

THIRD AVENUE REAL ESTATE VALUE FUND

QUARTERLY UPDATE FOR THE PERIOD ENDED DECEMBER 31, 2009



PERFORMANCE

	One Month	Three Month	Year-to-Date	One Year	Annualized			
					Three Year	Five Year	Ten Year	Since Inception
Third Avenue Real Estate Value Fund (Investor Class)*	As of December 31, 2009, there is no track record for the Investor Class							
Third Avenue Real Estate Value Fund (Institutional Class)^	2.2%	0.3%	38.6%	38.6%	-11.1%	0.9%	11.5%	11.3%
Wilshire Real Estate Securities^	7.0%	9.0%	29.0%	29.0%	-13.9%	-0.3%	10.5%	9.5%
Bloomberg World Real Estate Index^	-0.3%	2.3%	55.9%	55.9%	-10.7%	3.4%	N/A	N/A

+ Investor Share Class Inception Date: December 31, 2009

^ Institutional Share Class Inception Date: September 17, 1998; Index performance reported since inception of institutional share class.

Past performance is no guarantee of future results; returns include reinvestment of all distributions.

INVESTMENT APPROACH

Third Avenue portfolios are constructed from the bottom up and do not attempt to mirror benchmarks or conform to top-down allocation models. We select individual securities, not markets, that have the potential to create value for our shareholders over the long term.

We are not restricted by market capitalization or geography. Our opportunistic approach allows us the flexibility to invest in any industry or region, or in any part of a company's capital structure (e.g., common stock, preferred stock or debt) where we find the most compelling values.

Third Avenue Real Estate Value Fund applies Third Avenue's fundamental, value-oriented approach to real estate-related securities. In general, we prefer to invest in Real Estate Operating Companies (REOCs) instead of Real Estate Investment Trusts (REITs), because REOCs are not required to distribute earnings to shareholders. REOCs, therefore, do not need continuous access to capital markets and thus meet our "Safe and Cheap" criteria.

SAFE

We define "safe" as a measure of corporate staying power. We measure safety by the following:

Strong Finances and High-Quality Assets:

The core of our investment analysis is the assessment of a company's balance sheet strength. We invest in the common stock of companies that are well financed and do not need continuous access to capital markets. When these companies employ leverage, the terms tend to be conservative, such as non-recourse debt with well-laddered maturities.

If we see value in businesses that employ too much leverage, we invest in the fulcrum security, which is the senior-most security in the capital structure that will participate in the company's reorganization. This security is usually corporate debt.

Competent Management:

We invest in companies with responsible management teams, whose interests are well aligned with the interests of their shareholders. We look for teams with proven track records and the ability to build net asset value over the life-cycle of the investment.

Comprehensible Business Model:

In order for us to analyze a company and its assets, the company must be engaged in a business that we understand, with meaningful financial statements readily available and published in English.

Sound Regulatory Environment:

Although we do not adhere to top-down geographic allocations, we invest only in regions that offer sufficient shareholder protection and political stability.

CHEAP

To us, "cheap" is a measure of price relative to value. We use proprietary research to calculate conservative estimates of a company's net asset value, as viewed in the context of private equity valuations or as a takeover candidate. We buy a security when it is priced at a significant discount to our valuation. We do not attempt to time markets; rather, we are price conscious and long-term oriented.

TOP 10 HOLDINGS*

Forest City Enterprises, Inc.	8.5%
Henderson Land Development Co., Ltd.	7.0%
Brookfield Asset Management, Inc.	5.5%
Wheelock & Co., Ltd.	5.2%
Vornado Realty Trust	4.1%
Newhall Holding Co LLC, Class A	3.5%
Hammerson PLC	3.2%
Sun Hung Kai Properties, Ltd.	3.1%
CapitaLand, Ltd.	2.6%
Mitsui Fudosan Co., Ltd.	2.6%

*Holdings subject to change without notice.

FUND INFORMATION

Portfolio Manager Michael Winer

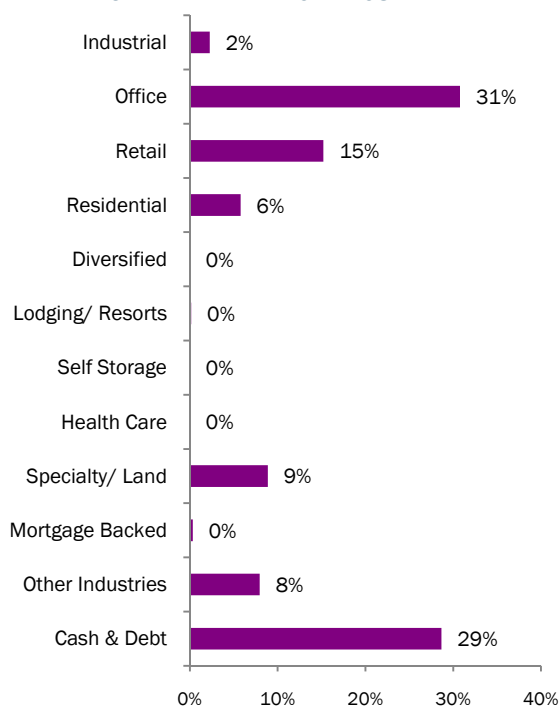
INVESTOR SHARE CLASS

Ticker	TVRVX
CUSIP	884116872
Minimum Investment	\$2,500
Inception Date	12/31/2009

INSTITUTIONAL SHARE CLASS

Ticker	TAREX
CUSIP	884116401
Minimum Investment	\$100,000
Inception Date	9/17/1998

NAREIT PROPERTY TYPE WEIGHTINGS¹



TOP 5 INDUSTRIES

Non-U.S. Real Estate Operating Companies	40.7%
U.S. Real Estate Operating Companies	19.1%
Non-U.S. Real Estate Investment Trust	7.9%
U.S. Real Estate Investment Trust	5.5%
Non-U.S. Real Estate Consulting/Management	1.2%

TOP 5 COUNTRIES²

United States	24.6%
Hong Kong	24.4%
United Kingdom	12.5%
Japan	7.0%
Canada	5.8%

ASSET CLASSES

Equity	74.9%
Debt	9.0%
Cash, Equivalents & Other ³	16.1%

PORTFOLIO CHARACTERISTICS

		Investor Class	Institutional Class
Weighted Market Cap²	\$9.18 Billion	N/A	\$1.48 Billion
Median Market Cap²	\$2.67 Billion	NAV/Share	\$20.47
Portfolio Turnover⁴	24.00%	Net Expense Ratio ⁵	1.40%
Price-to-Book²	1.18x	Management (Advisory) Fee	0.90%
Dividend Yield²	1.70%	Distribution (12b-1) Fees	0.25%
Number of Equity Holdings	29		None

1 FTSE EPRA/NAREIT has created the Property Sectors listed. Fund Management has provided property sector exposures on a "look-through" basis for equity holdings only. Third Avenue Management LLC ("TAM") does not necessarily utilize NAREIT Property Types in its annual reporting. Narrow industries are utilized for compliance purposes, whereas broad sectors are utilized for reporting. TAM does not adhere to any pre-determined sector, industry, or geographic allocations.

2 Source: Thomson Portfolio Analytics; based on equity holdings only

3 "Other" consists of currency options. For funds that do not hold currency options, the "other" component has a 0% weight.

4 For the twelve month period ended October 31, 2009

5 Effective December 31, 2009, the Adviser has limited Net Annual Fund Operating Expenses to 1.15% and 1.40% of the average daily net assets of the Institutional Class and Investor Class, respectively, for a one year period.

This material must be accompanied by a current Prospectus. Prospectuses contain more complete information on management fees, distribution charges, and other expenses. Please read the Prospectus carefully before investing or sending money. The above represents past performance and current performance may be lower or higher than performance quoted above. For month-end Fund performance or a copy of the Prospectus please visit our website: www.thirdave.com or call 800-443-1021. Past performance is no guarantee of future results. Investment return and principal value fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. M.J. Whitman LLC, Distributor. Member FINRA/SIPC.

The Wilshire Real Estate Securities Index is a broad measure of the performance of publicly traded domestic real estate securities, such as Real Estate Investment Trusts (REITs) and Real Estate Operating Companies (REOCs). The index is capitalization-weighted.

The Bloomberg World Real Estate Index is a capitalization-weighted index of the leading real estate stocks in the world.

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.

