

Third Avenue Small-Cap Value Fund

THIRD AVENUE
MANAGEMENT

An Uncommon Approach to Small-Cap Value Investing.

Institutional: TASCX | Investor: TVSVX | Z: TASZX | June 30, 2019

Portfolio Team

Victor Cunningham, CFA
Portfolio Manager

24 years of investment experience
Fund Start Date: 9/19/2017

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
Minimum Investment (Z)	\$1,000,000
Gross Expense Ratio (Inst.) †	1.25%
Gross Expense Ratio (Investor) †	1.53%
Gross Expense Ratio (Z) †	1.20%

† As of March 1, 2019. The Adviser has contractually agreed, for a period of one year from the date of the Prospectus, dated March 1, 2019, 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%, 1.40% and 1.05% of the average daily net assets of the Institutional Class, Investor Class and Z 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.

2Q19 Highlights

- Attribution: Concentration benefitted performance in 2Q with one of the largest positions, Customers Bancorp rising 13%. Its share price rose in response to the corporate repositioning gaining traction and the April rollout of its white label partnership with T-Mobile. Emcor Group also boosted performance rising 18% after a strong earnings report and rumors of a potential takeover of the company.
- Activity: Activity was muted as Cubic Corp was eliminated, and no positions were added. Cubic had been a long-time holding of the Small Cap Value Fund. The position was eliminated due to increased debt levels in connection with an aggressive acquisition strategy. Fund Management took advantage of extreme volatility in auto supplier, Visteon, by increasing the position substantially, making it a Top 10 position. The company's stock price was under pressure in response to trade rhetoric and macro fears. Visteon has a net cash balance sheet and vibrant product portfolio which should offset those fears over time.
- Positioning: At quarter-end, the Fund maintained a 67% allocation to long-term compounders and a 30% allocation to time-arbitrage/special situation investments. The cash balance was 3%.

Top Ten Holdings

Allocations are subject to change without notice

	TASCX	Index ¹
MYR Group, Inc.	5.8%	-
Customers Bancorp, Inc.	5.5%	0.0%
Visteon Corp.	5.3%	-
UMB Financial Corp.	4.8%	0.3%
Tidewater, Inc.	4.4%	0.1%
FTI Consulting, Inc.	4.2%	0.3%
ICF International, Inc.	3.9%	0.1%
ATN International, Inc.	3.8%	0.1%
Prosperity Bancshares, Inc.	3.5%	-
FRP Holdings, Inc.	3.5%	0.0%
Total	44.7%	0.9%

Active Management, High Active Share

97.80%

Active Share vs. Russell 2000 Value Index^{1,2,3}

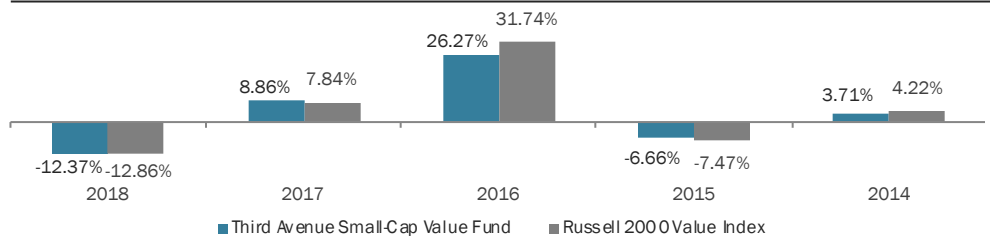
31

Total Equity Holdings

Total Assets

\$208.09 million

Performance Snapshot



Investment Performance

	Annualized					
	3 mo.	1 yr	3 yr	5 yr	10 yr	Inception ⁴
Third Avenue Small-Cap Value Fund (Institutional Class) ⁴	2.56%	-4.88%	8.56%	4.89%	10.72%	8.36%
Third Avenue Small-Cap Value Fund (Investor Class) ⁵	2.49%	-5.20%	8.28%	4.62%	N/A	8.69%
Third Avenue Small-Cap Value Fund (Z Class) ⁶	2.56%	-4.83%	N/A	N/A	N/A	0.85%
Russell 2000 Value Index ¹	1.37%	-6.24%	9.81%	5.39%	12.40%	N/A

The gross expense ratio ratios for the fund's institutional, investor and Z share classes are 1.25%, 1.53% and 1.20%, respectively, as of March 1, 2019.

1. 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.
2. Active Share is the percentage of a fund's portfolio that differs from the benchmark index.
3. Source: FactSet Portfolio Analytics
4. Institutional Share Class Inception Date: April 1, 1997.
5. Investor Share Class Inception Date: December 31, 2009.
6. Z Share Class Inception Date: February 28, 2018

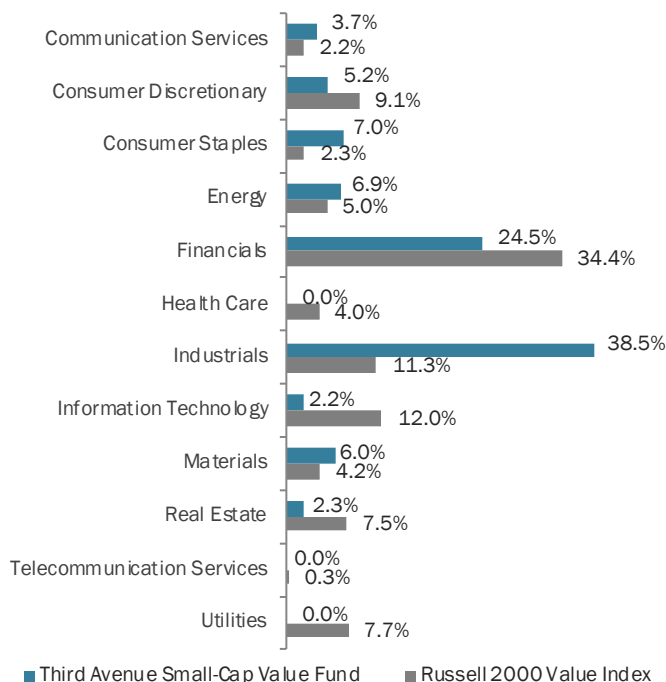
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Fund Highlights

- Focused on adding companies to the portfolio that are well-capitalized and either long-term balance sheet compounders or deeply out of favor securities for short-term, fixable reasons
- Third Avenue investment style leads to contrarian, special situation or otherwise “off the beaten path” investments; high active share will be a by-product of our differentiated approach to finding value.
- Investment universe is opportunistic, well-capitalized companies with market caps between \$300 million and \$3 billion dollars.

GICS Sector Weightings^{1,2}



Portfolio Summary Characteristics

	TASCX	Index ³
Weighted Market Cap ²	\$1.97 Billion	\$2.18 Billion
Median Market Cap ²	\$1.36 Billion	\$696 Million
Price-to-Earnings Forward 1 year ²	20.35x	17.13x
Return on Equity ²	8.88%	6.26%
Price-to-Book ²	1.46x	1.36x
Portfolio Turnover ⁴	44%	N/A

Market Cap Breakdown^{2,3}

	TASCX	Index ³
Micro (<\$500 Million)	7.4%	9.4%
Small (\$500 Million to \$2B)	59.7%	40.7%
Mid (\$2 Billion to \$7B)	27.1%	49.9%
Large (>\$7 Billion)	2.2%	0.0%

Asset Classes

Equity	96.3%
Debt	0.0%
Cash & Equivalents	3.7%

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.

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

622 Third Avenue
New York, New York 10017

✉ clientservice@thirdave.com
☎ 212.906.1160

www.thirdave.com

1. The Global Industry Classification Standard (GICS[®]) is used to derive the component economic sectors of the benchmark and the Fund. GICS[®] was developed by and is the exclusive property of MSCI and Standard & Poor's. Third Avenue Management LLC ("TAM") does not necessarily utilize GICS[®] sectors in its annual reporting. TAM does not adhere to any pre-determined sector, industry, or geographic allocations.
2. Source: FactSet Portfolio Analytics. Based on equity holdings only.
3. 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.
4. For the year ended October 31, 2018.