

# Third Avenue Small-Cap Value Fund

QUARTERLY UPDATE FOR THE PERIOD ENDED SEPTEMBER 30, 2015



## Fund Highlights

- Disciplined investment process draws on in-depth, bottom up fundamental analysis to identify unique opportunities
- Seeks long term capital appreciation by investing in a concentrated portfolio comprised of higher quality small-cap US stocks selling at a discount
- The Fund's investment philosophy is defined by three pillars: strong creditworthiness, consistent NAV compounder and meaningful discount to NAV; as well as opportunistic event driven potential
- High active share versus benchmarks, exemplifying the power of original thinking

## Performance

	One Month	Three Month	Year-to-Date	One Year	Annualized				
					Three Year	Five Year	Ten Year	Fifteen Year	Since Inception
Third Avenue Small-Cap Value Fund (Institutional Class) <sup>1</sup>	-4.13%	-11.44%	-6.97%	-0.70%	9.80%	9.84%	4.39%	7.71%	8.25%
Third Avenue Small-Cap Value Fund (Investor Class) <sup>2</sup>	-4.20%	-11.51%	-7.17%	-0.97%	9.53%	9.58%	--	--	8.71%
Russell 2000 Value Index <sup>3</sup>	-3.46%	-10.73%	-10.06%	-1.60%	9.18%	10.17%	5.35%	8.53%	8.74%
Russell 2000 Index <sup>4</sup>	-4.91%	-11.92%	-7.73%	1.25%	11.02%	11.73%	6.55%	6.51%	7.91%

## Top 10 Holdings\*

HCC Insurance Holdings, Inc.	3.8%
Genpact, Ltd.	2.6%
CSG Systems International, Inc.	2.4%
Commerce Bancshares, Inc.	2.4%
Barnes Group, Inc.	2.4%
FTI Consulting, Inc.	2.3%
WCI Communities, Inc.	2.3%
Kaiser Aluminum Corp.	2.2%
Syntel, Inc.	2.2%
Tetra Tech, Inc.	2.2%
<b>Total</b>	<b>24.8%</b>

\* Holdings subject to change without notice.

## Portfolio Characteristics

Total Net Assets	\$382.66 Million
Number of Equity Holdings	60
Weighted Market Cap <sup>5,6</sup>	\$2.72 Billion
Median Market Cap <sup>5,6</sup>	\$1.92 Billion
Price-to-Book <sup>5,6</sup>	1.60x
Dividend Yield <sup>5,6</sup>	1.18%
Portfolio Turnover <sup>7</sup>	10%
Active Share <sup>5,8</sup>	96.13%

## Portfolio Team

**Chip Rewey, CFA**  
Lead Portfolio Manager

**Tim Bui, CFA**  
Portfolio Manager

**Yang Lie**  
Research Analyst

**Victor Cunningham, CFA**  
Research Analyst

**Evan Strain, CFA**  
Research Analyst

**Harrison Vigersky**  
Research Analyst

**Andrea Sharkey, CFA**  
Research Analyst

1. Institutional Share Class Inception Date: April 1, 1997.
2. Investor Share Class Inception Date: December 31, 2009.
3. The Russell 2000 Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. Index performance reported since inception of Institutional Share Class.
4. The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index. Index performance reported since inception of Institutional Share Class.
5. Source: FactSet Portfolio Analytics.
6. Based on equity holdings only.
7. For the six-month period ended April 30, 2015.
8. Relative to the Russell 2000 Value Index. Active Share is the percentage of a fund's portfolio that differs from the benchmark index.

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.

Prospectuses contain more complete information on management fees, distribution charges, and other expenses. Please read the Prospectus carefully before investing or sending money. For current Fund performance or a copy of the Prospectus please visit our website: [www.thirdave.com](http://www.thirdave.com) or call 800-443-1021. M.J. Whitman LLC, Distributor. Member FINRA/SIPC.

The Indices are not securities that can be purchased or sold, and their total returns are reflective of unmanaged portfolios. The returns include reinvestment of interest, capital gains and dividends.

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## Industry Weightings<sup>1</sup>



## Country Exposure<sup>2</sup>

United States	95.2%
United Kingdom	2.1%
Canada	1.6%

## Asset Classes

Equity	98.9%
Debt	0.0%
Cash, Equivalents & Other <sup>3</sup>	1.1%

## Fund Details

	Institutional Class	Investor Class
Ticker	TASCX	TVSVX
CUSIP	884116203	884116880
Minimum Investment	\$100,000	\$2,500
NAV/Share	\$21.37	\$21.23

## Annual Operating Expenses

	Institutional Class	Investor Class
Gross Expense Ratio <sup>4</sup>	1.15%	1.40%
Net Expense Ratio <sup>4</sup>	1.15%	1.40%
Management (Advisory) Fee	0.90%	0.90%
Distribution (12b-1) Fees	None	0.25%

1. Industry classifications determined by Third Avenue for equity holdings only.

2. Source: FactSet Portfolio Analytics.

3. "Other" may consist of option investments.

4. For the six-month period ended April 30, 2015.

Please be aware that small-cap investments are subject to higher volatility and lower financial resources than large-cap investments. The markets for these securities are also less liquid than those for larger companies. For a full disclosure of principal investment risks, please refer to the Fund's Prospectus.