

Third Avenue Real Estate Value Fund

THIRD AVENUE
MANAGEMENT

A Differentiated Approach to Global Real Estate Investing.

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

Portfolio Team

Jason Wolf, CFA

Co-Lead Portfolio Manager

22 years of investment experience

Ryan Dobratz, CFA

Co-Lead Portfolio Manager

13 years of investment experience

Michael Winer

Co-Lead Portfolio Manager

38 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.

Total Assets

\$1.84 bn

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%

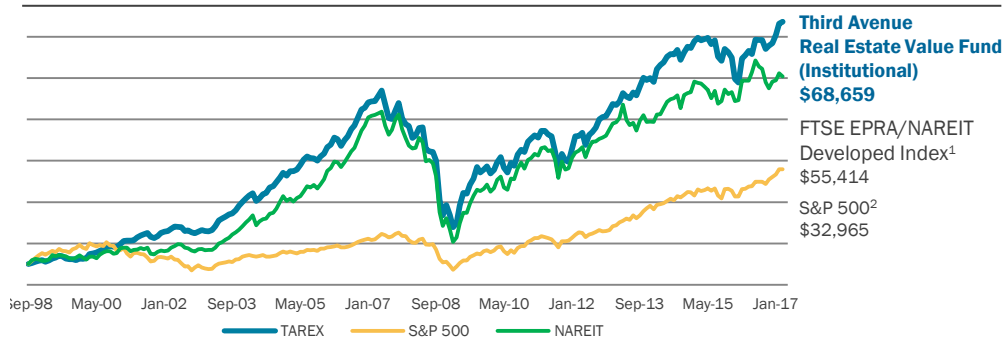
*As of March 1, 2017

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.

1Q17 Highlights

- Management increased the Fund's holdings in Westfield and Macerich, which control locations in NYC, London, Los Angeles, and San Francisco. The Fund also initiated a position in the Bank Debt of Neiman Marcus Group, a department store retailer that controls valuable real estate, and reduced its exposure to real estate related businesses such as PNC Financial Services Group and Zions Bank.
- Key contributors included US residential investments Lennar and Weyerhaeuser as well as Asian based real estate operating companies Global Logistic Properties and Wheelock. Recent detractors have largely included US REITs such as Vornado Realty Trust, Parkway, Macerich, and First Industrial, all of which remain attractively valued on a long-term basis.
- Fund Management continues to strive to protect capital in a rising rate environment and potentially even benefit from it. As a result, approximately 65% of the capital is invested in REOCs and real estate-related businesses (not REITs) with another 11% in REITs that own timberlands that have historically been less interest rate sensitive.

Growth of \$10,000



Top Ten Holdings

Allocations are subject to change without notice

	TAREX	INDEX ¹
Lennar Corp. Class A	5.8%	-
Weyerhaeuser Company	5.6%	-
Land Securities Group PLC	5.4%	0.8%
Global Logistics Properties Ltd.	5.2%	-
Rayonier, Inc.	5.0%	-
Cheung Kong Property Holdings Ltd.	4.9%	1.4%
Forest City Realty Trust, Inc. Class A	4.9%	0.4%
FivePoint Holdings LLC	4.5%	-
Wheelock & Co. Ltd.	4.4%	-
Westfield Corp.	4.2%	1.0%
Total	49.9%	3.6%

Active Management, High Active Share*

91.11%

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.

- 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.

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.

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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 18-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

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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Annualized Investment Performance

	3 mo.	1 yr	3 yr	5 yr	10 yr	Inception ¹
Third Avenue Real Estate Value Fund (Institutional Class) ¹	8.17%	14.94%	5.68%	10.87%	3.33%	10.95%
Third Avenue Real Estate Value Fund (Investor Class) ²	8.07%	14.65%	5.41%	10.59%	N/A	N/A
FTSE EPRA/NAREIT Developed Index ³	2.30%	1.86%	6.18%	8.18%	1.85%	9.90%

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.

Property Type Weightings⁴



Portfolio Summary Characteristics

Weighted Market Cap ⁵	\$14.82 Billion	Price-to-Book ⁵	1.19x
Median Market Cap ⁵	\$8.53 Billion	Portfolio Turnover ⁶	20%

Evolution of Top Segments

Allocations are subject to change without notice

Top 5 Industries

	3/31/17	3/31/16
Non-U.S. Real Estate Operating Companies	34.6%	36.3%
U.S. Real Estate Investment Trust	12.7%	22.5%
Non-U.S. Real Estate Investment Trust	10.9%	4.7%
Forest Products & Paper	10.6%	9.5%
U.S. Real Estate Operating Companies	8.6%	7.8%
Cash & Equivalents	5.6%	5.1%

Top 5 Countries⁵

	3/31/17	3/31/16
United States	45.9%	51.3%
Hong Kong	15.4%	14.1%
United Kingdom	13.3%	7.0%
Singapore	7.5%	7.1%
Australia	4.2%	4.5%

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 Fund Management has provided property sector exposures on a "look-through" basis for equity holdings only. Third Avenue Management LLC ("TAM") does not necessarily utilize these Property Types in its annual reporting. Narrow industries are utilized for compliance purposes, whereas broad sectors are utilized for reporting. TAM does not adhere to any pre-determined sector, industry, or geographic allocations.

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

6 For the year ended October 31, 2016.

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