

Third Avenue Small-Cap Value Fund

THIRD AVENUE
MANAGEMENT

An Uncommon Approach to Small-Cap Value Investing.

Institutional: TASCX | Investor: TVSVX | March 31, 2017

Portfolio Team

Chip Rewey, CFA

Lead Portfolio Manager

25 years of investment experience

Tim Bui, CFA

Co-Lead Portfolio Manager

34 years of investment experience

Strategy Description

Our Small-Cap Strategy seeks long term capital appreciation by investing in equity securities of small capitalization companies in the US that we believe to be mispriced by the market.

Fund Facts

Inception Date	4/1/97
Minimum Investment (Inst.)	\$100,000
Minimum Investment (Investor)	\$2,500
Gross Expense Ratio (Inst.) [†]	1.21%
Gross Expense Ratio (Investor) [†]	1.45%

[†] As of March 1, 2017

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. The gross expense ratio for the fund's institutional share class is 1.21% and investor share class is 1.45% as of March 1, 2017. Risks that could negatively impact returns include: overbuilding and increased competition, increases in property taxes and operating expenses, lack of financing, vacancies, environmental contamination and its related clean-up, changes in interest rates, casualty or condemnation losses, and variations in rental income.

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.

1Q17 Highlights

- The Fund owns 61 names and is overweight industrials, health care, consumer discretionary, and IT sectors; of the 22 of the industrial holdings we own, only eight have any meaningful representation in the Index
- Both stock selection and our significant overweight to industrials helped drive outperformance; the Fund's underweight to the financial sector was additive as that sector overall posted negative returns
- Our lack of exposure to utility stocks hindered results since that sector was among the top performing in wake of a decline in the 10-Yr US Treasury yield, which often moves inversely to utility stock prices
- The portfolio is positioned for modest global growth; any weakness in the US dollar could benefit several of our exporters in the industrial and health care space

Top Ten Holdings

Allocations are subject to change without notice

	TASCX	INDEX ⁵
Cubic Corp.	2.8%	0.1%
Commerce Bancshares, Inc.	2.8%	-
Netscout Systems, Inc.	2.6%	0.4%
Southside Bancshares, Inc.	2.4%	0.1%
VCA, Inc.	2.4%	-
UMB Financial Corp.	2.4%	0.4%
Prosperity Bancshares, Inc.	2.2%	0.5%
Genpact Ltd.	2.0%	-
DST Systems, Inc.	2.0%	-
Syntel, Inc.	2.0%	-
Total	23.6%	1.5%

Active Management, High Active Share*

95.06%

Active Share vs. Russell 2000 Value Index^{1,4}

61

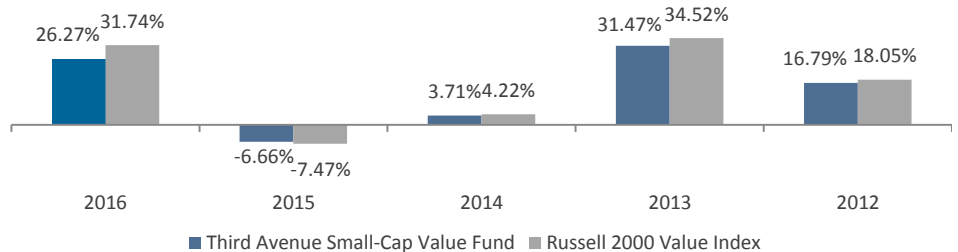
Total Equity Holdings

Total Assets

\$307.5 million

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

Performance Snapshot



Annualized Investment Performance

	3 mo.	1 yr	3 yr	5 yr	10 yr	Inception ²
Third Avenue Small-Cap Value Fund (Institutional Class) ²	0.74%	23.19%	6.83%	11.47%	5.42%	8.92%
Third Avenue Small-Cap Value Fund (Investor Class) ³	0.70%	22.92%	6.56%	11.19%	N/A	N/A
Russell 2000 Value Index ⁴	-0.13%	29.37%	7.62%	12.54%	6.09%	9.73%

1. Source: FactSet Portfolio Analytics
2. Institutional Share Class Inception Date: April 1, 1997.
3. Investor Share Class Inception Date: December 31, 2009.
4. The Russell 2000 Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. Index performance reported since inception of Institutional Share Class.

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Fund Highlights

- Team's philosophy and investment process leads to generally off-benchmark investments; diversifier.
- Concentrated, high conviction portfolio consists of 60-65 holdings and low cash position.
- The strategy has garnered significant interest lately and has capacity to deploy capital.

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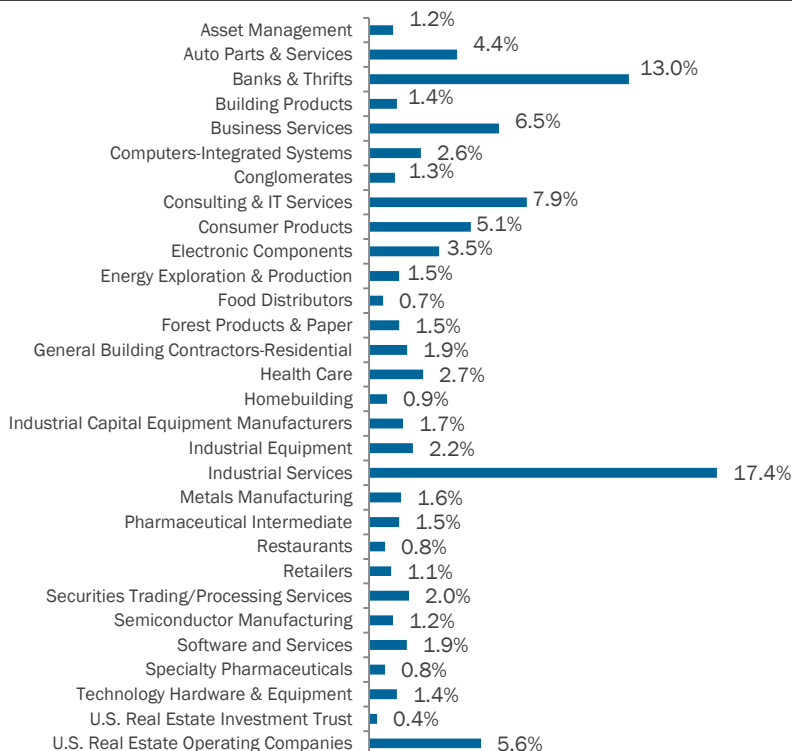
THIRD AVENUE
MANAGEMENT

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Sector Weightings¹



Portfolio Summary Characteristics

	TASCX	Index ⁵
Weighted Market Cap ^{2,3}	\$2.59 Billion	\$2.11 Billion
Median Market Cap ^{2,3}	\$1.78 Billion	\$698 Million
Price-to-Earnings Forward 1 year ^{2,3}	19.41x	23.22x
Return on Equity ^{2,3}	9.26%	4.52%
Price-to-Book ^{2,3}	2.15x	1.53x
Portfolio Turnover ⁴	20%	N/A

Market Cap Breakdown^{2,3}

	TASCX	Index ⁵
Micro (<\$500 Million)	1.1%	9.7%
Small (\$500 Million to \$2B)	50.2%	44.7%
Mid (\$2 Billion to \$7B)	39.2%	44.1%
Large (>\$7 Billion)	5.2%	0.9%

Asset Classes

Equity	95.7%
Debt	0.0%
Cash, Equivalents & Other ⁶	4.3%

1. Industry classifications determined by Third Avenue for equity holdings only.
2. Source: FactSet Portfolio Analytics
3. Based on equity holdings only.
4. For the year ended October 31, 2016.
5. The Russell 2000 Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. Index performance reported since inception of Institutional Share Class.
6. "Other" may consist of option investments

FUND RISKS:

Please be aware that small-cap investments are subject to higher volatility and lower financial resources than large-cap investments. The markets for these securities are also less liquid than those for larger companies. For a full disclosure of principal investment risks, please refer to the Fund's Prospectus.