

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Third Avenue Focused Credit Fund		2 Issuer's employer identification number (EIN) 27-0340579	
3 Name of contact for additional information Third Avenue Client Services	4 Telephone No. of contact 800-443-1021	5 Email address of contact clientservice@thirdave.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 622 Third Avenue - 32nd Floor		7 City, town, or post office, state, and Zip code of contact New York, NY 10017	
8 Date of action August 26, 2016	9 Classification and description Regulated Investment Company - Institutional CL Shares & Investor CL Shares		
10 CUSIP number 884116708 / 884116609	11 Serial number(s)	12 Ticker symbol TFCIX / TFCVX	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On August 26, 2016 Third Avenue Focused Credit Fund (the "Taxpayer") combined its two share classes so that all shares of the Investor Share Class were converted into shares of its Institutional Share Class at the NAV of the Institutional Share Class (the "Conversion"). As a result, each of the Taxpayer's Investor Class shares was converted into 1.00225814 of its Institutional Class shares. The Conversion should generally be treated as a nontaxable recapitalization for U.S. federal income tax purposes. The Conversion was done in conjunction with the Taxpayer's Plan of Liquidation which was adopted on December 9, 2015 and amended on December 14, 2015.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The Conversion should be a nontaxable recapitalization pursuant to Internal Revenue Code Section 368(a)(1)(E). The holding period of the Investor Class shares and the adjusted cost basis of such shares immediately prior to the Conversion should carryover to any Institutional Class shares that were received with respect to such Investor Class shares. Since an Investor Class shareholder received 1.00225814 Institutional Class shares for each Investor Class share previously held, the basis of each new Institutional Class share will be 99.7746948% of the basis of the Investor Class share for which it was exchanged. The aggregate basis of all Taxpayer shares held by such shareholder should be unchanged immediately after the Conversion. For example, assume a shareholder held 1,000 Investor Class shares with an adjusted tax basis of \$9.00 per share immediately prior to the Conversion. The shareholder would have received 1,002.25814 Institutional Class shares with an aggregate adjusted tax basis of \$9,000 (\$8.9797225 per share). Shareholders should consult with their own tax advisors for assistance in determining the basis of each of their shares.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ Investor Class shareholders received 1.00225814 Institutional Class shares for each Investor Class share previously held (the "Conversion Ratio"). The Conversion Ratio was determined based upon the relative values of the two share classes immediately prior to the Conversion. The Net Asset Value ("NAV") of Taxpayer's Investor Class shares was \$5.0598 per share and the NAV of Taxpayer's Institutional Class Shares was \$5.0484 per share immediately prior to the Conversion. The Conversion Ratio was obtained by dividing the NAV of each Investor Class share by the NAV of each Institutional Class share (\$5.0598 divided by \$5.0484 = 1.00225814). The tax basis of each Institutional Class share received is a function of the Conversion Ratio. The tax basis of each Investor Class share carries over to the 1.00225814 Institutional Class shares received in exchange for such Investor Class share. Therefore the tax basis of each Institutional Class share is 99.7746947% of the basis of the basis of the Investor Class share for which it was exchanged.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Internal Revenue Code Sections 368(a)(1)(E) and 358(a)(1).

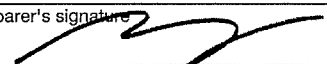
18 Can any resulting loss be recognized? ▶ Loss generally cannot be recognized upon the Conversion.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The Conversion occurred on August 26, 2016.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶  Date ▶ _____

Print your name ▶ **Vincent Dugan** Title ▶ **CFO**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Glen H. Helton Jr.				P00639359
	Firm's name ▶ PricewaterhouseCoopers LLP	Firm's EIN ▶ 13-4008324		Phone no. 646-471-3000	
	Firm's address ▶ 300 Madison Ave. New York, NY 10017				