# THIRD AVENUE REAL ESTATE VALUE FUND UCITS

AS OF MARCH 31, 2023

PORTFOLIO MANAGER COMMENTARY

JASON WOLF, CFA | RYAN DOBRATZ, CFA

Dear Fellow Shareholders:

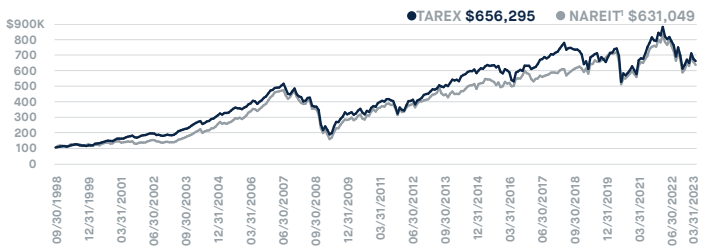
We are pleased to provide you with the Third Avenue Real Estate Value Fund's (the "Fund") report for the quarter ended March 31, 2023. For the first quarter of the calendar year, the Fund generated a return of +1.86% (after fees) versus +1.04% (before fees) for the Fund's most relevant benchmark, the FTSE EPRA NAREIT Developed Index.[1]

The primary contributors to performance during the quarter included the Fund's investments in leading US-based homebuilders (Lennar Corp. and D.R. Horton), UK-centric real estate holdings (Berkeley Group and Savills plc), and Industrial and Logistics REITs (Prologis, First Industrial and Segro plc). Notwithstanding, this performance was modestly offset by detractors during the period, which included the Fund's investments in certain Real Estate Operating Companies (Wharf Holdings and Trinity Place Holdings) and the Preferred Equity of Fannie Mae and Freddie Mac (collectively the "GSEs"). Further details on these holdings, portfolio positioning, and the Fund's most recent investments in Jones Lang LaSalle and Ingenia Communities are included herein.

Recognizing that security prices can fluctuate from quarter-to-quarter, and that value-oriented investments oftentimes take years to materialize, Fund Management maintains the view that the Strategy's long-term results are the most relevant gauge of performance. To that end, the Strategy has generated an annualized return of +8.09% (after fees) since its inception nearly twenty-five years ago. As a result, this performance indicates that an initial investment of $100,000 in the Strategy would have a market value in excess of $650,000 (assuming distributions had been reinvested), or more than the same $100,000 would be worth had it been placed into a passive mutual fund tracking the Fund's aforementioned benchmark (as well as the S&P 500)[2] over the same time period.

### VALUE OF $100,000 SINCE SEPTEMBER 1998

As of March 31, 2023




Hypothetical Investment since September 30, 1998 (Fund Inception Date Sept. 17, 1998). **Past performance does not guarantee future performance results.**
This chart is a representation of the Third Avenue Real Estate Value Fund (Institutional Class) which is a U.S. registered mutual fund and represents the fund with the longest track record of the strategy. The track record has been adjusted to reflect the fees and expenses of the UCITS Fund class A4 (Institutional Class) shares through inception date March 31, 2009. The highest class A1 fees and expenses were deducted from performance for time periods prior to the UCITS Fund inception date.

## ACTIVITY

In early May, thousands of value investors will descend upon Omaha for Berkshire Hathaway's annual shareholder meeting, or what is often designated as the "Woodstock for Capitalists". Meanwhile, in early March hundreds of real estate professionals made the journey to Ft. Lauderdale for Citigroup's annual global property conference, or what some deem to be the "Lollapalooza of Listed Real Estate".

While the most notable insights from Nebraska will arrive next month, one of the key themes that resonated throughout hundreds of meetings in Florida was one of "divergence". Truth be told, Fund Management is unable to recall another moment in the past fifteen years of attendance when there was such bifurcation between regions, property types, and individual companies—seemingly creating unprecedented opportunities for active managers such as Third Avenue.

The most striking divide at Citigroup's 2023 conference related to expectations for the office markets, where employees in most international markets have largely "returned-to-office", often having living accommodations that are less conducive to "working-from-home" and more accessible to mass-transit. In fact, the utilization rates of office properties in certain markets have even surpassed pre-pandemic levels (i.e., Asia) while management teams in other markets are focused on new development as environmental regulations restrict leasing at older and less energy-efficient properties (e.g., London).

On the other hand, US-based office owners continue to grapple with delayed "return-to-office" plans as entrenched "flexible" working policies have left utilization rates between 40-60% of pre-pandemic levels, as well as high-profile corporates reducing their real estate footprints—if not shedding them altogether. As a result, office fundamentals in the US seem to be more challenged than at any other point in many decades with net effective rents declining, vacancy rates approaching 20%, and lending availability contracting. As a result, capital values for US office properties are reported to have declined by 25% in the private markets, per Green Street Advisors, while the public markets have factored in a more serious reset, with US-based Office Real Estate Investment Trusts ("REITs") having declined by nearly 50% since the start of 2020 (as measured by the Bloomberg Office REIT Index).

While the Fund does not have any direct investments in US-based office companies at the present time, Fund Management is undoubtedly drawn to the opportunity set with such significant price declines and a long-term value mindset. Therefore, the Third Avenue investment team continues to assess investment opportunities in the sector—while drawing on its experience in both direct real estate and the securities markets.

That is to say, Fund Management recognizes that (i) establishing a basis in well-located office properties at high cap rates (i.e., initial yields) and discounts to replacement cost has

historically been a profitable approach to investing in the sector and (ii) well-capitalized office companies with professional management teams and desirable properties are likely to take share in a "down market". At the same time, Fund Management is also factoring in the realities that (i) office properties are incredibly capital intensive given the inevitable costs of financing tenant improvements, leasing commissions, and other refurbishments needed to remain competitive, (ii) the REIT structure magnifies these challenges by requiring companies to distribute a significant amount of their cash flow as dividends, which could require future capital raises given the existing capital structures in place, and (iii) the significant supply and demand imbalance is likely to take many years to work through—with certain gateway markets facing further challenges given declining revenue bases and budget deficits.

It has also been our experience that when sectors undergo secular changes (which seems to be the case with more than 70% of US-based companies adopting flexible working practices per CBRE Group), it can often be more rewarding to invest in other parts of the real estate value chain that become more important and valuable (e.g., industrial real estate following the rise of e-commerce). For that reason, the Third Avenue Real Estate Value Fund continues to be more constructive on areas tangential to the office space, most notably single-family residential, and increasingly, a select-set of well-capitalized Real Estate Services firms.

Not widely held in other Real Estate funds, Real Estate Services firms have been a critical component of the commercial property markets for centuries, essentially acting as a "toll booth" on activity by advising property owners and occupiers on leasing, financing, and investment sales transactions. The industry is now estimated to generate more than $800 billion of revenues annually. In addition, the key participants are structured as "C-Corps" as opposed to REITs. Therefore, these businesses can retain capital to self-finance their expansion, which has increasingly involved the addition of ancillary activities—a transition that seems to be less recognized by industry participants, in Fund Management's opinion.

Put otherwise, the traditional Real Estate Services model (centered on cyclical leasing and sales activities) now largely incorporates segments with significant recurring fee income (such as property management, investment management, and loan servicing) as well as counter-cyclical activities (including valuation and lender advisory services). Further, the real estate services industry has undergone significant consolidation in recent years, leaving the leading global franchises with clear advantages. As a result, it seems likely that the industry leaders will not only gain share within existing segments, but also capitalize on other secular trends, such as (i) participants outsourcing additional functions following a reassessment of their real estate strategies post-pandemic as well as (ii) emerging opportunities within sustainability solutions and "flexible" office offerings.

Along those lines, the Fund initiated a position in the common stock of **Jones Lang LaSalle Incorporated** ("JLL") during the quarter. With ties back to the 1700's, JLL was formed through the merger of Jones Lang (UK) and LaSalle (US) in 1999 and today is a full-service real estate services firm with leading positions in leasing, capital markets, property management, investment management, and "prop tech" services. The company also has a nearly unmatched global platform with a presence in more than 80 countries throughout North America, Europe, and Asia Pacific. Having followed the company for the better part of 20 years, Fund Management can attest to the strength of JLL's franchise, which was solidified further through the acquisition of HFF in 2020. That said, industry participants will likely point out that JLL tends to have a higher fixed-cost structure than competitors. In addition, the company has more exposure to office markets than its closest competitor (CBRE Group) with approximately one-quarter of its transactional revenues derived from the property type.

As a result, JLL has more recently been trading at a significant discount to its peers and our estimates of its private-market value. It is also likely for such reasons that JLL recently shifted to a more variable cost structure while undertaking other streamlining efforts, which are expected to realize $140 million of annual cost savings. The company has also enhanced its financial reporting to highlight the substantial recurring revenues within its business lines—including its facilities management business with approximately 3.0 billion square feet of properties under management, an investment management business with more than $80 billion of asset under management, and a loan servicing portfolio of more than $130 billion.

Although Fund Management recognizes that JLL's higher-margin leasing and transaction advisory business are likely to be under pressure in the immediate term, it is our view that these recent moves will ultimately result in enhanced profitability and an improved cost of capital when real estate capital markets stabilize (e.g., a higher multiple). In the meantime, the company is also likely to utilize its super-strong financial position to make bolt-on acquisitions, attract talent from less well-capitalized industry participants, and even repurchase shares—all of which should enhance JLL's value over time.

With the addition of JLL, the Fund now has approximately 10% of its invested capital in Real Estate Services firms after also including **CBRE Group** and **Savills plc**. When viewed in the aggregate, these businesses nearly act as an oligopoly on services and transactions in key regions. They should also seem interesting for other "enterprising investors" with the three companies having "net cash" positions and common stocks trading at less than 10 times peak earnings, on average.

Outside of the "divergence" of the office markets, another theme evident at Citigroup's property conference was the "emergence" of select international real estate enterprises that are at the earlier stages of building out platforms for niche property types already well established in the US markets (e.g., self-storage, build-to-rent, land-leases, et al). In Fund Management's view, investing in such opportunities has appeal as the concept is already proven, and under strong stewardship, the capital markets are likely to support expansion. Further, competition within the local markets is more limited, and measured investment activities can often have a more substantial impact given their smaller-size. Finally, stakeholders who quasi "partner" with these businesses can often be rewarded with "platform value" as the entities become more established, either through a more competitive cost of capital, or a change-of-control premium should some form of resource conversion materialize (e.g., a merger, acquisition, take-private, etc.).

With that backdrop, the Fund initiated a position in the common stock of **Ingenia Communities Group** ("Ingenia") during the quarter. As outlined in a previous Third Avenue International Real Estate Value Fund shareholder letter, Ingenia is an Australian-based REIT that is a leading owner, operator, and developer

of "affordable" lifestyle-living and holiday communities in Australia—somewhat similar to manufactured housing REITs in the US but with a focus on age-restricted and resort locations.

Having expanded in recent years, Ingenia now controls a $2.2 billion portfolio (AUD) that is primarily located in attractive coastal and metropolitan areas within Queensland and New South Wales, with more than 11,000 rent paying residents in its "lifestyle" communities, as well as 1.7 million "room nights" available per year in its "holiday" communities. Importantly, the company also controls a development pipeline that could accommodate more than 6,000 additional home sites and maintains a conservative financial position with a net-debt-to-asset ratio of 25%.

In Fund Management's view, Ingenia has three primary drivers in its favor. First, the company's residents are largely baby boomer retirees paying rent supported by Australia's Commonwealth pension or rent assistance, which is indexed to increase with inflation. Australia's baby boomers offer a substantial tailwind for demand. Second, Ingenia's unique business model is more capital efficient than traditional multi-family or single-family rentals, in our view. In essence, Ingenia builds a home for a new resident in one of its communities, the resident buys the home upon completion (which generates an attractive profit not dissimilar from a traditional homebuilder), and then the purchaser agrees to lease the land from Ingenia securing a resilient and recurring cashflow with minimal ongoing capex requirements. Finally, Ingenia's Holiday segment is mostly located in desirable seaside tourist areas where fundamentals are favorable, and the valuable underlying land gives Ingenia long term optionality through higher-and-better use ("HBU") potential.

Not lost on those in the sector, industry leader US-REIT Sun Communities ("Sun") acquired a 10% stake in Ingenia in 2018 and also formed a joint venture to invest in certain communities with a five-year term. While that agreement is scheduled to expire later this year, Sun has maintained a seat on Ingenia's Board of Directors, and also demonstrated a willingness to make more substantial international investments having acquired the Park Holidays portfolio in the UK for $1.3 billion in 2022. It is therefore not inconceivable that Sun would further increase its exposure to the Australian land-lease sector, particularly if Ingenia common remains at prices below its stated Net-Asset Value, as it has more recently.

When including the addition of Ingenia, the Fund had approximately 10% of its invested capital in these "emerging" real estate companies at quarter-end. Other holdings include **Grainger plc** (a UK-based real estate operating company that is a leading participant in the "private rental sector" in London), **Big Yellow plc** (a UK-based REIT that is a leading owner, manager, and developer of self-storage properties throughout the UK), and **National Storage REIT** (an Australian-based REIT that is the largest owner, manager, and developer of self-storage facilities).

The Fund's other activity during the period was modest in nature and included slight reductions to certain holdings for portfolio management purposes (Lennar Corp., D.R. Horton, FNF Group, Wharf Holdings, and AMH). In addition, the Fund exited its position in Stratus Properties and extended out a hedge related to the Fund's Hong Kong Dollar exposure during the quarter.

## POSITIONING

After factoring in this activity, the Fund had 41% of its capital invested in **Residential Real Estate** companies with strong ties to the U.S. and U.K. residential markets—where there remain supply deficits after years of under-building. In conjunction with near record-low inventory levels, there also remains significant demand for new products at affordable price points (both for-sale and for-rent). Therefore, these Fund holdings seem positioned to benefit from a multi-year recovery in residential construction and ancillary activities, particularly as mortgage rates stabilize for conforming loans. At the end of the quarter, these holdings included a diversified set of businesses including homebuilding (Lennar Group and DR Horton), timberland ownership and management (Weyerhaeuser and Rayonier), planned development (Berkeley Group and Five Point Holdings), the ownership and development of rental properties (AMH, Grainger plc, and Ingenia Communities), as well as other ancillary businesses (Lowe's and Trinity Place Holdings).

The Fund also had 35% of its capital invested in **Commercial Real Estate** enterprises that are involved with very select segments of the property markets. For instance, these holdings are primarily capitalizing on secular trends, including structural changes driving more demand for industrial properties, self-storage facilities, and last-mile fulfillment (Prologis, U-Haul, Segro plc, First Industrial, InvenTrust, Big Yellow, and National Storage) as well as the further densification and improvements taking place in select urban corridors (CK Asset Holdings and Wharf Holdings). In Fund Management's view, each of these enterprises is very well-capitalized, their securities trade at discounts to private-market values, and they seem capable of further increasing NAV—primarily by increasing rents, undertaking development activities, and by making opportunistic acquisitions.

An additional 19% of the Fund's capital is invested in **Real Estate Services**. As outlined above, these businesses are generally less capital-intensive than direct property ownership and consequently have offered much higher returns on capital over the course of a cycle—provided they have favorable positioning within the real estate value chain. At the present time, these holdings include franchises involved with investment management (Brookfield Corp. and Brookfield Asset Management), brokerage and property management (CBRE Group, Savills plc, and JLL), as well as mortgage and title insurance (FNF Group and the GSEs).

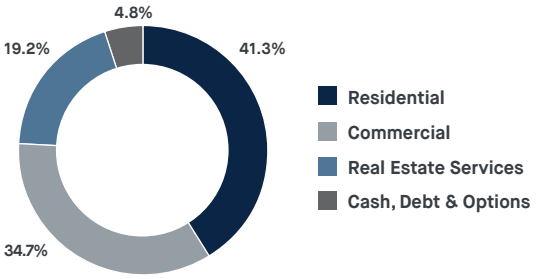
The remaining 5% of the Fund's capital is in **Cash, Debt & Options**. These holdings include US-dollar based cash and equivalents, hedges relating to certain foreign currency exposures (Hong Kong Dollar), as well as investments in the Senior Unsecured Notes of Diversified Healthcare Trust and Five Point Holdings.

The Fund's allocations across these various business types are outlined in the chart on the next page, along with the exposure by geography (North America, Europe, and Asia-Pacific). In addition, the discount to Net-Asset Value ("NAV") for the Fund's holdings, when viewed in the aggregate, was approximately 24.5% at the end of the quarter by Fund Management's estimates.

## ASSET ALLOCATION AS OF MARCH 31, 2023

(allocations subject to change)

### BY TYPE




### BY REGION

## FUND COMMENTARY

In the spring of 1989, the CEO of Trammell Crow's Southwestern region sent a memorandum to its partners asking them to reflect upon the challenging real estate conditions to draw upon "lessons learned" and prepare for "whatever might befall". As one of the largest real estate owners, managers, and developers at the time, the experiences shared through the responses from its leadership team report were vast. However, the overriding themes throughout this publicly available report emphasized the importance of (i) focusing on quality locations with credit-worthy tenants, (ii) utilizing prudent amounts of leverage, (iii) limiting speculative development, and (iv) operating with a lean cost structure built around "high achievers". They were also principles the company would reemphasize throughout the organization as it emerged from that challenging period, ultimately generating +18.3% annualized returns for its shareholders during its time as a public company from 1994 until being acquired by the CBRE Group in 2006 (where it remains an important subsidiary today).

A similar philosophy is common throughout the Fund's holdings and it is one that seems to best position a real estate enterprise for dealing with the ever-capricious capital markets—which is of the essence today given recent challenges in the banking sector (e.g., deposit "flight", the realization of "mark-to-market" losses, Federal Home Loan Bank lending facilities, et al). While further details on the specific consequences for the financial services sector can be obtained in the Third Avenue Value Fund and Small-Cap Value Fund shareholder letters, these recent developments are meaningful and likely to have four primary implications for the property markets, in Fund Management's opinion, including:

1. **More Restrictive Lending Terms:** With additional regulatory oversight expected after recent events, US-based banks are likely to take a more cautious approach to lending in areas which are perceived to have heightened credit risk—particularly office, urban hotels, and tertiary retail. This will especially be the case for the group of regional banks with an asset base of $50-250 billion, as they are reported to face more stringent capital requirements going forward. As a result, lending terms for commercial real estate are likely to "tighten" with the reduced pool of capital available likely requiring higher fixed-charge coverage ratios, lower loan-to-value ratios, and even guarantees—all of which is likely to be impactful when considering that US-based banks are estimated to account for 54% of the loans outstanding in the $5.7 trillion US commercial real estate market.
2. **More Limited Levels of Supply:** The most significant pullback in lending will likely involve construction loans, however, as they are widely considered to be the type of financing with highest likelihood to default, along with the highest loss severity rate during an economic downturn. As evidence a recent monthly survey provided by the US Federal Reserve indicates that 69.2% of Senior Loan Officers were "tightening standards for construction and land development loans" as of early 2023—the highest rate in 10 years outside of the few months following the onset of the Covid-19 Pandemic. As a result, bank financing for new construction on both the commercial and residential side of the industry is likely to remain limited, potentially preventing a more pronounced supply and demand mismatch as experienced in other cycles (and in some cases exacerbating it further).
3. **Recapitalization Opportunities:** At the same time the largest source of credit in the commercial real estate markets is retracting, there is a significant amount of upcoming debt maturities with approximately $1.5 trillion expected through 2025 in the US alone. While real estate debt is rarely "repaid", but instead "refinanced", such extensions will likely only be granted on different terms given the shift in the interest rate environment, as well as the contraction in values for certain property types more recently. It is therefore not inconceivable that loan maturities will require paydowns for "additional term", with real estate private equity funds (that are estimated to have more than $400 billion of available capital per Preqin) as the largest solution to bridging any shortfalls for private owners.
4. **Further Consolidation:** For publicly traded real estate, it seems that such developments could lead to listed real estate companies entering a wave of consolidation with some of the largest, most-efficient, and most-well-capitalized entities having a cost of capital advantage. In particular, well-established listed real estate companies with access to the unsecured bond market are less likely to be impacted by any contraction in bank debt or secured mortgages, presenting an opportunity for these groups to "roll-up" their smaller peers on an accretive basis—which could lead to value being surfaced for a number of the Fund's holdings with desirable platforms in more favorable property types (e.g., industrial, open-air retail, et al). Such a scenario is also likely to impact the single-family residential markets where local and regional participants are much more dependent on banks for acquisition, development, and construction loans ("AD&C"), leaving the well-capitalized public homebuilders positioned to take further market share (despite having already moved up to approximately 40% of new home sales relative to 20% a decade ago).

While such implications may prove more wide-ranging, the Third Avenue Real Estate Value Fund was constructed for such conditions. That is to say, not only are the issuers incredibly well-capitalized without a need for "continuous" access to capital (e.g., the average loan-to-value remains around an all-time low

at 15%), but the underlying companies are also focused in select pockets of real estate where there seem to be underappreciated demand drivers or competitive dynamics. At the same time, the Fund has deliberately sidestepped areas which seem to be facing secular headwinds (e.g., office) while largely avoiding regions where most companies operate with significantly higher debt levels (e.g., Western Europe). Therefore, it is Fund Management's view that the vast majority of the Fund's holdings will navigate through this most recent episode of volatility, and similar to Trammell Crow's path, ultimately emerge even better positioned to compound value over time.

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, comments, or ideas at realestate@thirdave.com.

Sincerely,

The Third Avenue Real Estate Value Team

Jason Wolf, CFA

Ryan Dobratz, 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 March 31, 2023 (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 19, 2023

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.

2 **S&P 500 Index**, or Standard & Poor's 500 Index, is a market-capitalization-weighted index of 500 leading publicly traded companies in the U.S.

THIRD AVENUE
MANAGEMENT

# THIRD AVENUE REAL ESTATE VALUE FUND UCITS

AS OF MARCH 31, 2023

## FUND PERFORMANCE

As of March 31, 2023

| | 3 mo | 1 yr | 3 yr | 5 yr | 10 yr | Inception | Inception Date |
|---|---|---|---|---|---|---|---|
| Third Avenue Real Estate Value Fund Class A1 (USD) | 1.86% | -20.25% | 7.02% | -2.98% | 2.03% | 7.13% | 3/31/2009 |
| Third Avenue Real Estate Value Fund Class A4 (USD) | 1.95% | -20.00% | 7.40% | -2.58% | 2.50% | 5.39% | 11/29/2011 |
| Third Avenue Real Estate Value Fund Class A5 (EUR) | 0.51% | -25.20% | 3.97% | -5.76% | N/A | -2.41% | 7/2/2015 |

## TOP TEN HOLDINGS

Allocations are subject to change without notice

| | TAREXU |
|---|---|
| Lennar Corp. Class B | 6.8% |
| Prologis, Inc. | 6.3% |
| D.R. Horton, Inc. | 5.7% |
| U-Haul Holding Company | 5.5% |
| Brookfield Corp. | 5.1% |
| CK Asset Holdings Ltd. | 4.8% |
| Rayonier, Inc. | 4.8% |
| Berkeley Group Holdings plc | 4.8% |
| Weyerhaeuser Co. | 4.7% |
| Lowe's Companies, Inc. | 4.5% |
| **Total** | **53.0%** |

## 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 intends to find value in industries that the investment manager believes to be temporarily depressed. The prices of securities in these industries may tend to go down more than those of companies in other industries. Due to the Fund's investment policy, the Fund may at times have a significant cash position which may impact on Fund performance in certain market conditions and may make it more difficult for the Fund to achieve its investment objective. The Fund may use derivatives to try to reduce the overall risk of its investments or reduce the cost of investing, although this may not be achieved. Adverse movements in exchange rates could result in a loss to the Fund. For a full disclosure of principal investment risks, please refer to the Fund's Prospectus and key investor information document.

ALL DOCUMENTATION INCLUDING THE PROSPECTUS AND RELEVANT KIID(S) CAN BE FOUND ON WWW.GEMINICAPITAL.IE

This material is issued and approved by Third Avenue Management LLC, an investment adviser registered with the United States Securities and Exchange Commission.

Current performance results may be lower or higher than performance numbers quoted in certain letters to shareholders.

## DISCLAIMER

This document is issued by Third Avenue Management LLC and does not constitute or form part of any offer or invitation to buy or sell shares. It should be read in conjunction with the Fund's Prospectus, key investor information document ("KIID") or offering memorandum. Third Avenue Management LLC is authorised and regulated by the Securities and Exchange Commission. The Company's registered office is 675 Third Avenue, Suite 2900-05 New York, NY 10017.

The price of shares and income from them can go down as well as up and past performance is not a guide to future performance. Investors may not get back the full amount originally invested. A comprehensive list of risk factors is detailed in the Prospectus and KIID and an investment should not be contemplated until the risks are fully considered. The Prospectus and KIID can be viewed at www.geminicapital.ie

# THIRD AVENUE REAL ESTATE VALUE FUND UCITS

AS OF MARCH 31, 2023

The contents of this document are based upon sources of information believed to be reliable. Third Avenue Management LLC has taken reasonable care to ensure the information stated is accurate. However, Third Avenue Management LLC make no representation, guarantee or warranty that it is wholly accurate and complete.

The Third Avenue Real Estate Value Fund is a sub- fund of GemCap Investment Funds (Ireland) plc, an umbrella type open-ended investment company with variable capital, incorporated on 1 June 2010 with limited liability under the laws of Ireland with segregated liability between sub-funds.

GemCap Investment Funds (Ireland) plc is authorised in Ireland by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011) (the "UCITS Regulations"), as amended.

Gemini Capital Management (Ireland) Limited, trading as GemCap, is a limited liability company registered under the registered number 579677 under Irish law pursuant to the Companies Act 2014 which is regulated by the Central Bank of Ireland. Its principal office is at Ground Floor, 118 Rock Road, Booterstown, A94 V0Y, Co. Dublin and its registered office is at 1 WML, Windmill Lane, Dublin 2, D02 F206. GemCap acts as both management company and global distributor to GemCap Investment Funds (Ireland) plc.

GemCap UK Limited (FRN 924419) is an appointed representative of Connexion Capital LLP (FRN 480006), which is authorised and regulated by the Financial Conduct Authority and provides distribution oversight services to GemCap acting as global distributor and is responsible for the oversight of all distribution arrangements for the sub-fund.

This is a marketing communication. Please refer to the Supplement, the Prospectus, any other offering document and the relevant key investor information document (KIIID) in relation to the Fund before making any final investment decision.

A copy of the English version of the Supplement, the Prospectus, and any other offering document and the KIID is available at www.geminicapital.ie. As required under national rules, the KIIDs and any other applicable documents are also available in the official language of the relevant jurisdiction where the Fund is marketed, or in another language accepted by the national competent authorities of that jurisdiction.

A summary of investor rights associated with an investment in the Fund is available in English at www.gemincapital.ie. A decision may be taken at any time to terminate the arrangements for the marketing of the Fund in any jurisdiction in which it is currently being marketed. In such circumstances, Shareholders in affected EEA Member State will be notified of any decision to terminate marketing arrangements in advance and will be provided the opportunity to redeem their shareholding in the Company free of any charges or deductions for at least 30 working days from the date of such notification.

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THIRD AVENUE MANAGEMENT

/third-ave-management

## CONTACT


118 Rock Rd, Booterstown
Co. Dublin, A94 V0Y7
www.geminicapital.ie

**E:** clientservice@thirdave.com
**P:** +1 212-906-1160