

# Third Avenue International Value Fund

THIRD AVENUE  
MANAGEMENT

An Uncommon Approach to International Investing

Institutional: TAVIX | Investor: TVIX | December 31, 2016

## Portfolio Team

**Matthew Fine, CFA**  
Portfolio Manager

17 years of investment experience

**Jane Spiegel**  
Research Analyst

15 years of investment experience

## Strategy Description

Our International strategy employs an opportunistic and long-term approach to fundamental value investing across the globe. The Portfolio is comprised of an eclectic blend of securities from all over the globe that reflect independent thought and our long-term investment approach.

## Fund Facts

Inception Date	12/31/2001
Minimum Investment (Inst.)	\$100,000
Minimum investment (Investor)	\$2,500
Gross Expense Ratio (Inst.)*	1.83%
Gross Expense Ratio (Investor)*	2.08%

\* As of March 1, 2016, The Adviser has contractually agreed, for a period of one year from the date of the Prospectus, dated March 1, 2016, to defer receipt of advisory fees and/or reimburse Fund expenses in order to limit Net Annual Fund Operating Expenses (exclusive of taxes, interest, brokerage commissions, acquired fund fees and expenses, and extraordinary items) to 1.40% and 1.65% of the average daily net assets of the Institutional Class and Investor Class, respectively, subject to later reimbursement by the respective classes in certain circumstances (the "Expense Limitation Agreement"). In general, for a period of up to 36 months from the time of any deferral, reimbursement, or payment pursuant to the above-described contractual expense limitations, the Adviser may recover from each class of the Fund fees deferred and expenses paid to the extent that such repayment would not cause the Net Annual Fund Operating Expenses of each class to exceed the contractual expense limitation amounts set forth above, but any repayment will not include interest. The Expense Limitation Agreement can only be terminated prior to expiration by the independent Trustees of the Fund.

**Past performance is no guarantee of future results; returns include reinvestment of all distributions. The above 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](http://www.thirdave.com).**

## 4Q16 Highlights

- During the quarter the Fund continued to benefit from investments in Latin American companies, metals mining companies and equity and credit investments in oil service companies. During calendar year 2016, the Fund's five largest contributors to performance were Capstone Mining, Cosan Limited, Arcos Dorados, Lundin Mining and Prosegur. The most significant detractor was our investment in New Zealand-based Rubicon Ltd.
- Activity for the quarter included the sale of White Mountains Insurance Group Ltd, which had been a successful long-term investment. Proceeds from the sale, along with the Fund's existing cash position and recent inflows, have been partially redeployed into new investments including easyJet plc and a variety of our most compelling existing investments.
- As we look to 2017 and beyond, we continue to believe that the Fund's holdings in metals miners, oil services, Latin American businesses, New Zealand special situations and most recently, post-Brexit referendum opportunities offer investment risk and reward prospects far more appealing than more conventional international equity allocations. Meanwhile our 16% year end cash holding positions the Fund well to take advantage of future disruptions and resulting opportunities.

## Top Ten Holdings

Allocations are subject to change without notice

	TAVIX	MSCI World ex-US Index <sup>1</sup>
Capstone Mining Corp.	7.4%	0.0%
Rubicon, Ltd	5.3%	0.0%
Arcos Dorados Holdings, Inc.	4.7%	0.0%
Petroleum Geo-Services	4.4%	0.0%
Global Logistic Properties, Ltd.	3.6%	0.0%
Atrium European Real Estate, Ltd.	3.4%	0.1%
CNH Industrial NV	3.2%	0.0%
Vivendi SA	3.1%	0.0%
Interfor Corp.	3.0%	0.0%
EasyJet PLC	3.0%	0.0%
<b>Total</b>	<b>41.1%</b>	<b>0.1%</b>

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

## Active Management, High Active Share\*

**99.12%**

Active Share vs. MSCI AC World ex-US Index<sup>1</sup>

**29**

Total Equity Holdings

## Total Assets

**\$133.3 million**

## All-Cap Approach<sup>2,3</sup>

	TAVIX	Index <sup>1</sup>
Micro (<\$500 Million)	20.7%	0.0%
Small (\$500 Million to \$2B)	21.2%	0.6%
Mid (\$2 Billion to \$7B)	15.3%	13.2%
Large (>\$7 Billion)	24.6%	86.3%

## Portfolio Characteristics

	TAVIX	Index <sup>1</sup>
1 Yr Performance	17.24%	5.01%
Tracking Error <sup>2</sup>	8.12%	0.0%
Correlation <sup>2</sup>	0.90	1.00
Beta <sup>2</sup>	0.93	1.00
Price-to-Book <sup>2</sup>	0.83	1.57
Portfolio Turnover <sup>4</sup>	15%	N/A

1. The Morgan Stanley Capital International All Country World ex USA Index is an unmanaged index of common stocks and includes securities representative of the market structure of over 50 developed and emerging market countries (other than the United States) in North America, Europe, Latin America and the Asian Pacific Region. Index performance reported since inception of Institutional Share Class.

2. Source: FactSet Portfolio Analytics

3. Based on equity holdings only.

4. For the year ended October 31, 2016

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## Fund Highlights

- The Fund seeks long-term capital appreciation by mainly acquiring common stocks and convertible and other credit securities of companies with high quality assets and conservative levels of liabilities at a discount to what Third Avenue Management LLC estimates of their intrinsic value
- The Fund takes an unconstrained investment approach and pursues opportunities across market capitalizations and geographies
- Our portfolios focus on our highest conviction ideas, typically outside common benchmarks, leading to a high Active Share.

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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](http://www.thirdave.com), or call 800-443-1021. Distributor of Third Avenue Funds: Foreside Fund Services, LLC. 114**

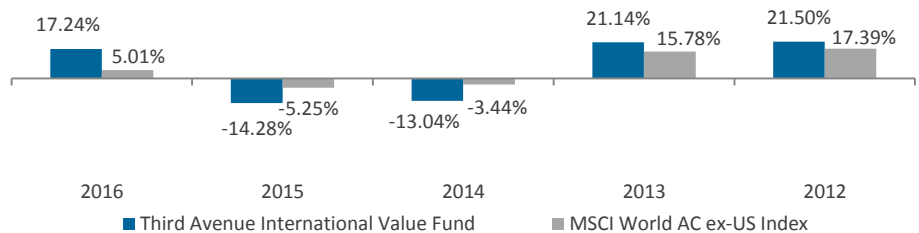
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MANAGEMENT

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## Performance Snapshot



## Annualized Investment Performance

	3 mo.	1 yr	3 yr	5 yr	10 yr	Inception
Third Avenue International Value Fund (Institutional Class) <sup>1</sup>	6.14%	17.24%	-4.39%	5.16%	0.61%	7.15%
Third Avenue International Value Fund (Investor Class) <sup>2</sup>	6.13%	16.97%	-4.61%	4.92%	N/A	2.53%
MSCI AC World ex-US Index <sup>3</sup>	-1.20%	5.01%	-1.32%	5.48%	1.42%	6.33%

## Top 10 Countries

	TAVIX	Index <sup>3</sup>
Canada	12.9%	7.1%
Norway	10.2%	1.7%
Brazil	9.4%	0.5%
New Zealand	7.8%	0.1%
United States	7.4%	0.7%
United Kingdom	6.8%	12.8%
Hong Kong	5.7%	7.0%
France	4.8%	6.8%
Singapore	3.5%	0.9%
Austria	3.3%	0.1%
Cash & Equivalents	16.0%	N/A

## Sector Comparison<sup>4,5</sup>

	TAVIX	Index <sup>3</sup>
Consumer Discretionary	10.7%	11.4%
Consumer Staples	1.8%	9.8%
Energy	12.0%	7.3%
Financials*	7.2%	23.6%
Health Care	5.2%	8.1%
Industrials	18.4%	11.5%
Information Technology	0.0%	9.5%
Materials	17.8%	8.0%
Real Estate	8.7%	3.0%
Telecommunication Services	0.0%	4.7%
Utilities	0.0%	3.2%
Cash & Equivalents	16.0%	N/A

- Institutional Share Class Inception Date: December 31, 2001.
- Investor Share Class Inception Date: December 31, 2009.
- The Morgan Stanley Capital International All Country World ex USA Index is an unmanaged index of common stocks and includes securities representative of the market structure of over 50 developed and emerging market countries (other than the United States) in North America, Europe, Latin America and the Asian Pacific Region. Index performance reported since inception of Institutional Share Class.
- Source: FactSet Portfolio Analytics
- The Global Industry Classification Standard (GICS®) is used to derive the component economic sectors of the benchmark and the Fund. GICS® was developed by and is the exclusive property of MSCI and Standard & Poor's. Third Avenue Management LLC ("TAM") does not necessarily utilize GICS® sectors in its annual reporting. TAM does not adhere to any pre-determined sector, industry, or geographic allocations. \*The GICS® Financials sector is a broad category that includes Holdings Companies, Insurance & Reinsurance, Asset Management, Financial Services, Depository Institutions, as well as other industries.

### FUND RISKS:

Please be aware that foreign securities from a particular country may be subject to currency fluctuations and controls, or adverse political, social, economic or other developments that are unique to that particular country or region. Therefore, the prices of foreign securities in particular countries or regions may, at times, move in a different direction than those of U.S. securities. For a full disclosure of principal investment risks, please refer to the Fund's Prospectus.