



Monthly Update for period ended December 31, 2016

Ticker: TFCIX

Thomas Lapointe Lead Portfolio Manager

Joseph Zalewski Portfolio Manager

Performance

	One Month	Three Month	One Year	Annualized		
				Three Year	Five Year	Since Inception ¹
Third Avenue Focused Credit Fund (Institutional Class)	9.43%	13.69%	12.15%	-9.67%	0.18%	2.32%
Bloomberg Barclays U.S. Corporate High-Yield Bond Index ²	1.85%	1.75%	17.13%	4.66%	7.36%	9.41%
Credit Suisse Leveraged Loan ³	1.15%	2.25%	9.88%	3.76%	5.35%	6.20%

Portfolio Characteristics

Total Net Assets	\$478 Million
Number of Issuers	18
30-Day SEC Yield (TFCIX) ⁴	7.93%

Fund Details

	Institutional Class
Ticker	TFCIX
Cusip	884116708
NAV/Share	\$4.06

Top 10 Holdings* 83.8% of total portfolio

Affinion Group Inc.
Ceva Group plc
Corporate Risk Holdings, LLC
Fannie Mae and Freddie Mac**
Geokinetics Holdings, Inc.
Ideal Standard International S.A.
Liberty Tire Recycling LLC
Longview Power
Majestic Star Casino LLC
Reichhold Holdings

*Listed in alphabetical order. Holdings are subject to change without notice.

** Fannie Mae and Freddie Mac consists of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corp.

1. Inception Date: August 31, 2009.
2. The Bloomberg Barclays U.S. Corporate High Yield Bond Index comprises issues that have at least \$150 million par value outstanding, a maximum credit rating of Ba1 or BB+ (including defaulted issues) and at least one year to maturity.
3. The CS Leveraged Loan Index is designed to mirror the investible universe of the \$US-denominated leveraged loan market. Loans are added to the index upon issuance according to the following criteria: (1) Loans must be rated "5B" or lower. That is, the highest Moody's/S&P ratings in the index are Baa1/BB+ or Ba1/BBB+. If unrated, the initial spread level must be Libor plus 125 basis points or higher. (2) Only funded term loans are included. (3) The tenure must be at least one year.
4. The SEC Yield is based on imputed income of all holdings.

Please note the Third Avenue Focused Credit Fund is currently in liquidation. There is no purchase or investment option. Performance figures for periods greater than 1 year are annualized. 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.

Please note these returns have been calculated utilizing the industry standard methodology which assumes all distributions are reinvested by the shareholder. Given that the Focused Credit has not permitted reinvestments since December 9, 2015, shareholders would only realize these rates of return if they invested the proceeds paid since that date at the rate earned by the Fund.

The Fund is no longer offered for investment and does not have a prospectus. The Fund is in the liquidation process and shareholders are not being charged a management fee.

Third Avenue Focused Credit Fund

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Asset Classes

High Yield Securities (excluding Restructurings ¹)	47.5%
Credit Spread <600 bps	0.0%
Credit Spread 600 -1000 bps	5.9%
Credit Spread >1000 bps	41.6%
Restructurings ¹	0.0%
Equities ²	39.2%
Cash & Equivalents ³	13.3%

Regional Breakdown

United States & Canada	67.3%
Other Regions	19.4%
Cash & Equivalents ³	13.3%

Bond Maturity

< 3 Years	19.3%
3 – 6 Years	28.2%
6 – 10 Years	0.0%
> 10 Years	0.0%
Equities ²	39.2%
Cash & Equivalents ³	13.3%

Fixed Income Breakdown

Corporate Debt	38.1%
Bank Loans	9.4%
Equities ²	39.2%
Cash & Equivalents ³	13.3%

Credit Rating⁴

B	0.1%
CCC	2.2%
C	0.4%
Unrated	44.8%
Equities ²	39.2%
Cash & Equivalents ³	13.3%

Top 5 Industries

Services	30.2%
Consumer Products	19.0%
Manufacturing	14.1%
Financials	6.8%
Transportation Services	3.1%

1. Restructurings: debt securities of companies that are not currently making their debt service payments and have either entered into bankruptcy proceedings or are expected to do so in the near term.
2. Equities: Common and preferred stocks purchased, common stock received in a debt-for-equity exchange.
3. Includes receivables and payables.
4. Credit ratings for each security provided by Standard & Poor's. Credit ratings are forward-looking opinions about credit risk. Standard & Poor's credit ratings express the agency's opinion about the ability and willingness of an issuer, such as a corporation or state or city government, to meet its financial obligations in full and on time. Ratings are expressed on a scale from "AAA" to "D", where "AAA" signifies the highest confidence in the issuer's capability to meet financial commitments, and "D" signifies an issuer that is in payment default.

THIRD AVENUE MANAGEMENT

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