THIRD AVENUE INTERNATIONAL VALUE FUND

Portfolio Manager Commentary

INSTITUTIONAL: TAVIX | INVESTOR: TVIVX

September 30, 2017

Matthew Fine, CFA | Lead Portfolio Manager

Dear Fellow Shareholders:

FUND PERFORMANCE

For the three months ended September 30, 2017, the Third Avenue International Value Fund returned 12.49% as compared to the MSCI AC World ex US Index, which returned 6.25%[1]. Year to date, the Fund returned 22.92% as compared to 21.61% for the Index[1]. The Fund has posted an 8.21% annualized return since its 2002 inception versus 7.35% for the MSCI AC World ex US Index[1].

Year-to-date, Fund performance has benefited from our investments in Arcos Dorados, Capstone Mining, Global Logistic Properties, Lundin Mining and EasyJet, which provided our five largest positive contributions to performance. Our most significant detractor from performance was our equity investment in Petroleum Geo-Services, an oil services business providing offshore seismic surveys, processing and analysis.

FUND MERGER AND PORTFOLIO MANAGER GRATITUDE

On September 19, 2017, Third Avenue Management announced a series of important developments designed to strengthen our firm and the services we offer to clients. Those announcements include our intention to merge the Third Avenue International Value Fund into the Third Avenue Value Fund, which is a larger fund that also invests across the globe by employing Third Avenue's opportunistic, long-term, deep-value investment philosophy.In the same press release, our firm announced that Michael Fineman and I assumed portfolio management responsibilities for the Third Avenue Value Fund. Ultimately, I expect that the shareholders who participate in the merger will benefit from a lower management fee. Until the consummation of the intended merger, the Third Avenue International Fund will continue to operate "business as usual" under its existing team and approach. We view these benefits of the merger as decidedly positive for Fund shareholders.It is our expectation that this process will be completed in early 2018. With the end of the Third Avenue International Value Fund potentially in view, I feel compelled to express a few words of gratitude to fellow shareholders. Many of my most rewarding experiences as lead portfolio manager of the International Value Fund have come from my interactions with fellow shareholders. Several shareholders communicated confidence and support at moments when the Fund's results were less than stellar, expressing an understanding of the nature of our approach and a belief in our ability to succeed. That those shareholders have been rewarded for their confidence is the single most gratifying aspect of my career. I have enjoyed meetings with a number of you. Your reactions and challenges to our quarterly letters have also been a joy.Equally though, I am extremely excited to partner with Mike as portfolio managers of the Third Avenue Value Fund in our effort to build upon the Fund's deep value investing legacy and continue with you as fellow shareholders of that Fund.

OIL SERVICES EXAMPLES - INVESTMENT PHILOSOPHY AT WORK

During the quarter, both the International Fund and the Value Fund took advantage of opportunities within the offshore oil services industry, which is presently suffering from a deep cyclical depression. For many years, our firm's founder, Marty Whitman, has said that at any given time there is an industry somewhere in the world going through a recession as deep as the Great Depression. That description aptly describes the state of the offshore oil services industry today. In 2014, O.P.E.C. grew tired of ceding global crude oil market share to growing volumes of shale oil coming from onshore in North America. In response, the consortium increased production quotas, marking a strategic about-face from its previous effort to effectuate a balance of oil supply and demand by deliberately withholding supply. As a result, the supply and demand balance of oil was obliterated and the price of crude collapsed.

In response, global oil majors began to attack their operating expenses and capital expenditures in order to mitigate negative cash flows. That dynamic has gone on now for three years. Particularly hard hit have been capital expenditures related to exploration activities. Keep in mind that oil production is a natural resource extraction industry, which means that the nature of the business is to sell its assets.If the assets are not replaced, it will lead to an inability to generate future revenue. For companies that produce oil offshore, which can be an expensive and challenging place to operate, that replacement of assets has not been happening due to the lack of investment in the offshore oil services required.Offshore oil production accounts for more than 25 percent of global production and is absolutely critical to global supply for the foreseeable future.Today we are seeing a creeping acknowledgement that spending on services must eventually increase in order to sustain critical offshore oil supply, but we view significant increases in future investment as a high likelihood. In the meantime, we have

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.

Please see Appendix for performance table and information.

accumulated several positions that will benefit considerably when this outcome eventuates and done so at prices well below current liquidation value of the company's assets in each case.

ACTIVITY

Tidewater Inc. ("Tidewater")– During the quarter, the Fund purchased shares of Tidewater, owner of one of the world's largest fleets of offshore service vessels ("OSV"), which provide a range of services primarily to offshore oil production platforms and offshore drilling rigs. In summary, we believe the presently depressed levels of offshore oil and gas investment to be patently unsustainable. As a result of the current industry depression, Tidewater, like virtually all of its competitors, saw its income erode and its debt become unsustainable causing it to seek a financial restructuring.Tidewater's restructuring came very recently in the form of prepackaged bankruptcy. One is likely to see several more bankruptcies in the OSV industry and in oil services more broadly in coming months.

Today, following its recent emergence from bankruptcy, Tidewater is a net cash company by virtue of nearly all of its debt having been converted into equity.Furthermore, fresh start accounting treatment of its assets saw Tidewater write its vessel fleet down by nearly 75% from levels that were already the result of a succession of write-downs.Our estimates suggest that the liquidation value of Tidewater's fleet, which happens to be among the largest and youngest in the world, is well in excess of the current market valuation of the company, even at the current highly depressed secondary market values for its vessels. Furthermore, if one were to expect an eventual industry recovery, as we do, or alternatively believe that the assets may be worth something akin to what it would cost to replace them, those scenarios imply valuations that are more than double the current business valuation in our view. Meanwhile, a net cash balance sheet and a breakeven cash flow profile, even in the present deeply depressed conditions, offers a comfortable position from which to wait for the industry to cyclically recover over time.

Global Logistic Properties Ltd ("GLP")– During the quarter the Fund sold its entire holding in GLP. In July 2017, GLP announced that it had concluded a strategic review process and had agreed to be purchased by a consortium, one of several groups that had been bidding for the company. GLP is one of the world's largest owners of logistics facilities. Secular shifts towards online consumerism have made these facilities increasingly important globally speaking, which was a factor in our conclusion that the asset class was highly desirable and that the auction for GLP was likely to be hotly contested. This was further supported by GLP's clear dominance in several attractive markets, most notably China. Ultimately, the winning bid exceeded our expectation and with GLP's trading price following the announcement at a very modest discount to the announced transaction price, we opted to sell our shares rather than hold them through the deal closure, which is expected to be in April 2018. The sale marked the conclusion of a successful long-term investment.

Thank you sincerely for your confidence and your loyalty.I look forward to writing again next quarter but welcome all interest in the Third Avenue International Fund, Third Avenue Value Fund or the merger process in the meantime.

Sincerely,

The Third Avenue International Value Team

Matthew Fine, Lead Portfolio Manager

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 September 30, 2017 (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: October 27, 2017

September 30, 2017

FUND PERFORMANCE

as of 9/30/17	1 yr	3 yr	5 yr	10 yr	Since Inception	Inception Date
TAVIX (Institutional)	30.47%	6.47%	6.56%	1.85%	8.21%	12/31/2001
TVIVX (Investor)	30.14%	6.20%	6.29%	(n/a)	5.01%	12/31/2009

TOP TEN HOLDINGS

	% of Portfolio
Arcos Dorados Holdings, Inc.	7.1%
Capstone Mining Corp.	6.8%
Interfor Corp.	5.1%
Rubicon, Ltd	4.3%
Petroleum Geo-Services ASA	4.0%
Cosan Ltd.	3.3%
EasyJet PLC	3.3%
John Wood Group plc	3.3%
Lundin Mining Corp.	3.3%
Atrium European Real Estate, Ltd.	3.2%

Allocations subject to change

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 and investor share classes is 1.40% and 1.65%, respectively, as of March 1, 2017. 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. Prospectuses contain more complete information on management fees, distribution charges, and other expenses.

Third Avenue Funds are offered by prospectus only. The prospectus contains important information, including investment objectives, risks, advisory fees and expenses. Please read the prospectus carefully before investing in the Funds. 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 updated information or a copy of our prospectus, please call 1-800-443-1021 or go to our web site at www.thirdave.com. Distributor of Third Avenue Funds: Foreside Fund Services, LLC.

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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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