

Third Avenue Small-Cap Value Fund

THIRD AVENUE
MANAGEMENT

An Uncommon Approach to Small-Cap Value Investing.

Institutional: TASCX | Investor: TVSVX | June 30, 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

^{*} 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 1.15% and 1.40% 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.

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.

2Q17 Highlights

- The Fund owns 62 names and is overweight industrials, health care, consumer discretionary, and IT sectors. While the top 10 positions account for 22.14% of the portfolio, only 5 positions for a total benchmark weight of 0.7% are represented in our primary benchmark.
- Despite the Russell 2000 Value Index trading near its all-time highs, we added 6 new positions, allowing us to harvest gains across the portfolio.
- The fund's underweight in the energy sector and overweight in industrials were the two largest contributors to outperformance vs. the benchmark in 2Q17.
- The fund's largest overweighted sectors are Industrial and Information Technology, while our largest underweight is specific to REITS in Financials.

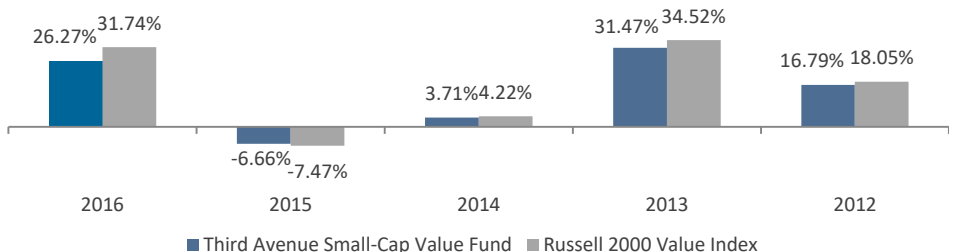
Top Ten Holdings

Allocations are subject to change without notice

	TASCX	INDEX ⁴
Commerce Bancshares, Inc.	2.6%	-
Southside Bancshares, Inc.	2.4%	0.1%
ICF International, Inc.	2.3%	0.1%
Syntel, Inc.	2.3%	-
Multi-Color Corp.	2.2%	-
NetScout Systems, Inc.	2.2%	0.3%
World Fuel Services Corp.	2.1%	-
BMC Stock Holdings, Inc.	2.1%	-
Kaiser Aluminum Corp.	2.0%	0.1%
Cubic Corp.	2.0%	0.1%
Total	22.2%	0.7%

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

Performance Snapshot



Annualized Investment Performance

	3 mo.	YTD	1 yr	3 yr	5 yr	10 yr	Inception ²
Third Avenue Small-Cap Value Fund (Institutional Class) ²	1.74%	2.49%	20.60%	6.17%	12.71%	4.99%	8.90%
Third Avenue Small-Cap Value Fund (Investor Class) ³	1.66%	2.37%	20.32%	5.91%	12.43%	N/A	N/A
Russell 2000 Value Index ⁴	0.67%	0.54%	24.86%	7.02%	13.39%	5.92%	9.64%

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.

Active Management, High Active Share*

94.34%

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

62

Total Equity Holdings

Total Assets

\$301.3 million

Third Avenue Small-Cap Value Fund

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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.

Past performance is no guarantee of future results; returns include reinvestments 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: fluctuations in currencies versus the US dollar, political/social/economic instability in foreign countries where the Fund invests, lack of diversification, volatility associated with investing in small-cap securities, and adverse general market conditions.

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.

THIRD AVENUE
MANAGEMENT

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Sector Weightings¹



Portfolio Summary Characteristics

	TASCX	Index ⁵
Weighted Market Cap ^{2,3}	\$2.37 Billion	\$2.13 Billion
Median Market Cap ^{2,3}	\$1.82 Billion	\$718 Million
Price-to-Earnings Forward 1 year ^{2,3}	19.61x	23.50x
Return on Equity ^{2,3}	7.95%	4.79%
Price-to-Book ^{2,3}	2.04x	1.52x
Portfolio Turnover ⁴	17%	N/A

Market Cap Breakdown^{2,3}

	TASCX	Index ⁵
Micro (<\$500 Million)	4.2%	9.6%
Small (\$500 Million to \$2B)	47.5%	45.5%
Mid (\$2 Billion to \$7B)	43.4%	43.5%
Large (>\$7 Billion)	2.1%	1.4%

Asset Classes

Equity	97.2%
Debt	0.0%
Cash, Equivalents & Other ⁶	2.8%

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 six-month period ended April 30, 2017.
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.