



	Institutional Class	Investor Class
Third Avenue Value Fund	TAVFX	TVFVX
Third Avenue Small-Cap Value Fund	TASCX	TVSVX
Third Avenue Real Estate Value Fund	TAREX	TVRVX
Third Avenue International Value Fund	TAVIX	TVIVX
Third Avenue Focused Credit Fund*	TFCIX	TFCVX

PROSPECTUS

MARCH 1, 2010

As with all mutual funds, the Securities and Exchange Commission has not approved or disapproved of these securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

* (May invest unlimited assets in below investment grade credit instruments)

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FUND SUMMARIES

THIRD AVENUE VALUE FUND

Investment Objective Third Avenue Value Fund seeks long-term capital appreciation.

Fees and Expenses

This table describes the fees and expenses that you pay if you buy and hold shares of Third Avenue Value Fund.

Shareholder Fees (fees paid directly from your investment):

	Institutional Class	Investor Class
Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of the offering price)	None	None
Maximum Deferred Sales Charge (Load) (as a percentage of the lesser of the offering price or redemption proceeds)	None	None
Maximum Sales Charge (Load) Imposed on Reinvested Dividends and Other Distributions	None	None
Redemption Fee/Exchange Fee (as a percentage of amount redeemed within 60 days or less of issuance)	1.00%	1.00%

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment):

	Institutional Class	Investor Class
Management (Advisory) Fee	0.90%	0.90%
Distribution (12b-1) Fees	None	0.25%
Other Expenses	<u>0.27%</u>	<u>0.27%</u>
Total Annual Fund Operating Expenses (as a percentage of net assets) ¹	1.17%	1.42%
Expense Cap Adjustment ¹	(0.02%)	(0.02%)
Net Annual Fund Operating Expenses ¹	1.15%	1.40%

¹ The Adviser has contractually agreed, for a period of one year from the date of this Prospectus, to defer receipt of advisory fees and/or reimburse Fund expenses in order to limit Net Annual Fund Operating Expenses (exclusive of taxes, interest, brokerage commissions, acquired fund fees and expenses, and extraordinary items) to 1.15% and 1.40% of the average daily net assets of the Institutional Class and Investor Class, respectively, subject to later reimbursement by the respective classes in certain circumstances (the "Expense Cap Agreement"). In general, for a period of up to 36 months from the time of any deferral, reimbursement, or payment pursuant to the above-described contractual expense limitations, the Adviser may recover from each class of the Fund fees deferred and expenses paid to the extent that such repayment would not cause the Net Annual Fund Operating Expenses of

each class to exceed the contractual expense limitation amounts set forth above, but any repayment will not include interest. Acquired fund fees and expenses are not subject to deferral and do not factor into the Fund's contractual expense limitation. The Expense Cap Agreement can only be terminated by the independent Trustees of the Fund.

Example

The following example is intended to help you compare the cost of investing in Third Avenue Value Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<u>Year 1</u>	<u>Year 3</u>	<u>Year 5</u>	<u>Year 10</u>
Institutional Class	\$117	\$365	\$632	\$1,398
Investor Class	\$143	\$444	\$766	\$1,680

The Example reflects the impact of the Fund's contractual expense limitation for a period of at least one year. The Example should not be considered a representation of past or future expenses, as actual expenses may be greater or lower than those shown.

PORTFOLIO TURNOVER

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 5% of the average value of its portfolio.

Principal Investment Strategies

The Fund seeks to achieve its objective mainly by acquiring common stocks of well-financed companies (meaning companies with high quality assets and a relative absence of liabilities) at a

discount to what the Adviser believes is their intrinsic value. The Fund may invest in companies of any market capitalization. The Fund also seeks to acquire senior securities, such as debt

instruments (including high-yield and distressed securities that may be in default and may have any or no credit rating) that the Adviser believes are undervalued.

Principal Investment Risks

Market Risk. Prices of securities (and stocks in particular) have historically fluctuated. The value of the Fund will similarly fluctuate and you could lose money.

Foreign Securities Risk. Foreign securities from a particular country or region may be subject to currency fluctuations and controls or adverse political, social, economic or other developments that are unique to that particular country or region. Therefore, the prices of foreign securities in particular countries or regions may, at times, move in a different direction than those of U.S. securities.

Non-Diversification Risk. The Fund is non-diversified. This means that the Fund may have investments in fewer issuers than a diversified mutual fund of comparable size. A non-diversified fund can be more volatile than a diversified fund, and volatility may be expected to increase when the Fund makes significant investments in a single issuer or issuers within a particular industry or geographic region.

Small- and Mid-Cap Risk. The Fund may invest from time to time in smaller and midsize companies whose securities tend to be more volatile and less liquid than securities of larger companies.

Style Risk. The Fund frequently identifies opportunities in industries that appear to be temporarily depressed. The prices of securities in these industries may tend to go down more

than those of companies in other industries. Since the Fund is not limited to investing in stocks, the Fund may own significant non-equity instruments in a rising stock market, thereby producing smaller gains than a Fund invested solely in stocks. Because of the Fund's disciplined and deliberate investing approach, there may be times when the Fund will have a significant cash position. A substantial cash position can adversely impact Fund performance in certain market conditions, and may make it more difficult for the Fund to achieve its investment objective.

High-Yield and Distressed Risk. The Fund's investments in high-yield securities (commonly known as "junk bonds") may expose the Fund to greater risks than if the Fund only owned higher-grade securities. The value of high-yield, lower quality securities is affected by the creditworthiness of the issuers of the securities and by general economic and specific industry conditions. Issuers of high-yield securities are not as strong financially as those with higher credit ratings, so the securities are usually considered speculative investments.

Credit and Interest Rate Risk. The market value of debt securities is affected by changes in prevailing interest rates and the perceived credit quality of the issuer. When prevailing interest rates fall or perceived credit quality improves, the market value of the affected debt securities generally rises. Conversely,

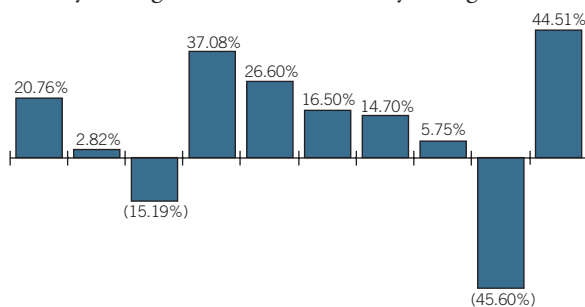
when interest rates rise or perceived credit quality weakens, the market value of the affected debt securities generally declines.

Currency Risk. The Fund's investments are denominated in or tied to the currencies of the countries in which they are primarily traded. Because the Fund may determine not to hedge its foreign currency exposure, the U.S. Dollar value of the Fund's investments may be harmed by declines in the value of foreign currencies in relation to the U.S. Dollar.

Insolvency and Bankruptcy Risk. The Fund's investments in obligations of stressed, distressed and bankrupt issuers, including debt obligations that are in default, generally trade significantly below par and are considered speculative. There is even a potential risk of loss by the Fund of its entire investment in such securities. There are a number of significant risks inherent in the bankruptcy process. A bankruptcy filing by an issuer may adversely and permanently affect the market position and operations of the issuer. The Adviser, on behalf of the Fund, may also participate on committees formed by creditors to negotiate with debtors with respect to restructuring issues. There can be no assurance that the Adviser's participation would yield favorable results for the Fund, and such participation may subject the Fund to additional duties, liabilities and trading restrictions in a particular investment.

Performance

The following bar chart and table provide an indication of the risks of investing in Third Avenue Value Fund. The bar chart shows changes in the performance of the Fund's Institutional Class shares from year to year (prior to December 31, 2009 this was the only class available of the Fund – see “Choosing a Share Class” for details about new classes). The table compares the average annual total returns of the Fund's Institutional Class shares to those of relevant market performance. Because Investor Class shares are new, no investment performance for that class is available, but the performance for Investor Class shares would have been substantially similar, yet lower than the Institutional Class, because the shares of both classes are invested in the same portfolio of securities and the annual returns would differ only to the extent that the classes do not have the same expenses. All returns assume reinvestment of dividends and distributions. As with all mutual funds, the Fund's past performance, before and after taxes, is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available at no cost by visiting www.thirdave.com or by calling 1-800-443-1021.



CALENDAR YEARS 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009

During the period shown in the above bar chart, the highest return for a quarter was 31.32% (quarter ending 6/30/09) and the lowest return for a quarter was (23.79)% (quarter ending 12/31/08).

Average Annual Total Returns for the periods ending 12/31/09	Past One Year	Past Five Years	Past Ten Years	Since Inception ¹
Institutional Class Before Taxes	44.51%	2.12%	7.34%	12.89%
After Taxes on Distributions ²	43.26%	1.02%	6.12%	11.58%
After Taxes on Distributions and Sale of Fund Shares ²	28.91%	1.41%	5.86%	11.09%
MSCI World Index ³	30.79%	2.57%	0.23%	7.32%
Standard & Poor's 500 Index (S&P 500) ³	26.46%	0.42%	(0.95)%	8.91%

¹ November 1, 1990

² After-tax returns are calculated using the historical highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown, and the after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

³ An index is a hypothetical measure of performance based on the ups and downs in the values of securities representative of a particular market. It does not factor in fees, expenses or taxes — costs that are reflected in the results of the Institutional Class. The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The MSCI World Index consists of 23 developed market country indices. The S&P 500 is a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies.

Portfolio Management

Investment Adviser

Third Avenue Management LLC

Portfolio Managers

Martin Whitman, Portfolio Manager since inception.

Ian Lapey, co-Portfolio Manager since July 1, 2009, who has been the designated successor to Martin Whitman, as the Portfolio Manager of the Third Avenue Value Fund, since December 2006.

Purchase and Sale of Fund Shares

The minimum initial investment for the Investor Class of the Fund is \$2,500 and the minimum initial investment for the Institutional Class is \$100,000. Additional investments for either class must be at least \$1,000 for a regular account and \$200 for an Individual Retirement Account (“IRA”), unless you use the Fund’s Automatic Investment Plan, in which case the monthly minimum for additional investments is \$200.

Transaction Policies

In general, you can buy or sell shares of the Fund by mail or phone each day the New York Stock Exchange is open for trading. Shares of the Fund can be purchased either directly from the Fund, or through certain broker-dealers or financial intermediaries, so long as they have a selling agreement with the Fund’s distributor. Your order will be priced at the next net asset value per share calculated following receipt of your transaction in good order by the transfer agent or your broker-dealer or financial intermediary.

You may sell shares by making a redemption request of the Fund in writing or, if so elected on your account application, by telephone. The Fund redeems all shares at net asset value per share next determined (less any redemption fee for early withdrawals) after receipt of your redemption request in good order. Redemption proceeds will be mailed to you unless you request a wire transfer, for which there is a \$9 fee. Wire transfers may be effected only on days that commercial banks are open for business. You may also redeem shares by contacting your broker-dealer or other financial intermediary.

Purchase and sale transactions made through your broker-dealer or other financial intermediary may be subject to charges imposed by the broker-dealer or other financial intermediary, who may also impose higher initial or additional amounts for investment than those established by the Fund.

For more information about purchases, including additional methods for making subsequent purchases for an existing account, and more information about sales, see “How to Purchase Shares” and “How to Redeem Shares” in the Fund’s Prospectus.

Dividends, Capital Gains and Taxes

The Fund’s distributions may be taxable to you as ordinary income or capital gains, except when your investment is in an IRA, 401(k) or other tax-advantaged account.

Potential Conflicts of Interest - Financial Intermediary Compensation

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund, the Adviser and the Fund’s distributor may pay the intermediary for making shares of the Fund available on its platforms and other shareholder services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.

THIRD AVENUE SMALL-CAP VALUE FUND

Investment Objective Third Avenue Small-Cap Value Fund seeks long-term capital appreciation.

Fees and Expenses

This table describes the fees and expenses that you pay if you buy and hold shares of Third Avenue Small-Cap Value Fund.

Shareholder Fees (fees paid directly from your investment):

	Institutional Class	Investor Class
Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of the offering price)	None	None
Maximum Deferred Sales Charge (Load) (as a percentage of the lesser of the offering price or redemption proceeds)	None	None
Maximum Sales Charge (Load) Imposed on Reinvested Dividends and Other Distributions	None	None
Redemption Fee/Exchange Fee (as a percentage of amount redeemed within 60 days or less of issuance)	1.00%	1.00%

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment):

	Institutional Class	Investor Class
Management (Advisory) Fee	0.90%	0.90%
Distribution (12b-1) Fees	None	0.25%
Other Expenses	<u>0.23%</u>	<u>0.23%</u>
Total Annual Fund Operating Expenses (as a percentage of net assets) ¹	1.13%	1.38%
Expense Cap Adjustment ¹	NA	NA
Net Annual Fund Operating Expenses ¹	1.13%	1.38%

¹ The Adviser has contractually agreed, for a period of one year from the date of this Prospectus, to defer receipt of advisory fees and/or reimburse Fund expenses in order to limit Net Annual Fund Operating Expenses (exclusive of taxes, interest, brokerage commissions, acquired fund fees and expenses, and extraordinary items) to 1.15% and 1.40% of the average daily net assets of the Institutional Class and Investor Class, respectively, subject to later reimbursement by the respective classes in certain circumstances (the "Expense Cap Agreement"). In general, for a period of up to 36 months from the time of any deferral, reimbursement, or payment pursuant to the above-described contractual expense limitations, the Adviser may recover from each class of the Fund fees deferred and expenses paid to the extent that such repayment would not cause the Net Annual Fund Operating Expenses of each class to exceed the contractual expense limitation amounts set forth above, but any repayment will not include interest. Acquired fund fees and expenses are not subject to deferral and do not factor into the Fund's contractual expense limitation. The Expense Cap Agreement can only be terminated by the independent Trustees of the Fund.

Example

The following example is intended to help you compare the cost of investing in Third Avenue Small-Cap Value Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<u>Year 1</u>	<u>Year 3</u>	<u>Year 5</u>	<u>Year 10</u>
Institutional Class	\$115	\$359	\$622	\$1,374
Investor Class	\$140	\$437	\$755	\$1,657

The Example reflects the impact of the Fund's contractual expense limitation for a period of at least one year. The Example should not be considered a representation of past or future expenses, as actual expenses may be greater or lower than those shown.

PORTFOLIO TURNOVER

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 15% of the average value of its portfolio.

Principal Investment Strategies

The Fund seeks to achieve its objective by acquiring equity securities, including common stocks and convertible securities, of well-financed small companies (meaning companies with high quality assets and a relative absence of liabilities) at a discount to what the Adviser believes is their intrinsic value. The Fund may also acquire senior securities, such as preferred stocks and

debt instruments (including high-yield and distressed securities that may be in default and may have any or no credit rating) that the Adviser believes are undervalued. Under normal circumstances, the Fund expects to invest at least 80% of its assets (plus the amount of any borrowing for investment purposes) in securities of companies that are considered small.

The Fund considers a "small company" to be one whose market capitalization is within the range of capitalizations during the most recent 12-month period of companies in the Russell 2000 Index, the S&P Small Cap 600 Index or the Dow Jones Wilshire U.S. Small-Cap Index at the time of investment (based on month-end data).

Principal Investment Risks

Credit and Interest Rate Risk. The market value of debt securities is affected by changes in prevailing interest rates and the perceived credit quality of the issuer. When prevailing interest rates fall or perceived credit quality improves, the market value of the affected debt securities generally rises. Conversely, when interest rates rise or perceived credit quality weakens, the market value of the affected debt securities generally declines.

Currency Risk. The Fund's investments are denominated in or tied to the currencies of the countries in which they are primarily traded. Because the Fund may determine not to hedge its foreign currency exposure, the U.S. Dollar value of the Fund's investments may be harmed by declines in the value of foreign currencies in relation to the U.S. Dollar.

Foreign Securities Risk. Foreign securities from a particular country or region may be subject to currency fluctuations and controls, or adverse political, social, economic or other developments that are unique to that particular country or region. Therefore, the prices of foreign securities in particular countries or regions may, at times, move in a different direction than those of U.S. securities.

High-Yield and Distressed Risk. The Fund's investments in high-yield securities (commonly known as "junk bonds") may expose the Fund to greater risks than if the Fund only owned

higher-grade securities. The value of high-yield, lower quality securities is affected by the creditworthiness of the issuers of the securities and by general economic and specific industry conditions. Issuers of high-yield securities are not as strong financially as those with higher credit ratings, so the securities are usually considered speculative investments.

Insolvency and Bankruptcy Risk. The Fund's investments in obligations of stressed, distressed and bankrupt issuers, including debt obligations that are in default, generally trade significantly below par and are considered speculative. There is even a potential risk of loss by the Fund of its entire investment in such securities. There are a number of significant risks inherent in the bankruptcy process. A bankruptcy filing by an issuer may adversely and permanently affect the market position and operations of the issuer. The Adviser, on behalf of the Fund, may also participate on committees formed by creditors to negotiate with debtors with respect to restructuring issues. There can be no assurance that the Adviser's participation would yield favorable results for the Fund, and such participation may subject the Fund to additional duties, liabilities and trading restrictions in a particular investment.

Market Risk. Prices of securities (and stocks in particular) have historically fluctuated. The value of the Fund will similarly fluctuate and you could lose money.

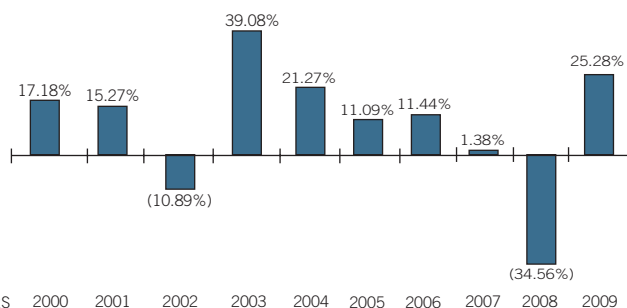
Non-Diversification Risk. The Fund is non-diversified. This means that the Fund may have investments in fewer issuers than a diversified mutual fund of comparable size. A non-diversified fund can be more volatile than a diversified fund, and volatility may be expected to increase when the Fund makes significant investments in a single issuer or issuers within a particular industry or geographic region.

Small-Cap Risk. The Fund invests in smaller companies, whose securities tend to be more volatile than those of larger companies. The markets for these securities are also less liquid than those for larger companies. This can adversely affect the prices at which the Fund can purchase and sell these securities, and thus the value of the Fund's shares.

Style Risk. The Fund frequently identifies opportunities in industries that appear to be temporarily depressed. The prices of securities in these industries may tend to go down more than those of companies in other industries. Because of the Fund's disciplined and deliberate investing approach, there may be times when the Fund will have a significant cash position. A substantial cash position can adversely impact Fund performance in certain market conditions, and may make it more difficult for the Fund to achieve its investment objective.

Performance

The following bar chart and table provide an indication of the risks of investing in Third Avenue Small-Cap Value Fund. The bar chart shows changes in the performance of the Fund's Institutional Class shares from year to year (prior to December 31, 2009 this was the only class available of the Fund – see “Choosing a Share Class” for details about new classes). The table compares the average annual total returns of the Fund's Institutional Class shares to those of relevant market performance. Because Investor Class shares are new, no investment performance for that class is available, but the performance for Investor Class shares would have been substantially similar, yet lower than the Institutional Class, because the shares of both classes are invested in the same portfolio of securities and the annual returns would differ only to the extent that the classes do not have the same expenses. All returns assume reinvestment of dividends and distributions. As with all mutual funds, the Fund's past performance, before and after taxes, is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available at no cost by visiting www.thirdave.com or by calling 1-800-443-1021.



During the period shown in the above bar chart, the highest return for a quarter was 23.29% (quarter ending 6/30/09) and the lowest return for a quarter was (28.68)% (quarter ending 12/31/08).

Average Annual Total Returns For the periods ending 12/31/09	Past One Year	Past Five Years	Past Ten Years	Since Inception ¹
Institutional Before Taxes	25.28%	0.57%	7.64%	7.93%
After Taxes on Distributions ²	24.95%	(0.29)%	6.85%	7.23%
After Taxes on Distributions and Sale of Fund Shares ²	16.43%	0.39%	6.49%	6.82%
Russell 2000 Index ³	27.17%	0.51%	3.51%	6.20%
Russell 2000 Value Index ³	20.58%	(0.01)%	8.27%	8.08%
S&P Small Cap 600 Index ³	25.57%	1.36%	6.35%	8.19%

¹ April 1, 1997

² After-tax returns are calculated using the historical highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown, and the after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

³ An index is a hypothetical measure of performance based on the ups and downs in the values of securities representative of a particular market. It does not factor in fees, expenses or taxes — costs that are reflected in the results of the Institutional Class. The Russell 2000 Index measures the performance of small companies. 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 S&P Small Cap 600 Index is a small cap index that covers approximately 3% of the U.S. equities market and consists of companies that meet specific inclusion criteria to ensure that they are investable and financially viable.

Portfolio Management

Investment Adviser

Third Avenue Management LLC

Portfolio Manager

Curtis Jensen became the sole portfolio manager of Third Avenue Small-Cap Value Fund on May 29, 2001. Prior to that, he had served as co-manager of the Fund since its inception.

Purchase and Sale of Fund Shares

The minimum initial investment for the Investor Class of the Fund is \$2,500 and the minimum initial investment for the Institutional Class is \$100,000. Additional investments for either class must be at least \$1,000 for a regular account and \$200 for an Individual Retirement Account (“IRA”), unless you use the Fund’s Automatic Investment Plan, in which case the monthly minimum for additional investments is \$200.

Transaction Policies

In general, you can buy or sell shares of the Fund by mail or phone each day the New York Stock Exchange is open for trading. Shares of the Fund can be purchased either directly from the Fund, or through certain broker-dealers or financial intermediaries, so long as they have a selling agreement with the Fund’s distributor. Your order will be priced at the next net asset value per share calculated following receipt of your transaction in good order by the transfer agent or your broker-dealer or financial intermediary.

You may sell shares by making a redemption request of the Fund in writing or, if so elected on your account application, by telephone. The Fund redeems all shares at net asset value per share next determined (less any redemption fee for early withdrawals) after receipt of your redemption request in good order. Redemption proceeds will be mailed to you unless you request a wire transfer, for which there is a \$9 fee. Wire transfers may be effected only on days that commercial banks are open for business. You may also redeem shares by contacting your broker-dealer or other financial intermediary.

Purchase and sale transactions made through your broker-dealer or other financial intermediary may be subject to charges imposed by the broker-dealer or other financial intermediary, who may also impose higher initial or additional amounts for investment than those established by the Fund.

For more information about purchases, including additional methods for making subsequent purchases for an existing account, and more information about sales, see “How to Purchase Shares” and “How to Redeem Shares” in the Fund’s Prospectus.

Dividends, Capital Gains and Taxes

The Fund’s distributions may be taxable to you as ordinary income or capital gains, except when your investment is in an IRA, 401(k) or other tax-advantaged account.

Potential Conflicts of Interest - Financial Intermediary Compensation

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund, the Adviser and the Fund’s distributor may pay the intermediary for making shares of the Fund available on its platforms and other shareholder services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.

THIRD AVENUE REAL ESTATE VALUE FUND

Investment Objective Third Avenue Real Estate Value Fund seeks long-term capital appreciation.

Fees and Expenses

This table describes the fees and expenses that you pay if you buy and hold shares of Third Avenue Real Estate Value Fund.

Shareholder Fees (fees paid directly from your investment):

	Institutional Class	Investor Class
Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of the offering price)	None	None
Maximum Deferred Sales Charge (Load) (as a percentage of the lesser of the offering price or redemption proceeds)	None	None
Maximum Sales Charge (Load) Imposed on Reinvested Dividends and Other Distributions	None	None
Redemption Fee/Exchange Fee (as a percentage of amount redeemed within 60 days or less of issuance)	1.00%	1.00%

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment):

	Institutional Class	Investor Class
Management (Advisory) Fee	0.90%	0.90%
Distribution (12b-1) Fees	None	0.25%
Other Expenses	<u>0.28%</u>	<u>0.28%</u>
Total Annual Fund Operating Expenses (as a percentage of net assets) ¹	1.18%	1.43%
Expense Cap Adjustment ¹	(0.03%)	(0.03%)
Net Annual Fund Operating Expenses ¹	1.15%	1.40%

¹ The Adviser has contractually agreed, for a period of one year from the date of this Prospectus, to defer receipt of advisory fees and/or reimburse Fund expenses in order to limit Net Annual Fund Operating Expenses (exclusive of taxes, interest, brokerage commissions, acquired fund fees and expenses, and extraordinary items) to 1.15% and 1.40% of the average daily net assets of the Institutional Class and Investor Class, respectively, subject to later reimbursement by the respective classes in certain circumstances (the "Expense Cap Agreement"). In general, for a period of up to 36 months from the time of any deferral, reimbursement, or payment pursuant to the above-described contractual expense limitations, the Adviser may recover from each class of the Fund fees deferred and expenses paid to the extent that such repayment would not cause the Net Annual Fund Operating Expenses of each class to exceed the contractual expense limitation amounts set forth above, but any repayment will not include interest.

Acquired fund fees and expenses are not subject to deferral and do not factor into the Fund's contractual expense limitation. The Expense Cap Agreement can only be terminated by the independent Trustees of the Fund.

Example

The following example is intended to help you compare the cost of investing in Third Avenue Real Estate Value Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<u>Year 1</u>	<u>Year 3</u>	<u>Year 5</u>	<u>Year 10</u>
Institutional Class	<u>\$117</u>	<u>\$365</u>	<u>\$632</u>	<u>\$1,398</u>
Investor Class	<u>\$143</u>	<u>\$444</u>	<u>\$766</u>	<u>\$1,680</u>

The Example reflects the impact of the Fund's contractual expense limitation for a period of at least one year. The Example should not be considered a representation of past or future expenses, as actual expenses may be greater or lower than those shown.

PORTFOLIO TURNOVER

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 24% of the average value of its portfolio.

Principal Investment Strategy

Under normal circumstances, the Fund seeks to achieve its objective by investing at least 80% of its assets (plus the amount of any borrowing for investment purposes, although the Fund does not intend to borrow for investment purposes) in securities of real estate and real estate-related companies, or in companies which own significant real estate assets at the time of investment ("real estate companies").

These securities will primarily be equity securities (which may include both common and preferred stocks, and convertible securities) of well-financed real estate companies (meaning companies with high quality assets and a relative absence of liabilities) of any market capitalization. The Fund seeks to acquire these securities at a discount to what the Adviser believes is their intrinsic value. The Fund may also

invest a portion of its assets in debt securities (which may include high-yield, distressed and mortgage-backed securities that may be in default and may have any or no credit rating) of real estate companies or loans secured by real estate that the Adviser believes have above-average yield potential. The Fund also invests in both domestic and foreign securities.

Principal Investment Risks

Commodities Risk. Prices of commodities such as timber and oil have historically been very volatile. Reductions in commodity prices will likely cause the prices of the securities of companies holding real estate affected by those industries to decline.

Credit and Interest Rate Risk. The market value of debt securities is affected by changes in prevailing interest rates and the perceived credit quality of the issuer. When prevailing interest rates fall or perceived credit quality improves, the market value of the affected debt securities generally rises. Conversely, when interest rates rise or perceived credit quality weakens, the market value of the affected debt securities generally declines.

Currency Risk. The Fund's investments are denominated in or tied to the currencies of the countries in which they are primarily traded. Because the Fund may determine not to hedge its foreign currency exposure, the U.S. Dollar value of the Fund's investments may be harmed by declines in the value of foreign currencies in relation to the U.S. Dollar.

Foreign Securities Risk. Foreign securities from a particular country or region may be subject to currency fluctuations and controls, or adverse political, social, economic or other developments that are unique to that particular country or region. Therefore, the prices of foreign securities in particular countries or regions may, at times, move in a different direction than those of U.S. securities.

High-Yield and Distressed Risk. The Fund's investments in high-yield securities (commonly known as "junk bonds") may expose the Fund to greater risks than if the Fund only owned higher-grade securities. The value of

high-yield, lower quality securities is affected by the creditworthiness of the issues of the securities and by general economic and specific industry conditions. Issuers of high-yield securities are not as strong financially as those with higher credit ratings, so the securities are usually considered speculative investments.

Insolvency and Bankruptcy Risk. The Fund's investments in obligations of stressed, distressed and bankrupt issuers, including debt obligations that are in default, generally trade significantly below par and are considered speculative. There is even a potential risk of loss by the Fund of its entire investment in such securities. There are a number of significant risks inherent in the bankruptcy process. A bankruptcy filing by an issuer may adversely and permanently affect the market position and operations of the issuer. The Adviser, on behalf of the Fund, may also participate on committees formed by creditors to negotiate with debtors with respect to restructuring issues. There can be no assurance that the Adviser's participation would yield favorable results for the Fund, and such participation may subject the Fund to additional duties, liabilities and trading restrictions in a particular investment.

Market Risk. Prices of securities (and stocks in particular) have historically fluctuated. The value of the Fund will similarly fluctuate and you could lose money.

Focus and Non-Diversification Risk. The Fund is non-diversified. This means that the Fund may have investments in fewer issuers than a diversified mutual fund of comparable size. A non-diversified fund can be more volatile than a diversified fund. A decrease in the performance of real

estate securities may cause a drop in the per share value of the Fund, as there is no industry diversification to offset such a decrease.

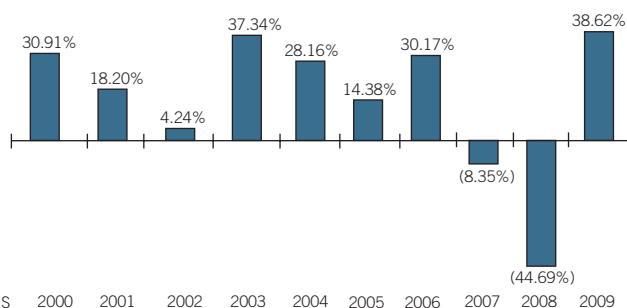
Real Estate Risk. In addition to general market conditions, the value of the Fund will be affected by the strength of the real estate markets. Factors that could affect the value of the Fund's holdings include the following: overbuilding and increased competition; increases in property taxes and operating expenses; declines in the value of real estate; lack of availability of equity and debt financing to refinance maturing debt; vacancies due to economic conditions and tenant bankruptcies; losses due to costs resulting from environmental contamination and its related clean-up; changes in interest rates; changes in zoning laws; casualty or condemnation losses; variations in rental income; changes in neighborhood values; and functional obsolescence and appeal of properties to tenants.

Small- and Mid-Cap Risk. The Fund may invest from time to time in smaller and midsize companies whose securities tend to be more volatile and less liquid than securities of larger companies.

Style Risk. The Fund frequently identifies opportunities in areas of the real estate sector that appear to be temporarily depressed. The prices of securities in this sector may tend to go down more than those of companies in other sectors. Because of the Fund's disciplined and deliberate investing approach, there may be times when the Fund will have a significant cash position. A substantial cash position can adversely impact Fund performance in certain market conditions, and may make it more difficult for the Fund to achieve its investment objective.

Performance

The following bar chart and table provide an indication of the risks of investing in Third Avenue Real Estate Value Fund. The bar chart shows changes in the performance of the Fund's Institutional Class shares from year to year (prior to December 31, 2009 this was the only class available of the Fund – see “Choosing a Share Class” for details about new classes). The table compares the average annual total returns of the Fund's Institutional Class shares to those of relevant market performance. Because Investor Class shares are new, no investment performance for that class is available, but the performance for Investor Class shares would have been substantially similar, yet lower than the Institutional Class, because the shares of both classes are invested in the same portfolio of securities and the annual returns would differ only to the extent that the classes do not have the same expenses. All returns assume reinvestment of dividends and distributions. As with all mutual funds, the Fund's past performance, before and after taxes, is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available at no cost by visiting www.thirdave.com or by calling 1-800-443-1021.



CALENDAR YEARS 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009

During the period shown in the above bar chart, the highest return for a quarter was 36.39% (quarter ending 6/30/09) and the lowest return for a quarter was (30.78)% (quarter ending 12/31/08).

Average Annual Total Returns For the periods ending 12/31/09	Past One Year	Past Five Years	Past Ten Years	Since Inception ¹
Institutional Before Taxes	38.62%	0.91%	11.50%	11.33%
After Taxes on Distributions ²	38.00%	(0.31)%	10.32%	10.14%
After Taxes on Distributions and Sale of Fund Shares ²	25.10%	0.65%	9.89%	9.72%
Bloomberg World Real Estate Index ³	55.92%	3.41%	N/A ⁴	N/A ⁴
FTSE EPRA/NAREIT Global Real Estate Index ³	38.26%	2.00%	9.21%	10.35%

¹ September 17, 1998.

² After-tax returns are calculated using the historical highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown, and the after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

³ An index is a hypothetical measure of performance based on the ups and downs in the values of securities representative of a particular market. It does not factor in fees, expenses or taxes — costs that are reflected in the results of the Institutional Class. The Bloomberg World Real Estate Index is a capitalization-weighted index of the leading real estate stocks in the world. The FTSE EPRA/NAREIT Global Real Estate Index is designed to reflect the stock performance of companies engaged in specific aspects of the North American, European and Asian Real Estate markets. Although shown here for continuity with prior presentations, the Bloomberg World Real Estate Index will be removed next year because the Index no longer provides a similar investment profile as compared to the investment strategy of the Fund.

⁴ The Bloomberg World Real Estate Index was not constituted and calculated for these periods.

Portfolio Management

Investment Adviser

Third Avenue Management LLC

Portfolio Manager

Michael Winer became the sole portfolio manager of Third Avenue Real Estate Value Fund on May 29, 2001. Prior to that, he had served as co-manager of the Fund since its inception.

Purchase and Sale of Fund Shares

The minimum initial investment for the Investor Class of the Fund is \$2,500 and the minimum initial investment for the Institutional Class is \$100,000. Additional investments for either class must be at least \$1,000 for a regular account and \$200 for an Individual Retirement Account (“IRA”), unless you use the Fund’s Automatic Investment Plan, in which case the monthly minimum for additional investments is \$200.

Transaction Policies

In general, you can buy or sell shares of the Fund by mail or phone each day the New York Stock Exchange is open for trading. Shares of the Fund can be purchased either directly from the Fund, or through certain broker-dealers or financial intermediaries, so long as they have a selling agreement with the Fund’s distributor. Your order will be priced at the next net asset value per share calculated following receipt of your transaction in good order by the transfer agent or your broker-dealer or financial intermediary.

You may sell shares by making a redemption request of the Fund in writing or, if so elected on your account application, by telephone. The Fund redeems all shares at net asset value per share next determined (less any redemption fee for early withdrawals) after receipt of your redemption request in good order. Redemption proceeds will be mailed to you unless you request a wire transfer, for which there is a \$9 fee. Wire transfers may be effected only on days that commercial banks are open for business. You may also redeem shares by contacting your broker-dealer or other financial intermediary.

Purchase and sale transactions made through your broker-dealer or other financial intermediary may be subject to charges imposed by the broker-dealer or other financial intermediary, who may also impose higher initial or additional amounts for investment than those established by the Fund.

For more information about purchases, including additional methods for making subsequent purchases for an existing account, and more information about sales, see “How to Purchase Shares” and “How to Redeem Shares” in the Fund’s Prospectus.

Dividends, Capital Gains and Taxes

The Fund’s distributions may be taxable to you as ordinary income or capital gains, except when your investment is in an IRA, 401(k) or other tax-advantaged account.

Potential Conflicts of Interest - Financial Intermediary Compensation

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund, the Adviser and the Fund’s distributor may pay the intermediary for making shares of the Fund available on its platforms and other shareholder services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.

THIRD AVENUE INTERNATIONAL VALUE FUND

Investment Objective Third Avenue International Value Fund seeks long-term capital appreciation.

Fees and Expenses

This table describes the fees and expenses that you pay if you buy and hold shares of Third Avenue International Value Fund.

Shareholder Fees (fees paid directly from your investment):

	Institutional Class	Investor Class
Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of the offering price)	None	None
Maximum Deferred Sales Charge (Load) (as a percentage of the lesser of the offering price or redemption proceeds)	None	None
Maximum Sales Charge (Load) Imposed on Reinvested Dividends and Other Distributions	None	None
Redemption Fee/Exchange Fee (as a percentage of amount redeemed within 60 days or less of issuance)	2.00%	2.00%

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment):

	Institutional Class	Investor Class
Management (Advisory) Fee	1.25%	1.25%
Distribution (12b-1) Fees	None	0.25%
Other Expenses	<u>0.26%</u>	<u>0.26%</u>
Total Annual Fund Operating Expenses (as a percentage of net assets) ¹	1.51%	1.76%
Expense Cap Adjustment ¹	(0.11%)	(0.11%)
Net Annual Fund Operating Expenses ¹	1.40%	1.65%

¹ The Adviser has contractually agreed, for a period of two years from July 1, 2009, to defer receipt of advisory fees and/or reimburse Fund expenses in order to limit Net Annual Fund Operating Expenses (exclusive of taxes, interest, brokerage commissions, acquired fund fees and expenses, and extraordinary items) to 1.40% of the average daily net assets of the Institutional Class, subject to later reimbursement by the Institutional Class in certain circumstances (the "Expense Cap Agreement"). Prior to July 1, 2009, the contractual expense limitation was 1.75%. The Adviser has contractually agreed, for a period of one year from the date of this Prospectus, to defer receipt of advisory fees and/or reimburse Fund expenses in order to limit Net Annual Fund Operating Expenses (exclusive of taxes, interest, brokerage commissions, acquired fund fees and expenses, and extraordinary items) to 1.65% of the average daily net assets of the Investor Class, subject to later reimbursement by the Investor Class in certain circumstances (the "Expense Cap Agreement"). In general, for a period of up to 36 months from the time of any deferral, reimbursement, or payment

pursuant to the above-described contractual expense limitations, the Adviser may recover from each class of the Fund fees deferred and expenses paid to the extent that such repayment would not cause the Net Annual Fund Operating Expenses of each class to exceed the contractual expense limitation amounts set forth above, but any repayment will not include interest. Acquired fund fees and expenses are not subject to deferral and do not factor into the Fund's contractual expense limitation. The Expense Cap Agreement can only be terminated by the independent Trustees of the Fund.

Example

The following example is intended to help you compare the cost of investing in Third Avenue International Value Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<u>Year 1</u>	<u>Year 3</u>	<u>Year 5</u>	<u>Year 10</u>
Institutional Class	<u>\$143</u>	<u>\$444</u>	<u>\$766</u>	<u>\$1,680</u>
Investor Class	\$168	\$520	\$896	\$1,953

The Example reflects the impact of the Fund's contractual expense limitation for a period of at least one year. The Example should not be considered a representation of past or future expenses, as actual expenses may be greater or lower than those shown.

PORTFOLIO TURNOVER

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 16% of the average value of its portfolio.

Principal Investment Strategy

The Fund seeks to achieve its objective by primarily acquiring equity securities, including common stocks and convertible securities, of well-financed companies (meaning companies with high quality assets and a relative absence

of liabilities) located outside of the United States. While the Fund may invest in companies located anywhere in the world, it currently expects that most of its assets will be invested in the more developed countries, and under normal

circumstances, at least 80% of its assets (plus the amount of any borrowing for investment purposes) will be invested in securities of issuers located outside of the United States at the time of investment.

Principal Investment Risks

Credit and Interest Rate Risk. The market value of debt securities is affected by changes in prevailing interest rates and the perceived credit quality of the issuer. When prevailing interest rates fall or perceived credit quality improves, the market value of the affected debt securities generally rises. Conversely, when interest rates rise or perceived credit quality weakens, the market value of the affected debt securities generally declines.

Currency Risk. The Fund's investments are usually denominated in or tied to the currencies of the countries in which they are primarily traded. Because the Fund may determine not to hedge its foreign currency exposure, the U.S. Dollar value of the Fund's investments may be harmed by declines in the value of foreign currencies in relation to the U.S. Dollar.

Foreign Securities Risk. Foreign securities from a particular country or region may be subject to currency fluctuations and controls, or adverse political, social, economic or other developments that are unique to that particular country or region. Therefore, the prices of foreign securities in particular countries or regions may, at times, move in a different direction than those of U.S. securities.

Hedging Risk. The Adviser may seek to hedge all or a portion of the Fund's currency risk. However, the Adviser can not guarantee that it will be practical to hedge these risks in certain markets or conditions or that any efforts to do so will be successful.

High-Yield and Distressed Risk. The Fund's investments in high-yield securities (commonly known as "junk bonds") may expose the Fund to greater risks than if the Fund only owned higher-grade securities. The value of high-yield, lower quality securities is affected by the creditworthiness of the issues of the securities and by general economic and specific industry conditions. Issuers of high-yield securities are not as strong financially as those with higher credit ratings, so the securities are usually considered speculative investments.

Insolvency and Bankruptcy Risk. The Fund's investments in obligations of stressed, distressed and bankrupt issuers, including debt obligations that are in default, generally trade significantly below par and are considered speculative. There is even a potential risk of loss by the Fund of its entire investment in such securities. There are a number of significant risks inherent in the bankruptcy process. A bankruptcy filing by an issuer may adversely and permanently affect the market position and operations of the issuer. The Adviser, on behalf of the Fund, may also participate on committees formed by creditors to negotiate with debtors with respect to restructuring issues. There can be no assurance that the Adviser's participation would yield favorable results for the Fund, and such participation may subject the Fund to additional duties, liabilities and trading restrictions in a particular investment.

Market Risk. Prices of securities (and stocks in particular) have historically fluctuated. The value of the Fund will similarly fluctuate and you could lose money.

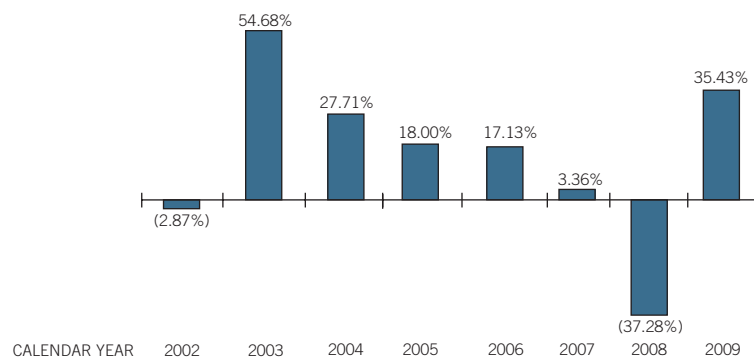
Non-Diversification Risk. The Fund is non-diversified. This means that the Fund may have investments in fewer issuers than a diversified mutual fund of comparable size. A non-diversified fund can be more volatile than a diversified fund, and volatility may be expected to increase when the Fund makes significant investments in a single issuer or issuers within a particular industry or geographic region.

Small- and Mid-Cap Risk. The Fund may invest from time to time in smaller and midsize companies, whose securities tend to be more volatile and less liquid than securities of larger companies.

Style Risk. The Fund may identify opportunities in industries that it believes to be temporarily depressed. The prices of securities in these industries may tend to go down more than those of companies in other industries. Because of the Fund's disciplined and deliberate investing approach, there may be times when the Fund will have a significant cash position. A substantial cash position can adversely impact Fund performance in certain market conditions, and may make it more difficult for the Fund to achieve its investment objective.

Performance

The following bar chart and table provide an indication of the risks of investing in Third Avenue International Value Fund. The bar chart shows changes in the performance of the Fund's Institutional Class shares from year to year (prior to December 31, 2009 this was the only class available of the Fund – see “Choosing a Share Class” for details about new classes). The table compares the average annual total returns of the Fund's Institutional Class shares to those of relevant market performance. Because Investor Class shares are new, no investment performance for that class is available, but the performance for Investor Class shares would have been substantially similar, yet lower than the Institutional Class, because the shares of both classes are invested in the same portfolio of securities and the annual returns would differ only to the extent that the classes do not have the same expenses. All returns assume reinvestment of dividends and distributions. As with all mutual funds, the Fund's past performance, before and after taxes, is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available at no cost by visiting www.thirdave.com or by calling 1-800-443-1021.



During the period shown in the above bar chart, the highest return for a quarter was 25.83% (quarter ending 6/30/09) and the lowest return for a quarter was (20.31)% (quarter ending 12/31/08).

Average Annual Total Returns For the period ending 12/31/09	Past One Year	Past Five Years	Since Inception ¹
Institutional Before Taxes	35.43%	3.95%	11.14%
After Taxes on Distributions ²	34.88%	2.55%	10.01%
After Taxes on Distributions and Sale of Fund Shares ²	23.02%	3.15%	9.59%
Morgan Stanley Capital International All Country World Free ex US Index ³	42.14%	6.30%	8.96%

¹ December 31, 2001

² After-tax returns are calculated using the historical highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown, and the after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

³ An index is a hypothetical measure of performance based on the ups and downs in the values of securities representative of a particular market. It does not factor in fees, expenses or taxes — costs that are reflected in the results of the Institutional Class. The Morgan Stanley Capital International All Country World Free ex-US Index is an unmanaged index of common stocks and includes securities representative of the market structure of over 50 developed and emerging market countries (other than the United States) in North America, Europe, Latin America and the Asian Pacific Region.

Portfolio Management

Investment Adviser

Third Avenue Management LLC

Portfolio Manager

Amit Wadhwaney, Portfolio Manager since inception.

Purchase and Sale of Fund Shares

The minimum initial investment for the Investor Class of the Fund is \$2,500 and the minimum initial investment for the Institutional Class is \$100,000. Additional investments for either class must be at least \$1,000 for a regular account and \$200 for an Individual Retirement Account (“IRA”), unless you use the Fund’s Automatic Investment Plan, in which case the monthly minimum for additional investments is \$200.

Transaction Policies

In general, you can buy or sell shares of the Fund by mail or phone each day the New York Stock Exchange is open for trading. Shares of the Fund can be purchased either directly from the Fund, or through certain broker-dealers or financial intermediaries, so long as they have a selling agreement with the Fund’s distributor. Your order will be priced at the next net asset value per share calculated following receipt of your transaction in good order by the transfer agent or your broker-dealer or financial intermediary.

You may sell shares by making a redemption request of the Fund in writing or, if so elected on your account application, by telephone. The Fund redeems all shares at net asset value per share next determined (less any redemption fee for early withdrawals) after receipt of your redemption request in good order. Redemption proceeds will be mailed to you unless you request a wire transfer, for which there is a \$9 fee. Wire transfers may be effected only on days that commercial banks are open for business. You may also redeem shares by contacting your broker-dealer or other financial intermediary.

Purchase and sale transactions made through your broker-dealer or other financial intermediary may be subject to charges imposed by the broker-dealer or other financial intermediary, who may also impose higher initial or additional amounts for investment than those established by the Fund.

For more information about purchases, including additional methods for making subsequent purchases for an existing account, and more information about sales, see “How to Purchase Shares” and “How to Redeem Shares” in the Fund’s Prospectus.

Dividends, Capital Gains and Taxes

The Fund’s distributions may be taxable to you as ordinary income or capital gains, except when your investment is in an IRA, 401(k) or other tax-advantaged account.

Potential Conflicts of Interest - Financial Intermediary Compensation

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund, the Adviser and the Fund’s distributor may pay the intermediary for making shares of the Fund available on its platforms and other shareholder services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.

THIRD AVENUE FOCUSED CREDIT FUND

Investment Objective *Third Avenue Focused Credit Fund seeks long-term total return, which may include investment returns from a combination of sources including capital appreciation, fees and interest income.*

Fees and Expenses

This table describes the fees and expenses that you pay if you buy and hold shares of Third Avenue Focused Credit Fund.

Shareholder Fees (fees paid directly from your investment):

	Institutional Class	Investor Class
Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of the offering price)	None	None
Maximum Deferred Sales Charge (Load) (as a percentage of the lesser of the offering price or redemption proceeds)	None	None
Maximum Sales Charge (Load) Imposed on Reinvested Dividends and Other Distributions	None	None
Redemption Fee/Exchange Fee (as a percentage of amount redeemed less than one year after issuance)	2.00%	2.00%

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment):

	Institutional Class	Investor Class
Management (Advisory) Fee	0.75%	0.75%
Distribution (12b-1) Fees	None	0.25%
Other Expenses	<u>0.52%</u>	<u>0.71%</u>
Total Annual Fund Operating Expenses (as a percentage of net assets) ¹	1.27%	1.71%
Expense Cap Adjustment ¹	(0.32%)	(0.31%)
Net Annual Fund Operating Expenses ¹	0.95%	1.40%

¹ The Adviser has contractually agreed, for a period of one year from the date of this Prospectus, to defer receipt of advisory fees and/or reimburse Fund expenses in order to limit Net Annual Fund Operating Expenses (exclusive of taxes, interest, brokerage commissions, acquired fund fees and expenses, and extraordinary items) to 0.95% and 1.40% of the average daily net assets of the Institutional Class and Investor Class, respectively, subject to later reimbursement by the respective classes in certain circumstances (the "Expense Cap Agreement"). In general, for a period of up to 36 months from the time of any deferral, reimbursement, or payment pursuant to the above-described contractual expense limitations, the Adviser may recover from each class of the Fund fees deferred and expenses paid to the extent that such repayment would not cause the Net Annual Fund Operating Expenses of

each class to exceed the contractual expense limitation amounts set forth above, but any repayment will not include interest. Acquired fund fees and expenses are not subject to deferral and do not factor into the Fund's contractual expense limitation. The Expense Cap Agreement can only be terminated by the independent Trustees of the Fund.

Example

This Example will help you compare the cost of investing in Third Avenue Focused Credit Fund to the cost of investing in other mutual funds. The Example makes certain assumptions. It assumes that you invest \$10,000 as an initial investment in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. It also assumes that your investment has a 5% total return each year and the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on the above assumptions, your costs would be:

	<u>1 Year</u>	<u>3 Years</u>
Institutional Class	<u>\$97</u>	<u>\$303</u>
Investor Class	<u>\$143</u>	<u>\$444</u>

The Example reflects the impact of the Fund's contractual expense limitation for a period of at least one year. The Example should not be considered a representation of past or future expenses, as actual expenses may be greater or lower than those shown.

PORTFOLIO TURNOVER

The Fund pays transaction costs, such as commissions or mark-ups, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund's performance. During the most recent fiscal year (the Fund commenced operations on August 31, 2009), the Fund's portfolio turnover rate was 12% of the average value of its portfolio.

Principal Investment Strategy

The Fund seeks to achieve its objective mainly by investing under normal circumstances at least 80% of the Fund's net assets (plus the amount of any borrowing for investment purposes) in bonds and other types of credit instruments.

The Fund intends to invest a substantial amount of its assets in credit instruments that are rated below investment grade by some or all relevant independent rating agencies, including Moody's S&P and Fitch. Credit instruments include high-yield bonds

(commonly known as "junk bonds" or "junk debt"), bank debt, convertible bonds or preferred stock, loans made to bankrupt companies (including debtor-in-possession loans), loans made to refinance distressed companies and other types of debt instruments. In

making these investments, the Adviser will seek to purchase instruments that the Adviser believes are undervalued.

The Fund may have significant investments in distressed and defaulted

securities and intends to focus on a relatively small number of issuers.

The Fund may also hold significant positions in equity or other assets that the Fund receives as part of a

reorganization process, and may hold those assets until such time as the Adviser believes that a disposition is most advantageous.

Principal Investment Risks

High-Yield and Distressed Risk. The Fund's investments in high-yield and distressed securities may expose the Fund to greater risks than if the Fund only owned higher-grade securities. The value of high-yield, lower quality securities is affected by the creditworthiness of the issuers of the securities and by general economic and specific industry conditions. Issuers of high-yield securities are not as strong financially as those with higher credit ratings, so the securities are usually considered speculative investments.

Insolvency and Bankruptcy Risk. The Fund's investments in obligations of stressed, distressed and bankrupt issuers, including debt obligations that are in default, generally trade significantly below par and are considered speculative. The repayment of defaulted obligations is subject to significant uncertainties. Defaulted obligations might be repaid only after lengthy workout or bankruptcy proceedings, during which the issuer might not make any interest or other payments. Typically such workout or bankruptcy proceedings result in only partial recovery of cash payments or an exchange of the defaulted obligation for other debt or equity securities of the issuer or its affiliates, which may in turn be illiquid or speculative. There is even a potential risk of loss by the Fund of its entire investment in such securities.

There are a number of significant risks inherent in the bankruptcy process. A bankruptcy filing by an issuer may adversely and permanently affect the market position and operations of the issuer. Many factors of the bankruptcy process, including court decisions, the size and priority of other claims, and the duration and costs of the bankruptcy process, are beyond the control of the Fund and can adversely affect the Fund's return on investment. For example, a court could invalidate or subordinate a debt obligation of, or reclaim amounts paid by a debtor to, the Fund. To the extent that any such payments are recaptured from the Fund the resulting loss will be borne by the Fund and its investors. The Adviser, on behalf of the Fund, may also participate on committees formed by creditors to negotiate with debtors with respect to restructuring issues. There can be no assurance that the Adviser's participation would yield favorable results for the Fund, and such participation may subject the Fund to additional duties, liabilities and trading restrictions in a particular investment.

Foreign Securities and Emerging Markets Risk. Foreign securities from a particular country or region may be subject to currency fluctuations and controls or adverse political, social, economic or other developments that are unique to that particular country or

region. Therefore, the prices of foreign securities in particular countries or regions may, at times, move in a different direction from those of U.S. securities. Emerging market countries can generally have economic structures that are less diverse and mature, and political systems that are less stable, than those of developed countries.

Currency Risk. The Fund's investments are denominated in or tied to the currencies of the countries in which they are primarily traded. Because the Fund may determine not to hedge its foreign currency exposure, the U.S. Dollar value of the Fund's investments may be harmed by declines in the value of foreign currencies in relation to the U.S. Dollar.

Credit and Interest Rate Risk. The market value of debt securities is affected by changes in prevailing interest rates and the perceived credit quality of the issuer. When prevailing interest rates fall or perceived credit quality improves, the market value of the affected debt securities generally rises. Conversely, when interest rates rise or perceived credit quality weakens, the market value of the affected debt securities generally declines.

Changing Distribution Levels Risk. The amount of the distributions paid by the Fund generally depends on the amount of income and/or dividends

received by the Fund on the investments it holds. The Fund may not be able to pay distributions or may have to reduce distribution levels if the income and/or dividends the Fund receives from its investments decline.

Liquidity Risk. Liquidity risk exists when particular investments are difficult to sell. The Fund may not be able to sell these investments at the best prices or at the value the Fund places on them. Investments in private debt instruments, restricted securities, and securities having substantial market and/or credit risk may involve greater liquidity risk.

Market Risk. Prices of securities have historically fluctuated. The value of the Fund will similarly fluctuate and its investors could lose money.

Focus and Non-Diversification Risk. The Fund is non-diversified and may focus or concentrate its investments in fewer issuers than a diversified mutual fund of comparable size.

Small- and Mid-Cap Risk. The Fund may invest from time to time in smaller and midsize companies whose securities tend to be more volatile and less liquid than securities of larger companies.

Style Risk. The Fund frequently identifies opportunities in industries that appear to be temporarily depressed. The prices of securities in these industries may tend to go down more than those of companies in other industries. Because of the Fund's disciplined and deliberate investing approach, there may be times when the Fund will have a significant cash position. A substantial cash position can adversely impact Fund performance in certain market conditions, and may make it more difficult for the Fund to achieve its investment objective.

Performance

No performance returns are currently presented for the Fund because it has not been operational for at least one calendar year. Annual performance returns to be furnished in the future will provide some indication of the risks of investing in the Fund by showing changes in performance from year to year. Future comparisons of Fund performance to an appropriate index will indicate how the Fund's average annual returns compare with those of a broad measure of market performance.

Portfolio Management

Investment Adviser

Third Avenue Management LLC

Portfolio Manager

Jeffrey J. Gary, Portfolio Manager since inception.

Purchase and Sale of Fund Shares

The minimum initial investment for the Investor Class of the Fund is \$2,500 and the minimum initial investment for the Institutional Class is \$100,000. Additional investments for either class must be at least \$1,000 for a regular account and \$200 for an Individual Retirement Account (“IRA”), unless you use the Fund’s Automatic Investment Plan, in which case the monthly minimum for additional investments is \$200.

Transaction Policies

In general, you can buy or sell shares of the Fund by mail or phone each day the New York Stock Exchange is open for trading. Shares of the Fund can be purchased either directly from the Fund, or through certain broker-dealers or financial intermediaries, so long as they have a selling agreement with the Fund’s distributor. Your order will be priced at the next net asset value per share calculated following receipt of your transaction in good order by the transfer agent or your broker-dealer or financial intermediary.

You may sell shares by making a redemption request of the Fund in writing or, if so elected on your account application, by telephone. The Fund redeems all shares at net asset value per share next determined (less any redemption fee for early withdrawals) after receipt of your redemption request in good order. Redemption proceeds will be mailed to you unless you request a wire transfer, for which there is a \$9 fee. Wire transfers may be effected only on days that commercial banks are open for business. You may also redeem shares by contacting your broker-dealer or other financial intermediary.

Purchase and sale transactions made through your broker-dealer or other financial intermediary may be subject to charges imposed by the broker-dealer or other financial intermediary, who may also impose higher initial or additional amounts for investment than those established by the Fund.

For more information about purchases, including additional methods for making subsequent purchases for an existing account, and more information about sales, see “How to Purchase Shares” and “How to Redeem Shares” in the Fund’s Prospectus.

Dividends, Capital Gains and Taxes

The Fund’s distributions may be taxable to you as ordinary income or capital gains, except when your investment is in an IRA, 401(k) or other tax-advantaged account.

Potential Conflicts of Interest - Financial Intermediary Compensation

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund, the Adviser and the Fund’s distributor may pay the intermediary for making shares of the Fund available on its platforms and other shareholder services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.

ABOUT THE FUNDS

Investment Philosophy of Third Avenue Funds

Third Avenue Funds (each a “Fund”, and collectively, the “Funds”) adhere to a strict value discipline in selecting securities and other instruments. This means seeking investments whose market prices are low in relation to what the Funds’ Adviser, Third Avenue Management LLC (the “Adviser”), believes is their intrinsic value and/or whose total return potential is considered by the Adviser to be high. The Funds’ Adviser believes this both lowers investment risk and increases capital appreciation and total return potential. The Funds identify investment opportunities through intensive research of individual companies and generally do not focus solely on stock market conditions and other macro factors. For these reasons, the Funds may seek investments in the securities, debt and/or other instruments of companies in industries that are believed to be temporarily depressed. The Funds may also invest in high-yield or distressed securities.

The Funds follow a strategy of long-term investing. The Funds will generally sell an investment when there has been a fundamental change in the business or capital structure of the company which significantly affects the investment’s inherent value or when the Adviser believes that the market value of an investment is overpriced relative to its intrinsic value.

When the Funds’ Adviser believes that a temporary defensive posture is appropriate, or there appears to be a lack of suitable opportunities that meet a Fund’s investment criteria, a Fund may hold all or a portion of its assets in short-term or other sovereign instruments, cash or cash equivalents. This does not constitute a change in a Fund’s investment objective, but could prevent or delay a Fund from achieving its objective.

Who May Want to Invest

The Funds other than Third Avenue Focused Credit Fund may be appropriate for investors seeking long-term capital appreciation. Third Avenue Focused Credit Fund may be appropriate for long-term investors seeking alternatives to equity investments and seeking long-term total return, which may include returns from a combination of sources including capital appreciation, fees and interest income. The Funds are not appropriate for short-term investors or those primarily seeking current income or for those investors who cannot withstand the risk of loss.

Investment Strategy

Third Avenue Value Fund

The Fund seeks to achieve its objective mainly by acquiring common stocks of well-financed companies (meaning companies with high quality assets and a relative absence of liabilities) at a discount to what the Adviser believes is their intrinsic value. The Fund also seeks to acquire senior securities, such as debt instruments (including high-yield and distressed securities) that the Adviser

believes are undervalued. Acquisitions of these senior securities and debt instruments will generally be limited to those providing: (1) protection against the issuer taking certain actions which could reduce the value of the security, and (2) above-average current yields, yields to events (e.g., acquisitions and recapitalizations), or yields to maturity. The Fund invests in companies regardless of market capitalization. It also invests in both domestic and foreign securities. The mix of the Fund's investments at any time will depend on the industries and types of securities the Adviser believes hold the most value within the Fund's investment strategy.

Third Avenue Small-Cap Value Fund

The Fund seeks to achieve its objective by acquiring equity securities, including common stocks and convertible securities, of well-financed (meaning companies with high quality assets and a relative absence of liabilities) small companies at a discount to what the Adviser believes is their intrinsic value. The Fund may also acquire senior securities, such as preferred stocks and debt instruments (including high-yield and distressed securities) that the Adviser believes are undervalued. Acquisitions of these senior securities and debt instruments will generally be limited to those providing: (1) protection against the issuer taking certain actions which could reduce the value of the security, and (2) above-average current yields, yields to events (e.g., acquisitions and recapitalizations), or yields to maturity. Under normal circumstances, the Fund expects to invest at least 80% (plus the amount of any borrowing for investment purposes) of its assets in securities of companies that are considered small. The Fund considers a "small company" to be one whose market capitalization is within the range of capitalizations during the most recent 12-month period of companies in the Russell 2000 Index, the S&P Small Cap 600 Index or the Dow Jones Wilshire U.S. Small-Cap Index at the time of investment (based on month-end data). Subject to the 80% limitation described above, the Fund may continue to hold or buy additional stock in a company subsequently valued outside this range if the stock remains attractive, although any additional purchases will not be included in the 80% measurement. The Fund also invests in both domestic and foreign securities. The investment policy of the Third Avenue Small-Cap Value Fund relating to the type of securities in which 80% of the Fund's assets must be invested may be changed by the Board of Trustees without shareholder approval upon at least 60 days' notice.

Third Avenue Real Estate Value Fund

Under normal circumstances, the Fund seeks to achieve its objective by investing at least 80% of its assets (plus the amount of any borrowing for investment purposes) in securities of real estate and real estate-related companies, or in companies which own significant real estate assets at the time of investment ("real estate companies"). These securities will primarily be equity securities (which may include both common and preferred stocks, and convertible securities) of well-financed (meaning companies with high quality assets and a relative absence of liabilities) real estate companies. The Fund seeks to acquire these securities at a discount to what the Adviser believes is their intrinsic

value. The Fund may also invest a portion of its assets in debt securities (which may include high-yield, distressed and mortgage-backed securities) of real estate companies or loans secured by real estate that the Adviser believes have above-average yield potential. The Fund also invests in both domestic and foreign securities.

- A company is considered to be in the real estate industry if at least 50% of its gross revenues or net profits at the time of investment come from (a) construction, ownership, management, operation, financing, refinancing, sales, leasing, development or rehabilitation of real estate; or (b) extraction of timber or minerals from real estate.
- A company is considered to be in a related industry if at least 50% of its gross revenues or net profits at the time of investment are derived from providing goods (e.g., building materials and/or supplies) or services (e.g., consulting, property management, brokerage, leasing, appraisals or insurance) to the real estate industry.
- A company is considered to own significant real estate assets if at least 50% of the fair market value of its assets at the time of investment is attributable to one or more of the following: (a) real estate owned or leased by the company as lessor or as lessee; (b) timber or minerals from such real estate; or (c) the discounted value of the stream of fees or revenues to be derived from the management or operation of real estate or the rights to extract timber or minerals from real estate.

Examples of companies that might qualify under one of these categories include, but are not limited to:

- real estate operating companies;
- real estate investment trusts (REITs);
- homebuilders;
- companies engaged in the construction, distribution, sale and financing of manufactured housing;
- hotel and hotel management companies;
- real estate brokerage companies and/or management companies;
- financial institutions that make or service mortgage loans;
- manufacturers or distributors of construction materials and/or building supplies;
- mortgage or title insurance companies;
- lumber, paper, forest product, timber, mining and oil companies;

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- companies with significant real estate holdings such as supermarkets, restaurant chains and retail chains; and
 - special purpose vehicles used to structure or restructure real estate financings, securitizations or mortgages.

The investment policy of the Third Avenue Real Estate Value Fund relating to the type of securities in which 80% of the Fund's assets must be invested may be changed by the Board of Trustees without shareholder approval upon at least 60 days' notice.

Third Avenue International Value Fund

The Fund seeks to achieve its objective by primarily acquiring equity securities, including common stocks and convertible securities, of well-financed companies (meaning companies with high quality assets and a relative absence of liabilities) located outside of the United States. While the Fund may invest in companies located anywhere in the world, it currently expects that most of its assets will be invested in the more developed countries, and under normal circumstances, at least 80% of its assets (plus the amount of any borrowing for investment purposes) will be invested in securities of issuers located outside of the United States at the time of investment. Foreign securities may include securities that meet any of the following criteria: organized under the laws of a foreign country; maintain its principal place of business in a foreign country; the principal trading market for its securities is located in a foreign country; it derives at least 50% of its revenues or profits from operations in foreign countries; or it has at least 50% of its assets located in foreign countries. The Fund's Adviser will select individual equity securities using its strict, disciplined value approach. Using this approach, the Adviser will attempt to find securities that trade at a discount to the Adviser's estimate of the company's intrinsic value. The Fund may invest in securities of companies of any capitalization, including, from time to time, smaller-capitalization companies. The Fund may also invest a portion of its assets in debt securities of companies or governments located outside the United States. The Fund may invest in certain derivative instruments primarily to hedge against foreign currency risk. The investment policy of the Third Avenue International Value Fund relating to the type of securities in which 80% of the Fund's assets must be invested may be changed by the Board of Trustees without shareholder approval upon at least 60 days' notice.

Third Avenue Focused Credit Fund

The Fund seeks to achieve its objective mainly by investing under normal circumstances at least 80% of the Fund's assets (plus the amount of any borrowing for investment purposes) in bonds and other types of credit instruments. The Fund does not seek to invest for current yield, but rather for total return, which may include investment returns from a combination of sources including capital appreciation, fees and interest.

The Fund intends to invest a substantial amount of its assets in credit instruments that are rated below investment grade by some or all relevant independent rating agencies, including Moody's S&P and Fitch. Credit instruments include high-yield bonds (commonly known as "junk bonds" or "junk debt"), bank debt, convertible bonds or preferred stock, loans made to bankrupt companies (including debtor-in-possession loans), loans made to refinance distressed companies and other types of debt instruments. In making these investments, the Adviser will seek to purchase instruments that the Adviser believes are undervalued, and the Adviser may sometimes use derivatives for hedging.

High-yield bonds generally are bonds that are rated below investment grade by some or all of the relevant rating agencies.

Additionally, certain other high-yield bonds include those that are unrated by rating agencies but have similar credit quality and characteristics to other high-yield bonds which have been rated below investment grade by some or all relevant independent rating agencies, including Moody's, S&P and Fitch. High-yield bonds are usually unsecured and generally junior to other debt of the company. Bank debt is debt that has been issued to one or more banks or commercial lenders by a company and usually carries a lien or senior loan on the assets of the company. This type of debt is often syndicated among large institutions and traded among them and in private secondary markets. Loans made to bankrupt companies or to refinance distressed companies will most often have a lien on the assets of the company and can have a super-priority over other obligations of the company. Convertible debt is debt that is convertible into other securities, usually common stock of the company, or can be exchanged for securities of a related issuer.

The Fund may have significant investments in distressed and defaulted securities and intends to focus on a relatively small number of issuers. The Fund may invest without limitation in distressed securities or other debt that is in default or the issuers of which are in bankruptcy.

The Fund invests in companies regardless of market capitalization. It may invest in both domestic and foreign securities, including securities in emerging markets. Although the Adviser believes that initially the Fund will primarily invest in credit instruments that are current on their interest payments, the mix of the Fund's investments at any time will depend on the industries and types of securities the Adviser believes hold the most value within the Fund's investment strategy.

The Fund may also hold significant positions in equity or other assets that the Fund receives as part of a reorganization process, and may hold those assets until such time as the Adviser believes that a disposition is most advantageous. Such assets will be considered "credit instruments" for purposes of the Fund's requirement to invest 80% of its net assets (plus the amount of any borrowing for investment purposes) in bonds and other types of credit instruments.

The investment policy of the Third Avenue Focused Credit Fund relating to the type of securities in which 80% of the Fund's assets must be invested may be changed by the Board of Trustees without shareholder approval upon at least 60 days' notice.

Investment Risks

Credit and Interest Rate Risk. The market value of debt securities is affected by changes in prevailing interest rates and the perceived credit quality of the issuer. When prevailing interest rates fall or perceived credit quality improves, the market value of the affected debt securities generally rises. Conversely, when interest rates rise or perceived credit quality weakens, the market value of the affected debt securities generally declines. The magnitude of these fluctuations will be greater when the maturity of the debt securities is longer.

Currency Risk. The Funds' investments are denominated in or tied to the currencies of the countries in which they are primarily traded. Because the Funds may determine not to hedge their foreign currency exposure, the U.S. Dollar value of the Funds' investments may be harmed by declines in the value of foreign currencies in relation to the U.S. Dollar. This may occur even if the value of the investment in the currency's home country has not declined.

Foreign Securities and Emerging Markets Risk. Foreign securities from a particular country or region may be subject to currency fluctuations and controls or adverse political, social, economic or other developments that are unique to that particular country or region. Therefore, the prices of foreign securities in particular countries or regions may, at times, move in a different direction from those of U.S. securities. From time to time, foreign capital markets may exhibit more volatility than those in the U.S., and the securities markets of emerging market

countries can be extremely volatile. Emerging market countries generally have economic structures that are less diverse and mature, and political systems that are less stable, than those of developed countries.

High-Yield and Distressed Risk. The Funds' investments in high-yield and distressed securities may expose the Funds to greater risks than if the Funds only owned higher-grade securities. The value of high-yield, lower quality securities is affected by the creditworthiness of the issuers of the securities and by general economic and specific industry conditions. Issuers of high-yield securities are not as strong financially as those with higher credit ratings, so the securities are usually considered speculative investments. These issuers are more vulnerable to financial setbacks and recession than are more creditworthy issuers, which may impair their ability to make interest and principal payments. The Funds may also invest in distressed securities, which the Adviser considers to be issued by companies that are, or might be, involved in reorganizations or financial restructurings, either out of court or in bankruptcy. The Funds' investments in distressed securities typically may involve the purchase of high-yield bonds, bank debt or other indebtedness of such companies.

Market Risk. Prices of securities have historically fluctuated. The value of the Funds will similarly fluctuate and their investors could lose money.

Focus and Non-Diversification Risk. The Funds are non-diversified and may focus or concentrate their investments

in fewer issuers than a diversified mutual fund of comparable size. A concentrated or non-diversified fund can be more volatile than a diversified fund, and volatility may be expected to increase when a Fund makes significant investments in a single issuer or issuers within a particular industry or geographic region because the Fund is more susceptible to adverse effects from such issuer or issuers.

Small-Cap and Mid-Cap Risk. The Funds may invest from time to time in smaller and midsize companies and the securities of such issuers tend to be more volatile and less liquid than those of larger companies. The markets for these securities are also less liquid than those for larger companies. This can adversely affect the prices at which the Funds can purchase and sell these securities, and thus the value of the Funds' shares.

Liquidity Risk. Liquidity risk exists when particular investments are difficult to sell. The Funds may not be able to sell these investments at the best prices or at the value the Fund places on them. Investments in private debt instruments, restricted securities, and securities having substantial market and/or credit risk may involve greater liquidity risk.

Style Risk. The Funds frequently identify opportunities in industries that appear to be temporarily depressed. The prices of securities in these industries may tend to go down more than those of companies in other industries. For the Third Avenue Focused Credit Fund, which invests primarily in credit instruments, and when another Fund

owns significant non-equity investments in a rising stock market, such Fund may produce smaller gains than a fund invested primarily in stocks. Because of the Funds' disciplined and deliberate investing approach, there may be times when a Fund will have a significant cash position. A substantial cash position can adversely impact a Fund's performance in certain market conditions, and may make it more difficult for the Fund to achieve its investment objective.

Hedging Risk. The Adviser may seek to hedge all or a portion of the Funds' currency risk. However, the Adviser can not guarantee that it will be practical to hedge these risks in certain markets or conditions or that any efforts to do so will be successful.

Real Estate Risk (Third Avenue Real Estate Fund only). In addition to general market conditions, the value of the Fund will be affected by the strength of the real estate markets. Factors that could affect the value of the Fund's holdings include the following:

- overbuilding and increased competition;
- increases in property taxes and operating expenses;
- declines in the value of real estate;
- lack of availability of equity and debt financing to refinance maturing debt;
- vacancies due to economic conditions and tenant bankruptcies;

- losses due to costs resulting from environmental contamination and its related clean-up;
- changes in interest rates;
- changes in zoning laws;
- casualty or condemnation losses;
- variations in rental income;
- changes in neighborhood values; and
- functional obsolescence and appeal of properties to tenants.

Commodities Risk. Prices of commodities such as timber and oil have historically been very volatile. Reductions in commodity prices will likely cause the prices of the securities of companies holding real estate affected by those industries to decline.

Insolvency and Bankruptcy Risk. The Funds' investments in obligations of stressed, distressed and bankrupt issuers, including debt obligations that are in default, generally trade significantly below par and are considered speculative. The repayment of defaulted obligations is subject to significant uncertainties. Defaulted obligations might be repaid only after lengthy workout or bankruptcy proceedings, during which the issuer might not make any interest or other payments. Typically such workout or bankruptcy proceedings result in only partial recovery of cash payments or an exchange of the defaulted obligation for other debt or equity securities of the issuer or its affiliates, which may in turn be illiquid or speculative. There is even

a potential risk of loss by the Funds of their entire investment in such securities. There are a number of significant risks inherent in the bankruptcy process. A bankruptcy filing by an issuer may adversely and permanently affect the market position and operations of the issuer. Many factors of the bankruptcy process, including court decisions, the size and priority of other claims, and the duration and costs of the bankruptcy process, are beyond the control of the Funds and can adversely affect the Funds' return on investment. For example, a court could invalidate or subordinate a debt obligation of, or reclaim amounts paid by a debtor to, the Funds. To the extent that any such payments are recaptured from the Funds the resulting loss will be borne by the Funds and their investors. The Adviser, on behalf of the Funds, may also participate on committees formed by creditors to negotiate with debtors with respect to restructuring issues. There can be no assurance that the Adviser's participation would yield favorable results for the Funds, and such participation may subject the Funds to additional duties, liabilities and trading restrictions in a particular investment.

Changing Distribution Levels Risk. The amount of the distributions paid by each Fund generally depends on the amount of income and/or dividends received by the each Fund on the investments it holds. A Fund may not be able to pay distributions or may have to reduce distribution levels if the income and/or dividends it receives from its investments declines.

MANAGEMENT OF THE FUNDS

The Investment Adviser

Third Avenue Management LLC, 622 Third Avenue, New York, NY 10017, is the investment adviser for each of the Funds. The Adviser manages each Fund's investments, provides various administrative services and supervises the Funds' daily business affairs, subject to the authority of the Board of Trustees of Third Avenue Trust (the "Trust"). The Adviser provides investment advisory or sub-advisory services to seven other open-end U.S. mutual funds with assets in excess of \$2.4 billion as of December 31, 2009. The Adviser may compensate out of its own resources certain intermediaries for shareholder servicing and/or distribution services to the Funds. The Adviser or its predecessor has been an investment adviser for mutual funds since its organization in 1986. The Funds have historically placed a substantial majority of their equity securities transactions through the Adviser's affiliated broker-dealer, M.J. Whitman LLC, which also serves as distributor of the Funds. The Funds and the Adviser have adopted policies and procedures designed to enable these trades to be executed in conformance with relevant regulatory requirements and with the Adviser's duty to seek best execution. Commissions generated from these transactions are not intended to compensate M.J. Whitman LLC for any services or other arrangements other than execution. Affiliated Managers Group, Inc. owns an indirect majority equity interest in the Adviser and M.J. Whitman LLC.

Advisory Fees

Third Avenue Value Fund, Third Avenue Small-Cap Value Fund and Third Avenue Real Estate Value Fund each paid the Adviser a fee equal to 0.90% of its average daily net assets for the fiscal year ended October 31, 2009. Third Avenue International Value Fund paid the Adviser a fee equal to 1.25% of its average daily net assets for the fiscal year ended October 31, 2009. Third Avenue Focused Credit Fund paid the Adviser a fee at an annual rate of 0.75% of its average daily net assets, subject to any fee deferrals and reimbursements. The Funds' Annual Report to Shareholders for the period ended October 31, 2009 contains a discussion of the basis of the Board of Trustees' determination to continue these investment advisory arrangements.

Portfolio Managers

The Statement of Additional Information ("SAI") provides additional information about the portfolio managers' compensation, additional accounts that they manage, and ownership of shares in the Funds they manage.

Martin J. Whitman

Mr. Whitman, the Chairman of the Trust, co-manages the Third Avenue Value Fund. Prior to July 1, 2009, Mr. Whitman served as the sole portfolio manager of Third Avenue Value Fund since its inception in 1990. Mr. Whitman has previously served as Co-Chief Investment Officer of the Adviser and as Chief Executive and Chief Investment Officer of the Adviser (and its predecessor entity). Mr. Whitman served for over 30 years as a Distinguished Management Fellow at the Yale School of Management. He is currently a Director of Nabors Industries, Inc., an international oil-drilling contractor.

Mr. Whitman graduated from Syracuse University magna cum laude and received a Masters degree in Economics from the New School for Social Research. Syracuse University's Whitman School of Management is named in his honor.

Ian Lapey

Ian Lapey became the co-portfolio manager of Third Avenue Value Fund in July 2009 and has been the designated successor to Martin Whitman, as the portfolio manager of Third Avenue Value Fund, since December 2006. He is a portfolio manager for Third Avenue Management LLC's value and small-cap value sub-advised portfolios.

Additionally, Mr. Lapey is Co-Manager of the Third Avenue Value Fund (UCITS) and Third Avenue Variable Series Trust. He joined Third Avenue Management in 2001. Prior to joining Third Avenue, Mr. Lapey was an equity research analyst with Credit Suisse First Boston, covering the housing and furniture industries. Previously, he held various research positions with Salomon Brothers, Hampshire Securities and Lord Abbett & Co. Earlier in his career, Mr. Lapey was a financial analyst for Revlon and a staff accountant for Ernst & Young.

Mr. Lapey received an M.B.A. from New York University Stern School of Business, an M.S. in Accounting from Northeastern University Graduate School of Professional Accounting, and a B.A. in Economics from Williams College. He was previously a Certified Public Accountant (currently inactive and unregistered).

Curtis Jensen

Curtis Jensen became the sole portfolio manager of Third Avenue Small-Cap Value Fund on May 29, 2001. Prior to that, he had served as co-manager of the Fund since its inception. He also manages the Third Avenue Small-Cap Value Fund (UCITS) and several of Third Avenue Management LLC's sub-advised portfolios. Additionally, Mr. Jensen is Co-Manager of the Third Avenue Variable Series Trust. Mr. Jensen has also served as Co-Chief Investment Officer of the Adviser since February 2003. He has been employed by the Adviser (and its predecessor entity) since 1995. Prior to joining the Adviser, Mr. Jensen was a graduate business student at the Yale School of Management from 1993 to 1995, where he studied under Mr. Whitman. Prior to that, Mr. Jensen was a director of and managed the operations of, a specialty food manufacturer, and was an investment banker with Manufacturers Hanover Trust Company and Enright & Company. He currently serves on the Nomination Committee of Investor AB, an industrial holding company based in Sweden.

Mr. Jensen received his M.B.A. from the Yale School of Management and his B.A. in Economics from Williams College.

Michael H. Winer

Michael Winer became the sole portfolio manager of Third Avenue Real Estate Value Fund on May 29, 2001. Prior to that, he had served as co-manager of the Fund since its inception. He also manages the Third Avenue Real Estate Value Fund (UCITS) as well as Third Avenue Management LLC's real estate private and institutional advisory business. Mr. Winer is also the senior portfolio manager of the Third Avenue Real Estate Opportunities Fund, L.P., a private partnership investing in real estate securities and special situations. Additionally, Mr. Winer serves on the Advisory Board of the Special Situations Fund, a private partnership investing in special situation and distressed investments. He joined Third Avenue Management in 1994.

Previously, Mr. Winer was Vice President of the Asset Sales Group for Cantor Fitzgerald, L.P., where he participated in the analysis and distribution of distressed real estate loan and asset portfolios. Earlier in his career, Mr. Winer owned and managed a real estate development business. He is currently a Director of Tejon Ranch Company, a land development and agribusiness company.

Mr. Winer received his B.S. in Accounting from San Diego State University. He was previously a Certified Public Accountant (currently inactive and unregistered).

Amit B. Wadhwaney

Amit Wadhwaney has served as portfolio manager of Third Avenue International Value Fund since its inception. He also manages the Third Avenue International Value Fund (UCITS) and Third Avenue Management LLC's international private and institutional advisory business. Additionally, Mr. Wadhwaney is portfolio manager of the Third Avenue Global Value Fund, L.P., a private partnership investing in undervalued companies worldwide.

Previously, Mr. Wadhwaney was portfolio manager of the Carl Marks Global Value Fund, L.P. Prior to that he was a principal of Glenrock Asset Management Associates, L.P.; both firms are investment partnerships investing worldwide. Earlier in his career, Mr. Wadhwaney was a securities analyst, and subsequently Director of Research, for M.J. Whitman, Inc. Mr. Wadhwaney was also a paper and forest products analyst at Bunting Warburg, a Canadian brokerage firm. Mr. Wadhwaney is currently a Director of Catalyst Paper Corporation, a pulp and paper manufacturer based in Canada.

Mr. Wadhwaney holds an M.B.A. in Finance from the University of Chicago, as well as a B.A. (Honors) with Distinction and an M.A. in Economics from Concordia University in Montreal, Canada. He also holds bachelors degrees in Mathematics and Chemical Engineering from the University of Minnesota.

Jeffrey J. Gary

Mr. Gary has been the portfolio manager of Third Avenue Focused Credit Fund since its inception. Mr. Gary has more than 20 years of investment experience in high-yield, long/short credit and distressed investment strategies, including the last twelve years as a senior portfolio manager. Mr. Gary's experience includes managing numerous high yield and credit-related mutual funds. Prior to joining Third Avenue, Mr. Gary joined BlackRock Financial in 2003 as the head of the high yield and distressed investment team. In this role, Mr. Gary helped manage and grow high yield and distressed assets from approximately \$3 billion to a peak of approximately \$17 billion. Previously, he was a senior high yield and distressed portfolio manager at AIG/American General and Koch Industries. Earlier in his career, Mr. Gary was a distressed analyst at Cargill Financial, Vice President of Corporate Finance responsible for restructuring and workouts at Mesirow Financial, a senior analyst at Citigroup, and a senior auditor at PricewaterhouseCoopers.

Mr. Gary holds an M.B.A. from Northwestern University's Kellogg School of Management, and a B.S. in accounting from Penn State University. He was previously a Certified Public Accountant (currently inactive and unregistered).

SHAREHOLDER GUIDE

HOW TO CHOOSE A SHARE CLASS

Investors can choose from among two classes of shares of a Fund: Investor Class and Institutional Class. As described above, the classes differ to the extent they bear certain class specific minimums and expenses. When choosing a share class, it is important to consider your method of investing, directly with a Fund or through certain broker-dealers or other financial intermediaries, the amount you plan to invest and the expenses of each class.

Investor Class

The minimum initial investment for this class is \$2,500. The Investor Class shares have no up-front sales charges or deferred sales charges. Your entire purchase price is invested in Fund shares at the net asset value (“NAV”) per share of the Investor Class. Shareholders in the Investor Class shares also pay distribution (12b-1) fees of 0.25%. See “Distribution (12b-1) and Servicing Fees” in this Prospectus.

Institutional Class

The minimum initial investment for this class is \$100,000. Institutional Class shares have no up-front sales charges or deferred sales charges. Your entire purchase price is invested in Fund shares at the NAV per share of the Institutional Class. Shareholders in the Institutional Class shares do not pay any distribution (12b-1) or service fees. Shareholders in the Third Avenue Value Fund, Third Avenue Small-Cap Value Fund, Third Avenue Real Estate Value Fund or Third Avenue International Value Fund who owned shares as of December 30, 2009, and who continue to hold shares of these funds (“Original Institutional Class Shareholders”), will hold Institutional Class shares regardless of their account size and shall be entitled to make additional purchases of, and to reinvest dividends and distributions in, Institutional Class shares with respect to their existing accounts in these funds. Institutional Class shares may be offered without regard to the minimum initial investment requirement to investors purchasing such shares through qualified plans, wrap fee accounts or other fee-based programs.

Converting from Investor Class to Institutional Class Shares

If the current market value of your account in the Investor Class is at least \$100,000, you may elect to convert that account from Investor Class to Institutional Class shares of the same Fund on the basis of relative NAVs. Converting from Investor Class to Institutional Class shares may not be available at certain financial intermediaries, or there may be additional costs involved associated with this exchange charged by your financial intermediary. Because the NAV per share of the Institutional Class shares may be higher or lower than that of the Investor Class shares at the time of conversion, although the total dollar value will be the same, a shareholder may receive more or less Institutional Class shares than the number of Investor Class shares converted. You may convert from Investor Class to Institutional Class shares by calling Third Avenue Funds at 1-800-443-1021 or your financial intermediary if you hold your investment in the Fund through a financial intermediary.

If the current market value of your Institutional Class shares account declines to less than \$100,000 due to a redemption or exchange, we may convert your Institutional Class shares into Investor Class shares of the same Fund on the basis of relative NAVs. Although the total dollar value will be the same, a shareholder may receive more or less Investor Class shares than the number of Institutional Class shares converted. See “Redemption by a Fund” in this Prospectus. If you are one of the Original Institutional Class Shareholders, your account is exempt from this conversion.

A conversion from Investor Class shares to Institutional Class shares of the same Fund or from Institutional Class shares to Investor Class shares of the same Fund pursuant to the preceding paragraphs should generally not be a taxable exchange for federal income tax purposes.

INVESTING THROUGH AN INTERMEDIARY

If you invest through a third party such as a bank, broker-dealer, trust company or other financial intermediary, rather than directly with a Fund, certain purchase and redemption policies, fees, and minimum investment amounts may differ from those described in this Prospectus, including possible fees for Original Institutional Class Shareholders purchasing additional shares. A Fund may also participate in programs with national brokerage firms that limit or eliminate a shareholder's transaction fees, and the Investor Class shares may pay fees to these firms in return for services provided by these programs to shareholders. The distribution fees are paid out of the assets of the Investor Class shares on an ongoing basis and will increase the cost to shareholders who invest in Investor Class shares.

The Adviser and/or the Distributor (defined below) may pay compensation (out of their own funds and not as an expense of a Fund) to certain affiliated or unaffiliated brokers, dealers, or other financial intermediaries or service providers in connection with the sale or retention

of Fund shares. This compensation may provide such affiliated or unaffiliated entities with an incentive to favor sales of shares of a Fund over other investment options. Any such payments will not change the NAV or the price of a Fund's shares.

DISTRIBUTION (12b-1) FEES

The Funds have adopted a Distribution Plan (the "Plan") for the Investor Class shares that allows the Investor Class to pay fees for selling and distributing its shares to its respective shareholders. The Plan provides that distribution fees may be paid to M.J. Whitman LLC (the "Distributor") to cover the Investor Class' sales, marketing, and promotional expenses. Because these distribution fees are deducted from the net assets of the Investor Class on an ongoing basis, they will have the effect of increasing the cost of your investment the longer you hold it and will result in lower total returns than an investment in the Institutional Class shares of a Fund. The Plan permits the Investor Class to pay a 0.25% distribution (12b-1) fee.

HOW TO PURCHASE SHARES

Price of Shares

The price you will pay for a share of a class of the Funds is the NAV of that class. NAV is calculated on each day that the New York Stock Exchange ("NYSE") is open, as of the close of regular trading, normally 4:00 p.m., Eastern time. The NAV of each class of a Fund is determined by dividing the value of its allocable share of portfolio securities, cash, and other assets, including accrued interest and dividends, owned by the Fund, less all liabilities of the class, including its accrued expenses, by the total number of outstanding shares of the class. Your order will be priced at the next NAV calculated following receipt of your transaction in good order by the transfer agent or your broker-dealer or financial intermediary. For a transaction to be considered in "good order", all required information must be provided,

required authorized signatures must be included, and payment must be in a form acceptable as per the "Paying for Shares" section of this Prospectus. Your order will be deemed to be received before the close of trading if the order was received before that time by the transfer agent or by certain broker-dealers or financial intermediaries.

The Funds will generally value securities using the most readily available market price. A Fund's investments are generally valued at market value. Certain short-term securities with maturities of 60 days or less may be valued based on amortized cost. Illiquid securities and other securities and assets for which market quotations are not readily available or are deemed unreliable are valued at "fair value", as determined in good faith by or in accordance with procedures adopted by the Board of

Trustees. These types of assets can include high-yield bonds, defaulted securities and private investments that do not trade publicly, among other things. The Funds' procedures call for a valuation committee of the designated independent Trustees to make a determination of fair value based on the committee members' or Trustees' judgments of relevant information and an analysis of the asset within the methodology approved by the Board of Trustees or between Board meetings, by designated independent Trustees. Details of fair valuation methodologies and determinations for all fair valued positions constituting greater than 0.5% of the net assets of a Fund are reviewed by the Trustees of the Third Avenue Trust (the "Trust") on a quarterly basis. Details of fair valuation methodologies and determinations for all fair valued positions are reviewed at least annually.

If the principal market for a security has closed before the time as of which the NAV is being calculated, the Funds, pursuant to procedures approved by the Board of Trustees, may consider information regarding more recent trades on other markets along with other factors. The Trust has retained a third-party service provider that, under certain circumstances selected by the Trust, applies a statistical model to provide fair value pricing for equity securities whose principal markets are no longer open when the Funds calculate their NAVs if certain events have occurred after the principal markets have closed but prior to the time as of which the Funds compute their NAVs. This means that an NAV of a class may be based, at least in part, on prices other than those determined as of the close of the principal markets in which such assets trade. Foreign securities held by a Fund generally trade on foreign markets which may be open on days when the NYSE is closed. This means that the value of the Fund's portfolio securities can change on a day on which you cannot purchase or redeem your shares.

Purchasing Shares

The Funds are open for business each day the NYSE is open for trading. Investor or Institutional Class shares of a Fund can be purchased either directly from the Fund, or

through certain broker-dealers or financial intermediaries, so long as they have a selling agreement with the Fund's distributor. The Funds generally will not accept new account applications to establish an account with a non-U.S. address (Army post office/Fleet post office and U.S. territories are acceptable) or for a non-resident alien.

The Adviser utilizes a portion of its assets to pay all or a portion of the charges of various programs that make shares available to their customers. Subject to tax limitations and approval by the Board of Trustees on a Fund-by-Fund basis, each of the Funds pays a portion of these charges representing savings of expenses the Fund would otherwise incur in maintaining fully separate shareholder accounts for those who invest in the Fund through these programs.

To purchase Investor or Institutional Class shares directly from a Fund, you need to complete and sign an account application and send it, together with your payment for the shares, to the Fund's transfer agent, PNC Global Investment Servicing ("PNC" or the "transfer agent"). See page 39 for mailing instructions.

To purchase Investor or Institutional Class shares from a broker-dealer, the broker-dealer must be a bank or a member of the Financial Industry Regulatory Authority and have entered into a selling agreement with the Funds' distributor, M.J. Whitman LLC. You may or may not need to complete and sign an account application when purchasing through a broker-dealer or financial intermediary, depending on its arrangements with the Funds. The Funds reserve the right to reject any purchase order.

To purchase additional shares via Automated Clearing House ("ACH"), contact PNC at (800) 443-1021, Option 1, to initiate an electronic transfer from your bank account. You may establish electronic transfer capabilities on your New Account Application (the "Application") or by sending written instructions to PNC. Your initial investment cannot be made by electronic transfer.

Assuming PNC or the Funds properly act on telephone or Internet instructions and follow reasonable procedures to protect against unauthorized transactions, neither PNC nor the Funds will be responsible for any losses due to telephone or Internet transactions. You may be responsible for any fraudulent telephone or Internet order as long as PNC or the Funds take reasonable measures to verify the order.

Telephone purchase orders will only be accepted from financial institutions which have been approved previously by the Funds or the Adviser, or by investors who have established ACH capabilities for an account.

Shareholders with existing Third Avenue Funds accounts may purchase additional shares directly through the Funds' website at www.thirdave.com. To choose this

option, complete the Online Account Access section of the Application or make subsequent arrangements in writing. Only bank accounts held at domestic institutions that are ACH members may be used for Internet transactions. All ACH transactions will be considered in good order on the date the payment for shares is received by the Funds. This process may take up to 48 hours from the time the shareholder places the order with PNC. You may not make your initial purchase of Fund shares via the Internet. The Fund may alter, modify or terminate the Internet purchase option at any time.

Paying for Shares by Mail

Initial Payments

If you are sending documents via U.S. mail, initial payments, together with your account application, should be sent to:

Third Avenue Funds
c/o PNC Global Investment Servicing
P.O. Box 9802
Providence, RI 02940-5215

or via express delivery, registered or certified mail to:

Third Avenue Funds
c/o PNC Global Investment Servicing
101 Sabin Street
Pawtucket, RI 02860-1427

Additional Payments

If you are sending documents via U.S. mail, additional payments, together with the payment stub from your account statement, should be sent to:

Third Avenue Funds
c/o PNC Global Investment Servicing
P.O. Box 9802
Providence, RI 02940-5215

or via express delivery, registered or certified mail to:

Third Avenue Funds
c/o PNC Global Investment Servicing
101 Sabin Street
Pawtucket, RI 02860-1427

Paying for Shares by Wire

Prior to sending a wire, please notify PNC at (800) 443-1021, Option 1 to insure proper credit to your account.

Direct your bank to wire funds as follows:

PNC Bank
ABA #: 031000053
Acct#: 8606905687

For further credit to: Third Avenue Value Fund, Third Avenue Small-Cap Value Fund, Third Avenue Real Estate Value Fund, Third Avenue International Value Fund, or Third Avenue Focused Credit Fund (specify Class, shareholder's name, exact account title and Fund number and account number).

Heavy wire traffic over the Federal Reserve System may delay the arrival of purchase orders made by wire.

Minimum Investments

The minimum initial investment for the Investor Class of each Fund is \$2,500 for a regular account and an IRA. The minimum initial investment for the Institutional Class of each Fund is \$100,000. Additional investments for either class of each Fund must be at least \$1,000 for a regular account and \$200 for an IRA, unless you use the Funds' Automatic Investment Plan. Under this plan, a predetermined amount, selected by you, will be deducted from your checking account. Additional investments under this plan are subject to a monthly minimum of \$200. The Automatic Investment Plan option may be elected on the Application.

Transactions made through your broker-dealer or other financial intermediary may be subject to charges imposed by the broker-dealer or financial intermediary, who may also impose higher initial or additional amounts for investment than those established by the Funds. At the sole discretion of the Adviser, the initial and any additional investment minimums may be waived for certain investors.

Paying for Shares

When purchasing shares directly from a Fund, you may pay by check payable to the particular Fund. The Funds will only accept checks drawn in U.S. currency on a domestic bank. Starter checks on newly established bank accounts will not be accepted. The Funds will not accept any of the following cash equivalents: money orders, travelers checks, cashier checks, bank checks, official checks and treasurers checks, foreign bank drafts, payable through checks or third party checks, or other third party transactions. You will be charged (minimum of \$20) for any check used for the purchase of Fund shares that is returned unpaid. If you purchase Fund shares by check, you may not receive redemption proceeds until there is a reasonable belief that the check has cleared, which may take up to fifteen calendar days after the purchase date. If you purchase shares through a broker-dealer or other financial intermediary, they are responsible for forwarding or arranging payment promptly.

The Funds reserve the right to cancel any purchase order, and will do so, under ordinary circumstances, within 48 hours of receipt of the order. In the interest of economy and convenience to investors, the Funds no longer issue certificates representing Fund shares.

Individual Retirement Accounts

If you want to set up an IRA, you may obtain a Fund IRA Application and additional required forms by contacting PNC at (800) 443-1021, Option 1, or on the Funds' website at www.thirdave.com. The account will be maintained by the custodian, PFPC Trust Company, which currently charges your account an annual maintenance fee of \$12 per Fund. Fees are subject to change by PNC Global Investment Servicing. Annual maintenance fees will automatically be deducted from the IRA account, unless a check for the fees is received by PNC prior to December 15th of each year.

Other Retirement Plans

If you are self-employed, you may be able to purchase shares of the Funds through tax-deductible contributions to retirement plans for self-employed persons, known as Keogh Plans. However, the Funds do not currently act as a sponsor or administrator for such plans.

Fund shares may also be purchased for other types of qualified pension or profit sharing plans which are employer-sponsored, including deferred compensation or salary reduction plans, known as 401(k) plans, which give participants the right to defer portions of their compensation for investment on a tax-deferred basis until distributions are made. However, the Funds do not currently act as a sponsor or administrator for such plans.

Distribution and Servicing Arrangements

The Adviser or its affiliates pay certain costs of marketing the Funds out of their own resources. The Adviser or its affiliates may also share with third party financial intermediaries certain marketing expenses or pay for the opportunity to distribute the Funds; sponsor informational

meetings, seminars and client awareness events; support marketing materials or business building programs; or pay third parties in connection with marketing to financial intermediaries. The Adviser or its affiliates may also pay amounts to third parties, including brokerage firms, banks, financial advisors, retirement plan service providers, and other financial intermediaries for providing recordkeeping, subaccounting, transaction processing and other administrative services, and a portion of these payments may be borne by the Funds.

The amount of these payments is determined from time to time by the Adviser and may differ among such

HOW TO REDEEM SHARES

General

You may redeem your shares on any day during which the NYSE is open for trading, either directly from a Fund or through certain broker-dealers or other financial intermediaries. Fund shares will be redeemed at the NAV next calculated after your order is received in good order by a Fund or its designees. Redemption requests that contain a restriction as to the time, date or share price at which the redemption is to be effective will not be honored. You can redeem less than all of your shares, but if you retain shares with a value below a minimum amount, your account may be closed at the discretion of the Adviser. See “Redemption by the Funds.”

By Mail

If you are sending documents via U.S. mail, send a written request, together with any share certificates that have been issued, to:

Third Avenue Funds
c/o PNC Global Investment Servicing
P.O. Box 9802
Providence, RI 02940-5215

financial intermediaries. Such payments may provide incentives for financial intermediaries to make shares of the Funds available to their customers, and may result in the Funds having greater access to such parties and their customers than would be the case if no payments were made. These payment arrangements will not change the price an investor pays for shares of a Fund or the amount that the Fund receives to invest on behalf of the investor.

You may wish to inquire whether such arrangements exist when purchasing or selling or evaluating any recommendations to purchase or sell shares of the Funds through any intermediary.

If you are sending documents via express delivery, registered or certified mail, send a written request, together with any share certificates that have been issued, to:

Third Avenue Funds
c/o PNC Global Investment Servicing
101 Sabin Street
Pawtucket, RI 02860-1427

Written redemption requests, stock powers and any share certificates issued must be submitted and signed exactly as the account is registered. Such requests may require a signature guarantee and additional documents. See “Signature Guarantees/Other Documents.”

Telephone Redemption Service

You may redeem shares by telephone by electing this service on the Application. You may thereafter redeem shares on any business day by calling PNC at (800) 443-1021, Option 1, until the close of the NYSE, normally 4:00 p.m., Eastern time.

Redemption proceeds will be mailed to your address of record, or, if previously established, sent to your bank account via wire or ACH.

The Funds and PNC will not be liable for following telephone instructions reasonably believed to be genuine. In this regard, PNC will require personal identification information before accepting a telephone redemption order.

Please contact your broker-dealer or other financial intermediary for information on how to redeem your shares through them. A shareholder may incur a brokerage fee for such a transaction, no part of which is received by the Adviser or the Funds.

Fees

You will not be charged for redeeming your shares directly from the Funds, except as described below under “Early Redemption Fee.” The transfer agent currently charges a wire fee of \$9 for payment of redemption proceeds by federal funds wire. The transfer agent will automatically deduct the wire fee from the redemption proceeds. Broker-dealers handling redemption transactions generally will charge a service fee.

Redemption by the Funds

The Funds have the right to redeem your shares at current NAV at any time and without prior notice if and to the extent that such redemption is necessary to reimburse a Fund for any loss sustained by reason of your failure to make full payment for shares of the Fund you previously purchased or subscribed for. Each Fund reserves the right to redeem a shareholder account, other than an IRA account (after 30 days’ prior written notice and the opportunity to reestablish the account balance), when the market value of the Fund’s shares in the account falls below \$500, due to redemptions or exchanges with respect to Investor Class shares of each Fund (except for IRAs) or falls below \$25,000 with respect to Institutional Class shares of each Fund (except for Original Institutional Class Shareholders, which must only maintain a \$500

minimum investment). Whether the Trust will exercise the right to redeem shareholder accounts will be determined by the Adviser on a case-by-case basis.

Payment of Redemption Proceeds

A Fund will usually make payment for redemptions of Fund shares within one business day, but not later than seven calendar days, after receipt of a redemption request. You should note that you may not receive redemption proceeds of recently purchased Fund shares that have been paid for by check until there is a reasonable belief that the check has cleared, which may take up to fifteen calendar days after the purchase date.

Wired Proceeds

If you request payment of redemption proceeds by wire transfer, payment will be transmitted only on days that commercial banks are open for business and only to the bank and account previously authorized by you on your application or separate signature guaranteed letter of instruction. Neither the Funds, nor the transfer agent, will be responsible for any delays in wired redemption proceeds due to heavy wire traffic over the Federal Reserve System.

Signature Guarantees/Other Documents

For documents requiring a signature guarantee, such guarantee must be obtained from an “eligible guarantor institution”, which includes certain banks, brokers, dealers, credit unions, securities exchanges and associations, clearing agencies and savings associations participating in a signature guarantee program recognized by the Securities Transfer Association (a “Medallion Guarantee”). A notary public is not an acceptable guarantor. Signature guarantees are required on any:

1. request for redemption, payable to the registered shareholder involving \$100,000 or more,
2. redemption proceeds payable to and/or mailed to other than the registered shareholder, or
3. requests to transfer shares.

The three “recognized” medallion programs are Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), and NYSE, Inc. Medallion Signature Program (NYSE MSP).

Additional documents may be required when shares are registered in the name of a corporation, partnership, association, agent, fiduciary, trust, estate or other organization. Additional tax documents may also be required in the case of redemptions from IRA accounts maintained at PNC. For further information, call PNC toll free at (800) 443-1021, Option 1.

Changing Information

If you did not previously elect the telephone redemption service on your Application, or wish to change any information previously provided to the Funds (including the bank to which redemption proceeds are to be wired), or wish to add information to establish electronic transfer capabilities (ACH), you must submit a signature guaranteed letter of instruction. This is designed to protect you and the Adviser from fraud.

Systematic Withdrawal Plan - For Investor Class only

If you own or are purchasing shares of any Fund having a current value of at least \$10,000, you may participate in a Systematic Withdrawal Plan. This plan provides for automatic redemption of at least \$100 monthly, quarterly, semi-annually, or annually. You may establish a Systematic Withdrawal Plan by sending a letter to PNC. Notice of all changes concerning the Systematic Withdrawal Plan must be received by PNC at least two weeks prior to the next scheduled payment. Further information regarding the Systematic Withdrawal Plan and its requirements can be obtained by contacting PNC at (800) 443-1021, Option 1.

Frequent Trading and Early Redemption Fee

The Funds are intended for long-term investors and not for those who wish to trade frequently in their shares. The Funds will not knowingly accommodate frequent trading in Fund shares. The Board of Trustees of the Trust has adopted policies and procedures designed to prevent frequent trading in Fund shares, commonly referred to as “market timing,” because such activities are disruptive to the management of a Fund’s portfolio, and may increase Fund expenses and negatively affect a Fund’s performance. The Funds believe that excessive short-term trading of Fund shares creates risks for the Funds and their long-term shareholders, including interference with efficient portfolio management, increased administrative and brokerage costs, and dilution in the value of their shares from traders seeking short-term profits from market momentum, time-zone arbitrage and other timing strategies.

The procedures of the Funds require that the Adviser monitor the trading activities of Fund accounts on a regular basis. If the Adviser determines, in its sole discretion, that an account shows a pattern of excessive trading and/or excessive exchanging among the Funds, it will then review the account’s activities and will bar the shareholder from future purchases, including purchases by exchange. The Funds’ Adviser will also notify the Funds’ transfer agent of any of these restrictions and will keep the Board of Trustees informed quarterly regarding the implementation of these frequent trading policies and procedures. Each Fund reserves the right to refuse a purchase order (including an order placed as part of an exchange) for any reason if the Adviser believes, in its sole discretion, that a shareholder is engaging in short-term trading activities that may be harmful to the Fund and its shareholders. Transactions accepted by a financial intermediary from a shareholder who has previously been barred from future purchases are not deemed accepted by the Funds and may be cancelled or revoked by the Funds. In the event that any purchase order is refused or revoked, the purchase price will be refunded as soon as possible.

To discourage frequent short-term trading in Fund shares, each Fund imposes a redemption fee on redemptions, including exchanges to other Third Avenue Funds, according to the following schedule:

Third Avenue Value Fund,
Third Avenue Small-Cap Value Fund and
Third Avenue Real Estate Value Fund

Holding Period	Redemption Fee (As a % of current net asset value)
60 Days or Less	1.00%
Thereafter	None

Third Avenue International Value Fund

Holding Period	Redemption Fee (As a % of current net asset value)
60 Days or Less	2.00%
Thereafter	None

Third Avenue Focused Credit Fund

Holding Period	Redemption Fee (As a % of current net asset value)
Less than one (1) year	2.00%
Thereafter	None

For example, if you purchase shares of Third Avenue Focused Credit Fund on January 1st you will be charged a fee for any redemptions made on or prior to December 31st of the following year. If you purchase shares of Third Avenue Value Fund, Third Avenue Small-Cap Value Fund, Third Avenue Real Estate Value Fund or Third Avenue International Value Fund you will be charged a fee for any redemptions made within the the following 60 days, beginning on the purchase date, and including the 60th day.

This redemption fee is assessed and retained by the Funds for the benefit of the remaining shareholders. The redemption fee is not a sales charge and is not paid to the Adviser or any third party. The redemption fee applies to

redemptions from the Funds and exchanges from one Fund to another Fund, but not to redemptions of shares acquired through dividend or capital gain distributions which have been automatically reinvested into these Funds. Each Fund reserves the right to modify the terms of, or terminate, this fee at any time.

The fee is applied to the shares being redeemed or exchanged in the order in which they were purchased. For this purpose, shares of the Third Avenue Value Fund, Third Avenue Small-Cap Value Fund, Third Avenue Real Estate Value Fund and Third Avenue International Value Fund will be treated as redeemed as follows: first, reinvested shares; second, shares held more than sixty (60) days after issuance; and third, shares held for sixty (60) days or less after issuance. Shares of the Third Avenue Focused Credit Fund will be treated as redeemed as follows: first, reinvested shares; second, shares held at least one (1) year after issuance; and third, shares held for less than one year after issuance.

The Funds will not impose redemption fees in the following situations:

- on required minimum distributions from IRA and other retirement accounts (where it is operationally feasible),
- in certain rare hardship situations, such as death or disability, that have been approved by the Adviser and are reported to the Board, or
- on transactions by shareholders holding shares through an omnibus account, third-party intermediary or broad-based benefit plan if: the intermediary has represented to the Funds that it will track and remit the redemption fees, or the Funds have determined that policies and procedures reasonably designed to prevent short-term trading in Fund shares by participants in the program or plan are in effect. Examples of this type of exception are asset allocation programs that rebalance periodically, systematic withdrawal plans and broad-based benefit

plans that appropriately restrict the frequency with which participants can redeem or exchange their interests in the Funds.

The Funds monitor activity at the omnibus level in order to try to identify unusual trading patterns that may indicate short-term trading by individual accounts within the omnibus account. If the Funds do identify such activity, the Funds may instruct the intermediary to code the individual account “Redemption Only.” If the Funds determine that an account, plan or intermediary may not be acting properly to prevent short-term trading, the Funds have the right to access information about beneficial shareholder transactions in accounts held through omnibus accounts, benefit plans or other intermediaries and intend to do so. The Funds reserve the

right to remove any waiver granted to such a party. Utilizing these information rights will assist the Funds in preventing short-term trading, assessing redemption fees and administering or revoking waivers, although there is always some risk that a shareholder acting through such an intermediary might be able to engage in short-term trading to the detriment of the Fund without having to pay a redemption fee.

To assist in discouraging attempts to arbitrage pricing of securities (particularly in Third Avenue International Value Fund), the Trust has retained a third-party provider that, under certain circumstances, applies a statistical model to provide fair value pricing for certain equity securities. See “How to Purchase Shares —Price of Shares” above.

HOW TO EXCHANGE SHARES

Inter-Fund Exchange Privilege

You may exchange shares of a class of one Fund of the Trust for shares of the same class of another Fund of the Trust, in writing or by telephone, at NAV without the payment of any fee or charge, except that a fee will be applicable upon the following: the exchange of shares of Third Avenue Focused Credit Fund held for less than one year after issuance, or the exchange of shares of Third Avenue Value Fund, Third Avenue Small-Cap Value Fund, Third Avenue Real Estate Value Fund or Third Avenue International Value Fund held for sixty days (60) or less after issuance. See “How to Redeem Shares — Frequent Trading and Early Redemption Fee” for details. An exchange is considered a sale of shares and may result in capital gain or loss for federal and state income tax purposes.

If you want to use this exchange privilege, you should elect the service on your Application.

If the Funds or their designees receive exchange instructions in writing, by telephone at (800) 443-1021, or by Internet at www.thirdave.com in good order by the valuation time on any business day, the exchange will be effected that day. For an exchange request to be in good order, it must include your name as it appears on the account, the account number, the amount to be exchanged, the names of the Funds from which and to which the exchange is to be made and a signature guarantee as may be required.

DIVIDENDS, CAPITAL GAIN DISTRIBUTIONS AND TAXES

Each Fund (other than the Third Avenue Focused Credit Fund) has elected to be treated, has qualified and intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”). The Third Avenue Focused Credit Fund, which began operations in 2009, will elect to be treated as a regulated investment company under the Code on its first U.S. federal income tax return. The Third Avenue Focused Credit Fund intends to qualify and continue to qualify as a regulated investment company under the Code for all its taxable years. If a Fund so qualifies and distributes each year to its shareholders at least 90% of its investment company taxable income, such Fund will not be required to pay federal income taxes on any income it distributes to shareholders. As a regulated investment company, a Fund is not allowed to utilize any net operating loss deduction realized in a taxable year in computing investment company taxable income in any prior or subsequent taxable year. A Fund is allowed, however, to carry forward any net capital loss for eight years. If a Fund distributes less than an amount equal to the sum of 98% of its ordinary income and 98% of its capital gain net income (including capital gain dividends designated by a Fund and credited to the shareholder but retained by the Fund), and all of any ordinary income and net capital gain from previous years that was not distributed and upon which no tax was paid, then such Fund will be subject to a 4% excise tax on the undistributed amounts. Each Fund expects to distribute substantially all of its investment company taxable income and net capital gains at least annually, except for the Third Avenue Focused Credit Fund, which intends to pay dividends from income it earns on its investments (less expenses) on a calendar quarter basis. Third Avenue Focused Credit Fund intends to make capital gains distributions, if any, typically in December of each year, and may pay additional distributions at other times in order to avoid the excise tax discussed above.

Distributions from investment company taxable income, which includes short-term capital gains, are subject to tax as ordinary income. A portion of these distributions may

constitute “qualified dividend income” to individual shareholders, and corporate shareholders may be able to claim the corporate dividends received deduction with regard to a portion of such distributions. Distributions of net long-term capital gain are subject to tax as a long-term capital gain regardless of the length of time you have held Fund shares. For individuals, short-term capital gains and ordinary income, other than qualified dividend income, will currently be taxed at a maximum federal rate of 35% while long-term gains and qualified dividend income generally will be taxed at a maximum federal rate of 15%.

Each Fund will notify you of the tax status of ordinary income dividends and capital gain distributions after the end of each calendar year. Shareholders receiving distributions in the form of additional shares of the same class of the Fund will be treated for federal income tax purposes in the same manner as if they had received cash distributions equal in value to the shares received and will have a cost basis for federal income tax purposes in each share received equal to the NAV of a share of a Fund on the date of distribution.

If you purchase shares at a time when a Fund has realized income or capital gains which have not yet been distributed, the subsequent distribution may result in taxable income to you even though such distribution may be, for you, the economic equivalent of a return of capital.

You will generally recognize taxable gain or loss on a sale, exchange or redemption of shares in an amount equal to the difference between the amount received and your basis in such shares. This gain or loss will generally be capital and will be long-term capital gain or loss if the shares were held for more than one year. Any loss recognized by shareholders upon a taxable disposition of shares held for six months or less will be treated as a long-term capital loss to the extent of any capital gain dividends received with respect to such shares. A loss realized on the disposition of shares of a Fund will be disallowed to the extent identical (or substantially identical) shares are acquired in a 61-day period beginning 30 days before and

ending 30 days after the date of such disposition. In that event, the basis of the replacement shares of a Fund will be adjusted to reflect the disallowed loss. You should be aware that an exchange of shares in a Fund for shares in other Funds operated by the Trust is treated for federal income tax purposes as a sale and a purchase of shares, which may result in recognition of a gain or loss and be subject to federal income tax.

The SAI contains a more detailed summary of the federal tax rules that apply to the Funds and their shareholders. Legislative, judicial or administrative action may change the tax rules that apply to the Funds or their shareholders and any such change may be retroactive.

The preceding discussion is meant to be only a general summary of the potential federal income tax consequences of an investment in the Funds by U.S. shareholders. The tax law is subject to revision and special rules may apply depending upon your specific tax status or if you are investing through a tax-deferred retirement account.

You should consult your tax advisers as to the federal, state, local and non-U.S. tax consequences to you of ownership of shares of a Fund.

Distribution Options

You should specify on your Application how you wish to receive distributions. If no election is made on the Application, all distributions will automatically be

reinvested in additional shares of that class of the Fund. Each Fund offers four options:

- (1) income dividends and capital gain distributions paid in cash;
- (2) income dividends paid in cash with capital gain distributions reinvested in additional shares of that class of the Fund;
- (3) income dividends reinvested with capital gain distributions paid in cash; or
- (4) both distributions automatically reinvested in additional shares of that class of the Fund.

Any distribution payments returned by the post office as undeliverable will be reinvested in additional shares of the same class of the applicable Fund at the NAV next determined.

Withholding

The Funds may be required to backup withhold on taxable dividends and certain other payments to shareholders who do not furnish to the Funds their correct taxpayer identification number (in the case of individuals, their social security number), and make certain certifications, or who are otherwise subject to backup withholding. Investors should be sure to provide this information when they complete the Application. Backup withholding is not an additional tax. Any amount withheld from payments made to you may be refunded or credited against your U.S. federal income tax liability.

SHAREHOLDER SERVICES

Each Fund provides you with helpful services and information about your account:

- A confirmation after every transaction (other than certain dividends, distributions, and reinvestments, for which you receive a statement within ten days of the quarter end);
- An annual account statement reflecting all transactions for the year;
- Tax information mailed after the close of each calendar year;
- Financial statements of the Fund, mailed at least twice a year;
- Shareholder quarterly reports and shareholder letters mailed four times a year;
- 24-hour automatic voice response service; and
- Online account access through the Funds' web site: www.thirdave.com.

You may choose to receive shareholder quarterly reports and shareholder letters by email rather than hard copy by signing up for e-delivery at www.thirdave.com. The Funds' most recent reports are available online at www.thirdave.com.

The Funds pay for shareholder services but not for special services, such as requests for historical transcripts of accounts. PNC currently charges \$10 per year for duplication of historical account activity records, with a maximum fee of \$100.

Telephone Information

Your Account

Questions about your account, purchases, redemptions and distributions can be answered by PNC Monday through Friday, 9:00 a.m. to 7:00 p.m., Eastern time. Call toll free (800) 443-1021, Option 1, or (610) 382-7819.

The Funds

Questions about the Funds and literature requests can be answered by the Funds' telephone representatives Monday through Friday, 9:00 a.m. to 7:00 p.m., Eastern time. Call toll free (800) 443-1021, Option 1, or (610) 382-7819.

To Redeem Shares

To redeem shares by telephone, call PNC prior to 4:00 p.m., Eastern time on the day you wish to redeem. Call toll free (800) 443-1021, Option 1, or (610) 382-7819.

Transfer of Ownership

You may transfer Fund shares or change the name or form in which the shares are registered by writing to PNC. The letter of instruction must clearly identify the account number, name(s) and number of shares to be transferred, and provide a certified taxpayer identification number by way of a completed new Application and W-9 form, and include the signature(s) of all registered owners, and any share certificates issued. The signature(s) on the transfer instructions or any stock power must be guaranteed as described under "Signature Guarantees/Other Documents."

Portfolio Disclosure

A description of the policies with respect to the disclosure of the Funds' portfolio securities is available in the Funds' SAI and on the Funds' website at www.thirdave.com.

FINANCIAL HIGHLIGHTS

The following Financial Highlights tables are intended to help you understand each Fund's financial performance. For the Funds, these tables reflect data for the last five fiscal years or since inception, if shorter. Certain information reflects financial results for a single Institutional Class share of each Fund and in the case of the Third Avenue Focused Credit Fund, also for a single Investor Class share. The total returns in the tables represent the rate that an investor would have earned or lost on an investment in a Fund (assuming reinvestment of all dividends and distributions). The Financial Highlights for the fiscal years included herein have been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, whose unqualified report on the October 31, 2009 financial statements appears in the Funds' Annual Report to Shareholders. This information should be read in conjunction with the financial statements and accompanying notes appearing in the 2009 Annual Report to Shareholders, which is available upon request.

THIRD AVENUE VALUE FUND

Selected data (for an Institutional Class share outstanding throughout each year) and ratios are as follows:

	Years Ended October 31,				
	2009	2008	2007	2006	2005
Net asset value, beginning of period	<u>\$35.16</u>	<u>\$68.04</u>	<u>\$60.29</u>	<u>\$58.62</u>	<u>\$48.16</u>
Income from investment operations:					
Net investment income	0.81 [®]	1.01 [®]	1.52	2.40	0.60
Net gain on securities (both realized and unrealized)	<u>8.81¹</u>	<u>(31.80)¹</u>	<u>9.57¹</u>	<u>4.76¹</u>	<u>10.64¹</u>
Total from investment operations	<u>9.62</u>	<u>(30.79)</u>	<u>11.09</u>	<u>7.16</u>	<u>11.24</u>
Less distributions:					
Dividends from net investment income	(0.18)	(1.63)	(3.24)	(1.61)	(0.78)
Distributions from realized gains	<u>(0.00)*</u>	<u>(0.46)</u>	<u>(0.10)</u>	<u>(3.88)</u>	<u>—</u>
Total distributions	<u>(0.18)</u>	<u>(2.09)</u>	<u>(3.34)</u>	<u>(5.49)</u>	<u>(0.78)</u>
Net asset value, end of period	<u>\$44.60</u>	<u>\$35.16</u>	<u>\$68.04</u>	<u>\$60.29</u>	<u>\$58.62</u>
Total return	27.59%	(46.52)%	19.25%	13.08%	23.55%
Ratios/Supplemental Data:					
Net assets, end of period (in thousands)	\$5,688,276	\$5,372,294	\$12,124,948	\$9,275,574	\$6,369,236
Ratio of expenses to average net assets	1.17%	1.11%	1.08%	1.08%	1.10%
Ratio of net investment income to average net assets	2.23%	1.89%	1.32%	2.83%	0.77%
Portfolio turnover rate	5%	17%	5%	7%	16%

¹ Includes redemption fees of less than \$0.01 per share.

[®] Calculated based on the average number of shares outstanding during the period.

* Amount is less than \$0.01.

FINANCIAL HIGHLIGHTS

THIRD AVENUE SMALL-CAP VALUE FUND

Selected data (for an Institutional Class share outstanding throughout each year) and ratios are as follows:

	Years Ended October 31,				
	2009	2008	2007	2006	2005
Net asset value, beginning of period	\$16.45	\$27.66	\$26.54	\$24.23	\$20.98
Income from investment operations:					
Net investment income	0.19 [®]	0.09 [®]	0.27	0.44	0.17
Net gain on securities (both realized and unrealized)	1.18 ¹	(8.58) ¹	2.27 ¹	2.50 ¹	3.25 ²
Total from investment operations	1.37	(8.49)	2.54	2.94	3.42
Less distributions:					
Dividends from net investment income	(0.12)	(0.23)	(0.43)	(0.30)	(0.09)
Distributions from realized gains	(0.53)	(2.49)	(0.99)	(0.33)	(0.08)
Total distributions	(0.65)	(2.72)	(1.42)	(0.63)	(0.17)
Net asset value, end of period	\$17.17	\$16.45	\$27.66	\$26.54	\$24.23
Total return	9.34%	(33.50)%	9.93%	12.33%	16.36%
Ratios/Supplemental Data:					
Net assets, end of period (in thousands)	\$1,217,827	\$1,372,740	\$2,245,342	\$2,409,624	\$1,873,516
Ratio of expenses to average net assets	1.13%	1.10%	1.09%	1.09%	1.13%
Ratio of net investment income to average net assets	1.29%	0.40%	0.95%	1.67%	0.80%
Portfolio turnover rate	15%	46%	27%	15%	11%

¹ Includes redemption fees of less than \$0.01 per share.

² Includes redemption fees of \$0.01 per share.

[®] Calculated based on the average number of shares outstanding during the period.

FINANCIAL HIGHLIGHTS

THIRD AVENUE REAL ESTATE VALUE FUND

Selected data (for an Institutional Class share outstanding throughout the year) and ratios are as follows:

	Years Ended October 31,				
	2009	2008	2007	2006	2005
Net asset value, beginning of period	\$16.21	\$35.47	\$36.34	\$29.41	\$25.47
Income from investment operations:					
Net investment income	0.63 [®]	0.31 [®]	0.85	0.32	0.33
Net gain on securities (both realized and unrealized)	3.45 ¹	(15.72) ¹	1.80 ²	8.08 ¹	4.05 ²
Total from investment operations	4.08	(15.41)	2.65	8.40	4.38
Less distributions:					
Dividends from net investment income	(0.43)	(0.60)	(0.89)	(0.44)	(0.18)
Distributions from realized gains	—	(3.25)	(2.63)	(1.03)	(0.26)
Total distributions	(0.43)	(3.85)	(3.52)	(1.47)	(0.44)
Net asset value, end of period	\$19.86	\$16.21	\$35.47	\$36.34	\$29.41
Total return	26.16%	(47.87)%	7.68%	29.78%	17.36%
Ratios/Supplemental Data:					
Net assets, end of period (in thousands)	\$1,381,313	\$1,255,630	\$2,934,708	\$3,139,784	\$2,873,769
Ratio of expenses to average net assets	1.18%	1.12%	1.10%	1.11%	1.14%
Ratio of net investment income to average net assets	4.00%	1.22%	1.14%	0.80%	1.15%
Portfolio turnover rate	24%	34%	19%	10%	13%

¹ Includes redemption fees of \$0.01 per share.

² Includes redemption fees of \$0.02 per share.

[®] Calculated based on the average number of shares outstanding during the period.

FINANCIAL HIGHLIGHTS

THIRD AVENUE INTERNATIONAL VALUE FUND

Selected data (for an Institutional Class share outstanding throughout the year) and ratios are as follows:

	Years Ended October 31,				
	2009	2008	2007	2006	2005
Net asset value, beginning of period	\$11.51	\$25.01	\$23.77	\$20.40	\$17.17
Income from investment operations:					
Net investment income	0.11 [®]	0.10 [®]	0.37	0.86 [†]	0.30
Net gain on securities (both realized and unrealized)	3.73 ²	(9.76) ³	3.69 ²	3.07 ¹	3.15 ¹
Total from investment operations	3.84	(9.66)	4.06	3.93	3.45
Less distributions:					
Dividends from net investment income	(0.03)	(0.78)	(1.08)	(0.46)	(0.22)
Distributions from realized gains	(0.14)	(3.06)	(1.74)	(0.10)	—
Total distributions	(0.17)	(3.84)	(2.82)	(0.56)	(0.22)
Net asset value, end of period	\$15.18	\$11.51	\$25.01	\$23.77	\$20.40
Total return ⁴	33.87%	(44.31)%	18.86%	19.63%	20.24%
Ratios/Supplemental Data:					
Net assets, end of period (in thousands)	\$1,332,360	\$1,069,308	\$2,328,583	\$2,357,644	\$1,934,959
Ratio of expenses to average net assets					
Before expense reimbursement/recovery	1.51%	1.48%	1.45%	1.45%	1.52%
After expense reimbursement/recovery ⁵	1.47% ⁶	N/A	N/A	N/A	1.53%
Ratio of net investment income to average net assets					
Before expense reimbursement/recovery	0.89%	0.57%	1.48%	3.25% [†]	1.19%
Portfolio turnover rate	16%	30%	23%	34%	3%

¹ Includes redemption fees of \$0.02 per share.

² Includes redemption fees of less than \$0.01 per share.

³ Includes redemption fees of \$0.01 per share.

⁴ Performance figures may reflect contractual fee waivers and/or expense reimbursements. Past performance is no guarantee of future results. In the absence of contractual fee waivers and/or expense reimbursements, the total return would have been lower.

⁵ As a result of a contractual expense limitation, effective July 1, 2009 until June 30, 2011, the ratio of expenses, other than brokerage, taxes and extraordinary expenses, to average net assets will not exceed 1.40%. Prior to July 1, 2009, the contractual expense limitation was 1.75%.

⁶ The investment adviser contractually waived a portion of its fees.

[†] Investment income per share reflects a special dividend which amounted to \$0.22 per share. Excluding this special dividend, the ratio of net investment income to average net assets would have been 2.25%.

[®] Calculated based on the average number of shares outstanding during the period.

FINANCIAL HIGHLIGHTS

THIRD AVENUE FOCUSED CREDIT FUND

Selected data (for an Institutional Class and an Investor Class share outstanding throughout the period) and ratios are as follows:

	Fiscal Period Ended October 31, 2009*	
	Institutional Class	Investor Class
Net asset value, beginning of period	\$10.00	\$10.00
Income from investment operations:		
Net investment income	0.08 [®]	0.07 [®]
Net gain on securities (both realized and unrealized)	0.18	0.18 ¹
Total from investment operations	0.26	0.25
Net asset value, end of period	<u>\$10.26</u>	<u>\$10.25</u>
Total return ²	2.60% ³	2.50% ³
Ratios/Supplemental Data:		
Net assets, end of period (in thousands)	\$191,926	\$90,913
Ratio of expenses to average net assets		
Before expense reimbursement/recovery	1.18% ⁴	1.53% ⁴
After expense reimbursement/recovery ⁵	0.95% ^{4#}	1.40% ^{4#}
Ratio of net investment income to average net assets	4.59% ⁴	4.18% ⁴
Portfolio turnover rate	12% ³	12% ³

¹ Includes redemption fees of less than \$0.01 per share.

² Performance figures may reflect contractual fee waivers and/or expense reimbursements. Past performance is no guarantee of future results. In the absence of contractual fee waivers and/or expense reimbursements, the total return would have been lower.

³ Not annualized.

⁴ Annualized.

⁵ As a result of a contractual expense limitation, the ratio of expenses to average net assets will not exceed 0.95% for the Institutional Class and 1.40% for the Investor Class, respectively.

[#] The investment adviser contractually waived a portion of its fees.

[®] Calculated based on the average number of shares outstanding during the period.

* The Fund commenced operations on August 31, 2009.

Third Avenue Funds

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Investment Adviser

Third Avenue Management LLC
622 Third Avenue
New York, NY 10017

FOR MORE INFORMATION

More information on the Third Avenue Funds is available free upon request, including the following:

- Shareholder reports — Additional information about the Funds' investments is available in the Funds' Annual and Semi-Annual Reports to Shareholders. The Funds' Annual Report to Shareholders contains a discussion of the market conditions and investment strategies that significantly affected the Funds' performances during the last fiscal year.
- Statement of Additional Information (SAI) — The SAI provides more detailed information about the Funds, is on file with the Securities and Exchange Commission (the "SEC"), and is incorporated by reference (is legally considered part of this Prospectus).

You can obtain the Funds' SAI and Reports to Shareholders without charge, upon request, and otherwise make inquiries to the Funds by writing or calling the Funds at 622 Third Avenue, New York, NY 10017, (800) 443-1021 or (212) 888-5222.

The Funds' Prospectus, SAI, Shareholder Reports and other additional information are available through the Funds' website at www.thirdave.com

Information about the Funds, including the SAI, can be reviewed at the SEC's Public Reference Room in Washington D.C. (phone 202-551-5850 for information). Copies of this information may be obtained, upon payment of a duplicating fee, by electronic request at the e-mail address publicinfo@sec.gov, or by writing the SEC's Public Reference Branch, 100 F Street NE, Room 1580, Washington, D.C. 20549. Reports and other information about the Funds are also available on the SEC's Internet Web site (<http://www.sec.gov>).

The Trust's SEC file number is 811-08039.