 listed real estate enterprises outside the US, our analysis suggests that only a group of 50 to 100 possible investments currently meet the aforementioned criteria. From this select group, fund management typically invests in a portfolio of around 20 investments after an exhaustive bottom up real estate due diligence process on each issuer.

In addition to the Fund's ongoing focus on these 'core' real estate investments, Fund Management will allocate capital to special situation real estate investments. These investments often trade at wide discounts to real estate values and have the potential to generate outsized returns when share price catalysts emerge such as resource conversion (M&A, restructuring, spin-offs, etc.) or through the market eventually recognizing the large upside to cash flow growth that Fund Management had expected.

An integral part of the Fund's investment process is also ensuring only sustainable (ESG) investments are made. Fund Management notices a connection between sustainability and share price performance. Those entities that are actively pursuing sustainability tend to have high quality management teams with best in class governance. The Fund continues to avoid investing in numerous entities that do not meet ESG standards. Mostly these entities are excluded given their weak governance, in particular, externally advised Japanese REITs and also many Singaporean REITs and Chinese homebuilders.

ESG considerations are likely to create an economic benefit for those landlords that are proactive in the area for a number of reasons. Firstly, commercial tenants are increasingly focused on reducing carbon emissions and often real estate is one of their larger carbon users. The Fund's focus on ESG ensures companies are often focused on reducing emissions. For example, office landlord Derwent London is targeting 'net zero' carbon emissions by 2030, Australian data center operator NextDC has its datacenters 5-star rated energy efficient (NABERS), are continuing to improve operations to reduce emissions, and when they cannot, buying carbon offsets. Both companies view their sustainability strategies as a way of not only improving their own sustainability, but also attracting tenants who are focused on sustainability. These investments are just two examples of where proactive environmental management is likely to increase tenant demand relative to peers in their specific markets.

Moreover, with the extra attention on sustainability from asset managers around the world, it is probable that companies with superior sustainability (ESG) relative to their peers are likely to merit a lower cost of capital. For listed real estate companies, a reduced capital cost could eventuate if equity flows from active ESG managers positively impact share prices. In addition, several investments in the Fund have issued 'green bonds' or sustainable linked debt which helps reduce borrowing margins and the overall cost of debt.

POSITIONING

A large portion of institutional quality international real estate is focused in 'traditional' asset classes such as retail and office. This is also the case for the passive listed ETFs tracking international real estate with the largest ETF having roughly 60% exposure to commercial real estate (25% office, 21% retail and 14% industrial/logistics).

The Fund does not mimic passive ETFs that arbitrarily direct capital into large market cap office and retail entities. Instead Fund Management is much more selective and currently has 38% of the Fund's capital invested in commercial real estate (15% industrial/logistics, 14% office, and 9% retail).

Given the ongoing challenges from COVID-19 and structural changes impacting 'work from home' and e-commerce retailing, the Fund is very selective and focused on its smaller exposure to office and retail asset owners, currently avoiding exposure to owners of older 'commodity' style office buildings, and enclosed shopping malls where the majority of retail sales are discretionary merchandise which are rapidly transitioning to online. In office buildings, as individuals return to work around the world, we are seeing evidence that high quality, modern space will be in greater demand as tenants seek updated or retrofitted premises that can better address social distancing, air filtration, no touch access and other environmental factors. As such, the Fund's office exposure is focused on landlords that own high quality, modern office buildings in sub-markets of cities where Fund management thinks long term fundamentals will outperform, such as London's West End and Hong Kong's Island East. Importantly, these investments are held at attractive discounts to net asset value, with well capitalized balance sheets and quality management teams.

The Fund's single investment in a retail REIT is an owner of a portfolio of Australian grocery anchored shopping centers with limited e-commerce risk. Importantly, these non-discretionary/services tenanted shopping centers get almost half their rent from high quality grocers where rents are set to grow over time with grocery sales and food inflation. In our view, these assets are under-valued relative to global shopping centers in both the private and public market.

Lastly, the Fund's exposure to industrial and logistics assets is in markets where a combination of demand from both e-commerce and more traditional supply chains is resulting in positive real estate fundamentals. Importantly, the Fund's investments in industrial and logistics are with management teams that are focused on specific regions such as Mexico's manufacturing supply chains, southern Germany, Australia's key cities, and regions servicing London, and Madrid.

The Fund has 32% of its capital invested in residential real estate including multifamily, and residential development. The residential development component includes homebuilders in Ireland, Spain and the UK, together with some housing development exposure through diversified entities in Hong Kong. The largest residential development exposure is to Dublin, where a large supply/demand imbalance favors developers. With the Irish government attempting to stimulate housing development by supporting home buyers, the Fund's exposure is in a unique position to benefit from increased volumes and improved margins. The second largest exposure is to Spain, where despite a negative COVID economic impact to the Spanish economy, demand for high quality newly built housing is supporting sales, and margins (development profit) are much higher than similar companies in the US or other parts of Europe.

Multifamily housing outside the US is generally an immature asset class, with the residential rental market often controlled by small owners of a few properties. The implementation of professional management, and development of amenity rich multifamily properties in markets outside the US presents an opportunity. In cities like London and Dublin, where the Fund has its main multifamily investments, Fund management sees a multi-year process of the sector's growth. The Fund's investments such as Grainger in the UK and Irish Residential REIT in Ireland are well positioned to benefit from residential rental growth, improved operating efficiencies, and returns on capital from incremental development projects that well exceed cost of capital.

The Fund is 26% exposed to specialized real estate asset classes (self-storage 16%, data centers 10%) compared to a passive index which would have virtually no exposure to these specialized asset types. The Fund has three self-storage investments, one each in the UK (Big Yellow), Australia (National Storage REIT) and Europe (Shurgurd). Self-storage real estate is undersupplied outside of the US. While the US has more than 8 square feet per person, Australia has less than 2 square feet, and the UK and Europe have less than 1 square foot per person. The Fund's three self-storage investments each have the ability to meaningfully increase occupancy and thus cash flows as immature assets are leased up. In addition, each has a development pipeline that should deliver an attractive return on capital. Importantly, these companies all have leading platforms and scale in their markets, and can operate more efficiently compared to independent owners. They have significantly lower customer acquisition costs (when viewed on a per unit basis) given the transition to online procurement in recent years. We expect the Fund to be long term holders of these three storage investments as it will be a multi-year process of value creation for the management teams as the self-storage asset class matures.

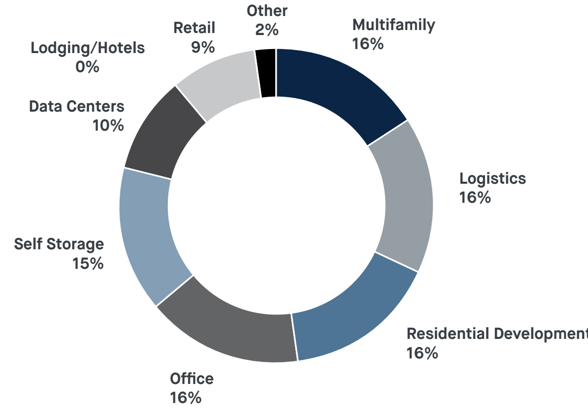
In addition to self-storage, data centers are a specialized commercial real estate sector outside the US with attractive long-term fundamentals. The Fund has two data center investments, one in Australia and another in Hong Kong. Demand for data centers is expected to continue to exceed new supply in Hong Kong, Sydney and Melbourne, which provides both investments the opportunity to lease up development projects which should be value creative for both companies. Importantly, both have well capitalized balance sheets, and together with free cash flow, are well placed to execute developments in a low risk manner.

Finally, the fund is 4% exposed to real estate services through an investment in Australian real estate fund manager Centuria. Real estate services businesses are less capital intensive than direct property ownership and offer much higher returns on capital provided the business has a favorable competitive positioning. Centuria's competitive position is impressive. With a proprietary list of high net worth investors and two listed funds in attractive asset classes. As Centuria grows, we expect to see outsized cash flow growth as assets under management grow and operational efficiencies are achieved.

The Fund's allocations across these various asset types are outlined in the chart below.

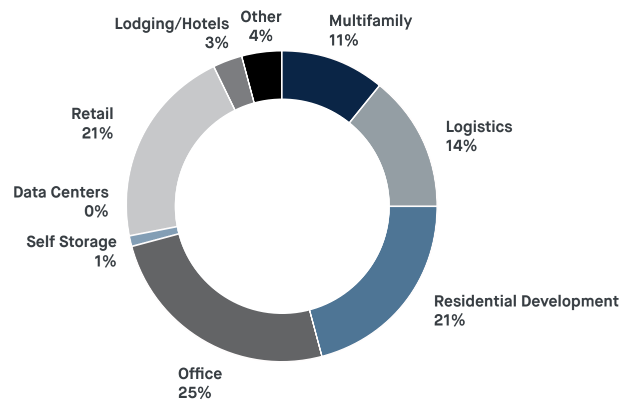
ASSET TYPES AS OF DECEMBER 31, 2020

THIRD AVENUE INTERNATIONAL REAL ESTATE VALUE



Source: TAM, company disclosures and Bloomberg

GLOBAL EX-US INDEX[1]

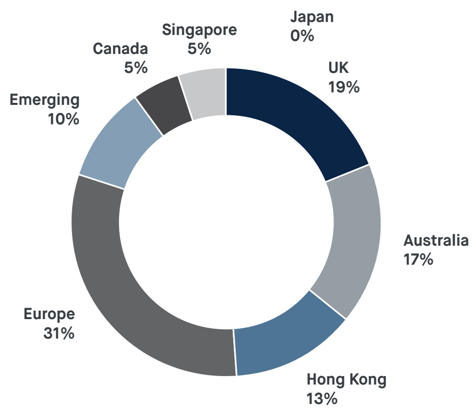


Source: TAM, company disclosures and Bloomberg

While bottom-up analysis of asset type remains important, so does the overall exposure to regions, countries, and cities. The Fund continues to weight exposure to cities or regions where the most attractive opportunities exist. As shown in the chart below, this exposure differs markedly to the passive ETF, with the largest difference being Japan where indices have a large exposure and the Fund currently has none. While Fund management continues to closely monitor possible investments in Japan, at current pricing, opportunities are limited. Less than ideal governance in a number of Japanese real estate companies (which are externally managed given the structure of the Japan REITs) means that many potential investments there fail to pass the Fund's sustainability (ESG) analysis.

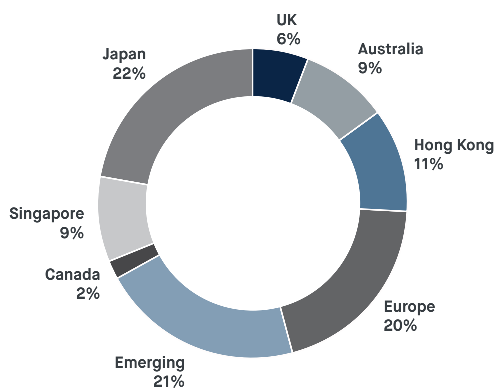
COUNTRY EXPOSURE AS OF DECEMBER 31, 2020

THIRD AVENUE INTERNATIONAL REAL ESTATE VALUE



Source: TAM, company disclosures and Bloomberg

GLOBAL EX-US INDEX[1]



Source: TAM, company disclosures and Bloomberg

OPPORTUNITY

Fund Management believes investing in international listed real estate offers investors a unique opportunity to generate attractive long-term returns. It also gives investors the ability to diversify as international real estate has lower correlations to US markets.

Further, internationally listed real estate markets seem to remain inefficiently priced compared to the US, which has been exacerbated by the underperformance of internationally listed real estate versus the US REIT sector over the past 10 years. Drawing from a broad universe of over 700 listed international real estate investments, the Fund has a broad opportunity set of many attractively valued real estate companies and REITs.

Overall, the Fund's investment universe is operating in real estate capital markets that are much less mature compared to the US. As capital markets broaden and mature it creates opportunity. Firstly, the Fund can benefit from the securitization of real estate, and an expanded opportunity set as companies list to access equity capital. Secondly, well managed companies benefit from improved access to, and cost of capital from, unsecured bonds, preferred equity and equity capital. An improved access to capital can be beneficial to many of the Fund's existing investments which are smaller market cap companies where acquisitions, or well-funded development, can have a large positive impact on cash flow and net asset value growth.

In line with less mature capital markets, the level of consolidation in international real estate markets is many years behind the US. Several of the Fund's investments could benefit from real estate industry consolidation through M&A as either a privatization target or in a public to public merger. The Fund already has a solid track record of investing in entities that are subject to resource conversion through M&A, and given how attractively priced international listed real estate is, we see this trend continuing.

Notably, many of the Fund's real estate investments are in markets where interest rates are much lower than the US yet real estate cap rates are higher. For example, the Fund has a 12% exposure to Ireland where the Irish government just issued 10-year debt at a negative interest rate of -0.26%. One of the Fund's key Irish investments is multifamily portfolio Irish Residential REIT which trades at an implied real estate cap rate just below 5%. This wide spread makes little sense, particularly given the attractive cash flow growth outlook the REIT has over the next 10 years.

Unless share prices more accurately reflect the intrinsic value of its portfolio, Irish Residential REITs will likely be subject to a privatization, and there are many such examples across the Fund's investments.

Given these opportunities, Fund Management continues to believe that active management of listed international real estate adds value, and that the space presents an attractive long-term opportunity relative to private market real estate funds and the US REIT sector.

We thank you for your continued support and look forward to writing to you again next quarter. In the interim, please don't hesitate to contact us with any questions, comments, or ideas at realestate@thirdave.com.

Sincerely,

The Third Avenue Real Estate Team

Quentin Vellely, CFA

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 December 31, 2020 (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.

[1]The "INDEX" referenced in the charts above reflect the Vanguard Global ex-US Real Estate ETF which seeks to track the investment results of the S&P Global ex-US Property Index which is a float-adjusted, market-capitalization-weighted index that measures the equity market performance of international real estate stocks in both developed and emerging markets. The index is composed of stocks of publicly traded equity real estate investment trusts (known as REITs) and certain real estate management and development companies (REMDs).

[2]Alpha, often considered the active return on an investment, gauges the performance of an investment against a market index or benchmark that is considered to represent the market's movement as a whole. The excess return of an investment relative to the return of a benchmark index is the investment's alpha. Source: Investopedia

Date of first use of portfolio manager commentary: January 15, 2021

Important Disclosure About Risks: **Stock Market Risk** Stock prices in general rise and fall as a result of investors' perceptions of the market as a whole. If the stock market drops in value, the value of the Fund's portfolio investments is also likely to decrease in value. The increase or decrease in the value of the Fund's investments, in percentage terms, may be more or less than the increase or decrease in the value of the market. **Real Estate Market Risk** Since the Fund concentrates its assets in the real estate industry, your investment in the Fund involves many of the risks of investing directly in real estate such as declining real estate values, changing economic conditions and increasing interest rates. **Foreign Investment Risk/Emerging Market Risk/Foreign Currency Risk** The Fund may experience more rapid and extreme changes in value than a fund that invests exclusively in securities of US companies due to smaller markets, less liquid ex-changes, differing reporting, accounting, auditing and taxation standards, exchange rate fluctuations vs the US Dollar, and political changes. **Investment in Smaller Companies Risk** The Fund may also be focused on smaller companies (having a market capitalization of less than US$1 billion). Smaller real estate company stocks can be more volatile and speculative than, and perform differently from, larger real estate company stocks. Certain securities generally trade in lower volume and may be less liquid than securities of large established companies. **Leverage Risk/Short Sales Risk** The Fund may use leverage in executing its investment strategy. Leverage will increase the volatility of the Fund's performance and its risk. Stocks sold short have the risk of unlimited losses. **Non-Diversification Risk** The Fund is non-diversified and takes larger positions in a smaller number of issuers than a diversified fund. The change in the value of a single stock in the Fund's portfolio may have a greater impact on the Fund's net asset value than it would on a diversified fund. The Fund's share price may fluctuate more than the share price of a comparable diversified fund. The Fund pursues a "value style" of investing, which focuses on companies with stocks that appear undervalued in light of factors such as the company's earnings, book value, revenues or cash flow. Read the prospectus to learn more about these and other risks associated with an investment in the Fund.

Open-End Mutual Fund

An open-end fund is an investment company that issues shares on a continuous basis. Shares can be purchased from the open-end mutual fund itself, or through an intermediary, but cannot be traded on a secondary market, such as the New York Stock Exchange. Investors pay the open- end mutual fund's current net asset value plus any initial sales loads. Net asset value is calculated daily, at the close of business. Open-end mutual fund shares can be redeemed, or sold back to the fund or intermediary, at their current net asset value minus any deferred sales loads or redemption fees. The expense ratio for an open-end mutual fund is an annual fee charged to a shareholder. It includes operating expenses and management fees, but does not take into account any brokerage costs. Open-end funds may also have 12b-1 fees. Income distributions and capital gains of the open-end fund are subject to income tax, if held in a taxable account.

Exchange-Traded Fund (ETF)

An ETF is an investment company that typically has an investment objective of striving to achieve a similar return as a particular market index. The ETF will invest in either all or a representative sample of the securities included in the index it is seeking to imitate. Like closed-end funds, an ETF can be traded on a secondary market and thus have a market price that may be higher or lower than its net asset value. If these shares trade at a price above their NAV, they are said to be trading at a premium. Conversely, if they are trading at a price below their NAV, they are said to be trading at a discount. ETFs are not actively managed, so their value may be affected by a general decline in the U.S. market segments relating to their underlying indexes. Similarly, an imperfect match between an ETF's holdings and those of its underlying index may cause its performance to vary from that of its underlying index. The expense ratio of an ETF is an annual fee charged to a shareholder. It includes operating expenses and management fees, but does not take into account any brokerage costs. ETFs do not have 12b-1 fees or sales loads. Capital gains from funds held in a taxable account are subject to income tax. In many, but not all cases, ETFs are generally considered to be more tax-efficient when compared to similarly invested mutual funds.

Alpha, often considered the active return on an investment, gauges the performance of an investment against a market index or benchmark that is considered to represent the market's movement as a whole. The excess return of an investment relative to the return of a benchmark index is the investment's alpha. Source: Investopedia

The **MSCI All Country World Real Estate ex USA Index** is a free float-adjusted market capitalization index comprised of foreign stocks representing companies in 22 developed and 26 emerging markets engaged in the ownership, development, and management of specific core property type real estate. The index excludes companies, such as real estate services and real estate financing companies, that do not own properties.

The **MSCI US REIT Index** is a free float-adjusted market capitalization weighted index that is comprised of equity Real Estate Investment Trusts (REITs). The index is based on the MSCI USA Investable Market Index (IMI), its parent index, which captures the large, mid and small cap segments of the USA market. With 138 constituents, it represents about 99% of the US REIT universe and securities are classified under the Equity REITs Industry (under the Real Estate Sector) according to the Global Industry Classification Standard (GICS®), have core real estate exposure (i.e., only selected Specialized REITs are eligible) and carry REIT tax status.

THIRD AVENUE MANAGEMENT

INTERNATIONAL REAL ESTATE VALUE FUND

AS OF DECEMBER 31, 2020

INSTITUTIONAL: REIFX | Z: REIZX

FUND PERFORMANCE

As of December 31, 2020

	3 mo	1 yr	3 yr	5 yr	Inception	Inception Date
Third Ave International Real Estate Value Fund (Institutional Class)	17.30%	4.97%	6.27%	8.63%	6.38%	5/8/2014
Third Ave International Real Estate Value Fund (Z Class)	17.16%	4.98%	N/A	N/A	6.01%	4/20/2018

REIFX Gross/Net Expense Ratio: 1.67%/1.19%, REIZX Gross/Net Expense Ratio: 1.59%/1.20%

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 April 30, 2021. 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.

Performance is shown for the Third Avenue International Real Estate Value Fund (Institutional Class). 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

Allocations are subject to change without notice

	REIFX
Glenveagh Properties Plc	6.1%
Big Yellow Group PLC	5.9%
Corporacion Inmobiliaria Vesta S.A.B. de C.V.	5.8%
Irish Residential Properties REIT PLC	5.6%
Sunevision Holdings Ltd.	5.5%
CapitaLand Limited	5.3%
Grainger plc	5.2%
MERLIN Properties SOCIMI, S.A.	5.2%
National Storage REIT	5.2%
AEDAS Homes, S.A.U.	4.8%
Total	**54.6%**

The Fund's prospectus contains important information about the Fund's investment objectives, potential risks, management fees, charges and expenses, and other information and should be read and considered carefully before investing. The Funds' past performance does not guarantee future results. The investment return and principal value of an investment in the Funds will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. You may obtain a current copy of the Funds' prospectus by calling 1-800-673-0550. Distributed by Foreside Fund Services, LLC.

THIRD AVENUE MANAGEMENT

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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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