

Third Avenue International Value Fund

THIRD AVENUE
MANAGEMENT

An Uncommon Approach to International Investing

Institutional: TAVIX | Investor: TVIVX | December 31, 2017

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.)*	1.79%
Gross Expense Ratio (Investor)*	2.04%

* As of March 1, 2017. The Adviser has contractually agreed, for a period of one year from the date of the Prospectus, dated March 1, 2017, 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.

4Q17 Highlights

- The Fund purchased shares of Warrior Met Coal. During the quarter, Warrior paid a special dividend equaling roughly 40% of our purchase price. Warrior was the Fund's leading contributor to performance during the quarter. Sales included Antofagasta PLC and IWG PLC.
- During the year, the Fund's largest positive contributors were Arcos Dorados, Capstone Mining, easyJet, Global Logistic Properties and Interfor Corp. Somewhat higher cash holdings, which ended the year at 11%, provided a drag on relative performance as did our investment in Petroleum Geo-Services, an oil services company.
- Pending the currently ongoing shareholder vote, the Third Avenue International Value Fund is expected to merge into the Third Avenue Value Fund during the first quarter of 2018. Third Avenue Value Fund has a global mandate and is managed by a larger team employing the same investment philosophy as used in managing the Third Avenue International Value Fund.

Top Ten Holdings

Allocations are subject to change without notice

Arcos Dorados Holdings, Inc.	7.6%
Capstone Mining Corp.	7.3%
Interfor Corp.	4.8%
Petroleum Geo-Services ASA	4.3%
Cosan Ltd.	4.1%
CK Hutchison Holdings, Ltd.	3.9%
Lundin Mining Corp.	3.8%
Vivendi SA	3.7%
easyJet PLC	3.7%
Atrium European Real Estate, Ltd.	3.5%
Total	46.7%

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

All-Cap Approach^{2,3,4}

Micro (<\$500 Million)	13.0%
Small (\$500 Million to \$2B)	25.4%
Mid (\$2 Billion to \$7B)	22.8%
Large (>\$7 Billion)	25.8%

Portfolio Characteristics

1 Yr Performance	24.98%
Tracking Error ²	9.72%
Correlation ²	0.83
Beta ²	1.20
Price-to-Book ²	1.04x
Portfolio Turnover ⁵	37%

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. Does not include private securities

5. For the year ended October 31, 2017.

Active Management, High Active Share*

99.41%

Active Share vs. MSCI AC
World ex-US Index^{1,2}

25

Total Equity Holdings

Total Assets

\$132.6 million

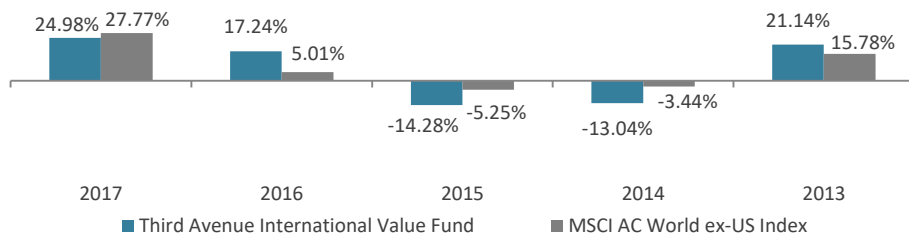
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Fund Highlights

- 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.

Performance Snapshot



Investment Performance

	3 mo.	1 yr	Annualized			Inception ¹
	3 yr	5 yr	10 yr			
Third Avenue International Value Fund (Institutional Class) ¹	1.68%	24.98%	7.90%	5.76%	2.54%	8.19%
Third Avenue International Value Fund (Investor Class) ²	1.58%	24.55%	7.61%	5.49%	N/A	N/A
MSCI AC World ex-US Index ³	5.06%	27.77%	8.33%	7.28%	2.31%	7.56%

The gross expense ratio for the fund's institutional and investor share classes is 1.79% and 2.04%, respectively, as of March 1, 2017.

Top 10 Countries

United States	15.2%
Canada	15.1%
Brazil	9.4%
Hong Kong	9.4%
Norway	7.8%
France	6.7%
United Kingdom	6.4%
Ireland	5.3%
Austria	3.4%
Belgium	3.0%
Cash & Equivalents	11.0%

Industry Weightings^{4,5}

Agricultural Equipment	2.7%
Building & Construction Products/Services	2.9%
Capital Goods	3.3%
Diversified Holding Companies	10.0%
Engineering/Construction	3.2%
Food and Beverage	2.6%
Forest Products & Paper	6.9%
Media	3.7%
Metals and Mining	13.0%
Oil & Gas Production & Services	12.5%
Real Estate	12.6%
Retail & Restaurants	7.6%
Transportation Infrastructure	6.0%

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.

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. 114

THIRD AVENUE
MANAGEMENT

622 Third Avenue
New York, New York 10017

✉ clientservice@thirdave.com
☎ 212.906.1160

www.thirdave.com

- 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
- Industry classifications determined by Third Avenue for equity holdings only.

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.