

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
THIRD AVENUE FOCUSED CREDIT FUND		27-0340579	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
THIRD AVENUE CLIENT SERVICES	800-443-1021	clientservice@thirdave.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
622 THIRD AVENUE 32ND FLOOR		NEW YORK, NY 10017	
8 Date of action		9 Classification and description	
DECEMBER 16, 2015		REGULATED INVESTM'T COMPANY-INSTITUTIONAL CL SHARES & INVESTOR CL SHARES	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
884116708 / 884116609		TFCIX / TFCVX	

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 December 9, 2015 Third Avenue Focused Credit Fund ("the Taxpayer") adopted a plan of liquidation (the "Plan"). The Plan was amended on December 14, 2015. In pursuance of the Plan, on December 16, 2015, the Taxpayer made an initial liquidating distribution of \$0.58613 per share in cash to holders of both its Institutional Class Shares and its Investor Class Shares. The record date of the distribution was December 9, 2015. This distribution was the first of a series of liquidating distributions pursuant to the Plan which will result in the complete liquidation of the Taxpayer.

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 \$0.58613 per share cash distribution to holders of Institutional Class Shares and Investor Class Shares should be treated as the first of a series of distributions in complete liquidation of the Taxpayer. U.S. shareholders must first apply a liquidating distribution against, and reduce the adjusted tax basis of each share before reporting any gain or loss with respect to such share. Amounts reported in excess of the basis of any share will generally be reported as gain in the year received. Any basis with respect to a particular share that remains after all liquidating distributions are received would generally result in a loss with respect to such share. Subject to certain exceptions, losses with respect to any share may generally not be recognized until the final liquidating distribution is received. Shareholders should consult with their own tax advisors for assistance in computing gain or loss.

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 ▶ In accordance with Internal Revenue Code Section 331, the basis of each share is reduced, but not below zero, by the amount of the December 16, 2015 liquidating distribution of \$0.58613 per share.

