

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 | |
| May 16, 2017 | | Regulated Investment Company | |
| 10 CUSIP number | 11 Serial number(s) | 12 Ticker symbol | 13 Account number(s) |
| 884116708 | | TFCIX | |

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 May 16, 2017 Third Avenue Focused Credit Fund (the "Taxpayer") made a cash distribution in the amount of \$1.00000 per share. This distribution was the fifth in a series of liquidating distributions made pursuant to a plan of liquidation that was adopted by the Taxpayer on December 9, 2015 and which was amended on December 14, 2015 (the "Plan"). The Plan calls for the Taxpayer to make a series of liquidating distributions which will result in the complete liquidation of the Taxpayer. The initial liquidating distribution of \$0.58613 was paid on December 16, 2015 and the second liquidating distribution of \$0.54362 per share was paid on June 15, 2016. Both of these distributions were paid in cash to holders of Institutional Class Shares and Investor Class Shares. Effective August 26, 2016 each of the Taxpayer's outstanding Investor Class shares was converted into 1.00225814 Institutional Class shares in an exchange that was nontaxable for U.S. federal income tax purposes. On November 8, 2016 the Taxpayer made its third cash liquidating distribution in the amount of \$0.25463 per share and on November 29, 2016 the Taxpayer made its fourth cash liquidating distribution in the amount of \$1.18829 per share.

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 May 16, 2017 cash distribution of \$1.00000 per share should be treated as the fifth in a series of liquidating distributions in complete liquidation of the Taxpayer. U.S. shareholders must first apply liquidating distributions against, and reduce, the tax basis of each share, but not below zero, before reporting gain or loss with respect to such share. Amounts received 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 adjusting the basis of their shares as well as in determining the amount and character of any 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 would be reduced, but not below zero, by the amount of any liquidating distributions, including the May 16, 2017 liquidating distribution of \$1.00000 per share.

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 331 and 346(a).

18 Can any resulting loss be recognized? ▶ Loss generally cannot be recognized at this time. Subject to certain exceptions, losses with respect to any share may generally not be recognized until the final liquidating distribution is received.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Information concerning cash liquidating distributions is generally reported on Form 1099-DIV, Box 8. Liquidating distributions that are made during 2017 should be included on a 2017 Form 1099-DIV which should be issued in early 2018.

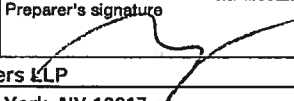
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ 5/16/17

Print your name ▶ W. James Hall Title ▶ President, General Counsel, Secretary

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. | <u></u> | <u>5/16/17</u> | | P00639359 |
| Firm's name ▶ | PricewaterhouseCoopers LLP | | Firm's EIN ▶ | 13-4008324 |
| Firm's address ▶ | 300 Madison Ave. New York, NY 10017 | | Phone no. | 646-471-3000 |