

THIRD AVENUE SMALL-CAP 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 Small-Cap Value Fund (Investor Class)*	As of December 31, 2009, there is no track record for the Investor Class							
Third Avenue Small-Cap Value Fund (Institutional Class)^	4.4%	3.0%	25.3%	25.3%	-6.0%	0.6%	7.6%	7.9%
Russell 2000 Value^	7.6%	3.6%	20.6%	20.6%	-8.2%	-0.0%	8.3%	8.0%
Russell 2000^	8.0%	3.9%	27.2%	27.2%	-6.1%	0.5%	3.5%	6.2%

+ Investor Share Class Inception Date: December 31, 2009

^ Institutional Share Class Inception Date: April 1, 1997; 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 sector 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 Small-Cap Value Fund applies Third Avenue's fundamental, value-oriented approach to small-cap companies, which we define as those with market capitalizations within the range of capitalizations of companies in the Russell 2000 Index, the S&P Small Cap 600 Index or the Dow Jones Wilshire U.S. Small-Cap Index. The companies in which we invest meet our "Safe and Cheap" investment 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*

Sapporo Holdings, Ltd.	4.2%
Viterra, Inc.	4.0%
Parco Co., Ltd.	3.6%
Alexander & Baldwin, Inc.	3.6%
Lanxess AG	3.6%
Brookfield Asset Management, Inc.	3.4%
Synopsys, Inc.	3.1%
National Western Life Insurance, Co.	3.0%
Ackermans & van Haaren NV	2.8%
Tidewater, Inc.	2.8%

*Holdings subject to change without notice.

FUND INFORMATION

Portfolio Manager Curtis Jensen

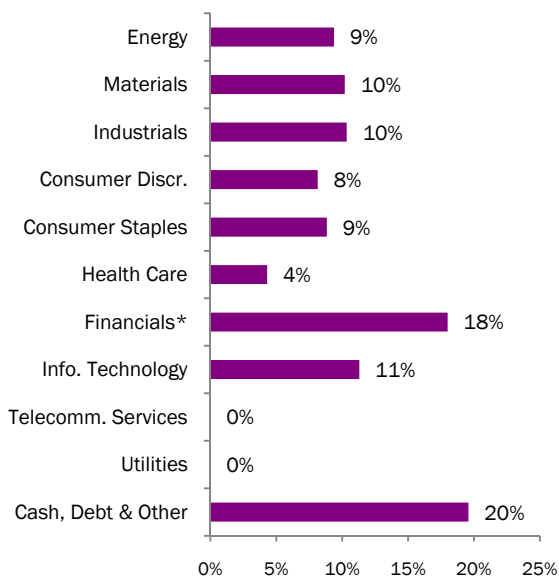
INVESTOR SHARE CLASS

Ticker	TVSVX
CUSIP	884116880
Minimum Investment	\$2,500
Inception Date	12/31/2009

INSTITUTIONAL SHARE CLASS

Ticker	TASCX
CUSIP	884116203
Minimum Investment	\$100,000
Inception Date	4/1/1997

GICS ECONOMIC SECTOR WEIGHTINGS^{1,2}



* The GICS® Financials sector is a broad category that may include Real Estate Operating Companies, Holding Companies, Insurance & Reinsurance, Asset Management, Financial Services, Depository Institutions, and/or other industries. Please refer to the "Top 5 Industries" for more detailed portfolio composition.

TOP 5 INDUSTRIES

Real Estate Operating Companies	15.0%
Holding Companies	10.3%
Energy Services	7.3%
Metals Manufacturing	4.6%
Chemical & Allied Products	4.4%

TOP 5 COUNTRIES

United States	58.2%
Canada	10.1%
Japan	7.8%
Germany	5.7%
Belgium	2.8%

ASSET CLASSES

Equity	80.4%
Debt	7.0%
Cash, Equivalents & Other ³	12.6%

PORTFOLIO CHARACTERISTICS

			Investor Class	Institutional Class
Weighted Market Cap²	\$2.08 Billion	Size of Class	N/A	\$1.26 Billion
Median Market Cap²	\$0.71 Billion	NAV/Share	\$18.19	\$18.19
Portfolio Turnover⁴	15.00%	Net Expense Ratio⁵	1.38%	1.13%
Price-to-Book²	0.99x	Management (Advisory) Fee	0.90%	0.90%
Dividend Yield²	1.08%	Distribution (12b-1) Fees	0.25%	None
Number of Equity Holdings	48			

1 The Global Industry Classification Standard (GICS®) was developed by and is the exclusive property of MSCI and Standard & Poor's. Third Avenue Management LLC ("TAM") does not necessarily utilize GICS® sectors 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 Russell 2000 Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

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.

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.

