



Monthly Update for period ended January 31, 2017

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) | 0.74% | 14.07% | 20.73% | -10.11% | -0.69% | 2.39% |
| Bloomberg Barclays U.S. Corporate High-Yield Bond Index ² | 1.45% | 2.83% | 20.77% | 4.92% | 7.03% | 9.52% |
| Credit Suisse Leveraged Loan Index ³ | 0.53% | 2.02% | 11.27% | 3.70% | 5.05% | 6.21% |

Portfolio Characteristics

| | |
|---------------------------------------|---------------|
| Total Net Assets | \$481 Million |
| Number of Issuers | 17 |
| 30-Day SEC Yield (TFCIX) ⁴ | 6.62% |

Top 10 Holdings* 78.6% of total portfolio

| |
|-----------------------------------|
| Affinion Group Inc. |
| Ceva Group plc |
| Corporate Risk Holdings, LLC |
| Geokinetics Holdings, Inc. |
| Ideal Standard International S.A. |
| Liberty Tire Recycling LLC |
| Longview Power |
| Majestic Star Casino LLC |
| Radio One, Inc. |
| Reichhold Holdings |

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

Fund Details

| | Institutional Class |
|-----------|---------------------|
| Ticker | TFCIX |
| Cusip | 884116708 |
| NAV/Share | \$4.09 |

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 Fund 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

Monthly Update for period ended January 31, 2017

Asset Classes

| | |
|--|-------|
| High Yield Securities (excluding Restructurings ¹) | 48.1% |
| Credit Spread <600 bps | 0.0% |
| Credit Spread 600 -1000 bps | 4.6% |
| Credit Spread >1000 bps | 43.5% |
| Restrurings ¹ | 0.0% |
| Equities ² | 31.6% |
| Cash & Equivalents ³ | 20.3% |

Regional Breakdown

| | |
|---------------------------------|-------|
| United States & Canada | 60.0% |
| Other Regions | 19.7% |
| Cash & Equivalents ³ | 20.3% |

Bond Maturity

| | |
|---------------------------------|-------|
| < 3 Years | 19.6% |
| 3 – 6 Years | 28.5% |
| 6 – 10 Years | 0.0% |
| > 10 Years | 0.0% |
| Equities ² | 31.6% |
| Cash & Equivalents ³ | 20.3% |

Fixed Income Breakdown

| | |
|---------------------------------|-------|
| Corporate Debt | 38.7% |
| Bank Loans | 9.4% |
| Equities ² | 31.6% |
| Cash & Equivalents ³ | 20.3% |

Credit Rating⁴

| | |
|---------------------------------|-------|
| B | 0.1% |
| CCC | 2.2% |
| Unrated | 45.8% |
| Equities ² | 31.6% |
| Cash & Equivalents ³ | 20.3% |

Top 5 Industries

| | |
|-------------------------|-------|
| Services | 30.0% |
| Consumer Products | 19.4% |
| Manufacturing | 14.4% |
| Utilities | 3.3% |
| Transportation Services | 3.2% |

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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