

Third Avenue Value Fund

An Uncommon Approach to All Cap Value Investing.

Institutional: TAVFX | Investor: TVFVX | December 31, 2017

Portfolio Team

Matthew Fine, CFA
Co-Portfolio Manager

17 years of investment experience

Michael Fineman, CFA, CFP®
Co-Portfolio Manager

27 years of investment experience

Strategy Description

Our flagship mutual fund strategy was launched in 1990 under the leadership of Martin J. Whitman. The high conviction strategy seeks to invest in undervalued securities across industries, regions and market capitalizations. Our fundamental analysis seeks to identify stocks trading below their intrinsic value that compound asset values at double digit rates.

Fund Facts

Inception Date	11/1/90
Minimum Investment (Inst.)	\$100,000
Minimum Investment (Investor)	\$2,500
Gross Expense Ratio (Inst.) [†]	1.15%
Gross Expense Ratio (Investor) [†]	1.40%

[†] 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.

4Q17 Highlights

- Established new positions in the met coal, copper and timber industries, including Warrior Met Coal, Lundin Mining and Interfor Corp. Also increased international exposure.
- Reduced levels of fundamental risk through several dispositions as well as purchases of well-capitalized and inexpensive securities. Portfolio price to book declined materially. Ended quarter with cash at 18%.
- Significantly reduced the Fund's realized tax gains prior to fiscal year-end.
- Continued to increase exposure to special situation opportunities, including post-reorganized equities, contrarian situations and cyclically depressed businesses that we believe offer great long-term value.

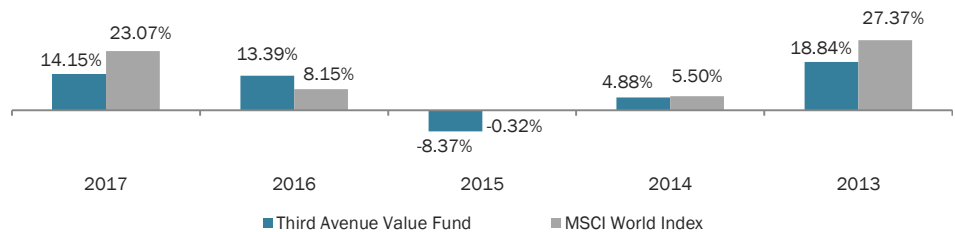
Top Ten Holdings

Allocations are subject to change without notice

	TAVFX
Weyerhaeuser Co.	5.5%
Brookfield Asset Management, Inc.	5.1%
CK Hutchison Holdings, Ltd.	4.5%
Total S.A.	4.2%
Bank of New York Mellon Corp.	4.1%
Investor AB	3.5%
Cavco Industries, Inc.	3.4%
Alleghany Corp.	3.4%
Lennar Corp.	3.4%
Johnson Controls International PLC	3.3%
Total	40.4%

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

Performance Snapshot



Investment Performance

	Annualized					
	3 mo.	1 yr	3 yr	5 yr	10 yr	Inception ²
Third Avenue Value Fund (Institutional Class) ²	2.46%	14.15%	5.85%	8.13%	2.95%	11.09%
Third Avenue Value Fund (Investor Class) ³	2.39%	13.87%	5.58%	7.86%	N/A	N/A
MSCI World Index ⁴	5.62%	23.07%	9.88%	12.26%	5.63%	8.17%

The gross expense ratio for the fund's institutional and investor share classes is 1.15% and 1.40%, respectively, as of March 1, 2017.

- Source: FactSet Portfolio Analytics
- Institutional Share Class Inception Date: November 1, 1990.
- Investor Share Class Inception Date: December 31, 2009.
- The MSCI World Index is an unmanaged, free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of 23 of the world's most developed markets. Index performance reported since inception of Institutional Share Class.

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Fund Highlights

- Team brings extensive experience across wide range of geographies, industries and across capital structure
- Third Avenue investment style leads to contrarian, special situation, or otherwise “off the beaten path” investments
- Third Avenue portfolios are result of independent thought and as a result are genuinely distinct from peers or indices
- Portfolio construction centered around 25 – 35 high conviction opportunities

Sector Weightings¹



Portfolio Summary Characteristics

	TAVFX
Weighted Market Cap ^{2,3}	\$35.49 Billion
Median Market Cap ^{2,3}	\$15.13 Billion
Price-to-Earnings Forward 1 year ^{2,3}	20.77x
Return on Equity ^{2,3}	8.00%
Price-to-Book ^{2,3}	1.26x
Portfolio Turnover ⁴	18%

Market Cap Breakdown^{2,3,6}

	TAVFX
Micro (<\$500 Million)	3.2%
Small (\$500 Million to \$2B)	6.6%
Mid (\$2 Billion to \$7B)	6.3%
Large (>\$7 Billion)	65.3%

Asset Classes

Equity	81.4%
Debt	0.7%
Cash, Equivalents & Other ⁵	17.9%

FUND RISKS:
Risks that could negatively impact returns include: fluctuations in currencies versus the US dollar, political/social/economic instability in foreign countries where the Fund invests, lack of diversification, and adverse general market conditions. For a full disclosure of principal investment risks, please refer to the Fund's Prospectus.

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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MANAGEMENT

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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, 2017.
5. “Other” may consist of option investments
6. Does not include private securities