



Third Avenue Value Fund

Third Avenue Small-Cap Value Fund

Third Avenue Real Estate Value Fund

Third Avenue International Value Fund

SEMI-ANNUAL REPORT

April 30, 2007



THIRD AVENUE FUNDS

Privacy Policy

Third Avenue Funds respects your right to privacy. We also know that you expect us to conduct and process your business in an accurate and efficient manner. To do so, we must collect and maintain certain personal information about you. This is the information we collect from you on applications or other forms and from the transactions you make with us, our affiliates, or third parties. We do not disclose any information about you or any of our former customers to anyone, except to our affiliates (which may include the Funds' distributor and the Funds' affiliated money management entities) and service providers, or as otherwise permitted by law. To protect your personal information, we permit access only by authorized employees. Be assured that we maintain physical, electronic and procedural safeguards that comply with federal standards to guard your personal information.

Proxy Voting Policies and Procedures

The Funds have delegated the voting of proxies relating to their voting securities to the Adviser pursuant to the Adviser's proxy voting guidelines. A description of these proxy voting guidelines and procedures, as well as information relating to how a Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, is available (i) without charge, upon request, by calling (800) 443-1021, (ii) on the website of the Securities and Exchange Commission <http://www.sec.gov>, and (iii) the Funds' website www.thirdavenuefunds.com.

Schedule of Portfolio Holdings—Form N-Q

The Funds file their complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. The Third Avenue Funds Form N-Q will be available on the Commission's website at <http://www.sec.gov>, and may be reviewed and copied at the Commission's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.



**Third Avenue Trust
Third Avenue Value Fund
Portfolio of Investments
at April 30, 2007
(Unaudited)**

	Principal Amount (\$)	Issues	Value
Corporate Debt Instruments - 0.44%			
Auto Parts - 0.12%		Collins & Aikman Products Co.:	
	250,750,000	10.750%, due 12/31/11 (a) *	\$ 13,791,250
	2,000,000	12.875%, due 08/15/12 (a) (d) *	12,500
			<u>13,803,750</u>
Automotive - 0.01%	2,005,000	General Motors Corp., step bond, 0.000% until 03/15/16 (7.750% thereafter), due 03/15/36	<u>721,800</u>
Consumer Products - 0.12%	13,803,603	Home Products International, Inc., 2nd Lien, Convertible, PIK, 6.000%, due 03/20/17 (b)	<u>13,803,603</u>
Energy & Utilities - 0.10%	10,000,000	Mirant Americas Generation LLC, 8.500%, due 10/01/21	<u>10,625,000</u>
Hard Goods Retail - 0.01%		Hechinger Co.:	
	18,648,000	6.950%, due 10/15/03 (a) (b) *	477,574
	14,752,000	9.450%, due 11/15/12 (a) (b) *	377,798
			<u>855,372</u>
Retail - 0.08%	86,205,118	Sears Holding Corp. Trade Claims (a) (b)	<u>8,766,742</u>
		Total Corporate Debt Instruments (Cost \$196,987,314)	<u>48,576,267</u>
	Shares		
Preferred Stocks - 0.02%			
Auto Supply - 0.02%	759,866	ISE Corp. Series B (b)	<u>2,499,959</u>
Financial Insurance/Credit Enhancement - 0.00%#	6,045,667	CGA Group, Ltd. Series C (a) (b) (Bermuda)	<u>—</u>
Insurance & Reinsurance - 0.00%#	4,775	Ecclesiastical Insurance, 8.625% (United Kingdom)	13,010
	1,022,245	RS Holdings Convertible, Class A (a) (b)	<u>—</u>
			<u>13,010</u>
		Total Preferred Stocks (Cost \$13,040,361)	<u>2,512,969</u>

The accompanying notes are an integral part of the financial statements.



Third Avenue Trust
Third Avenue Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)

	Shares	Issues	Value
Common Stocks and Warrants - 75.41%			
Annuities & Mutual Fund Management & Sales - 3.42%	1,451,598	Legg Mason, Inc.	\$ 143,984,006
	4,850,000	Mellon Financial Corp.	208,210,500
	489,900	Nuveen Investments, Class A (e)	26,111,670
	139,212	Westwood Holdings Group, Inc.	3,357,793
			<u>381,663,969</u>
Automotive - 6.11%	14,372,600	Toyota Industries Corp. (Japan)	<u>682,032,406</u>
Building Products - 0.62%	1,500,000	USG Corp. (a) (e)	<u>69,225,000</u>
Business Services - 0.11%	337,082	Fair Isaac Corp.	<u>12,037,198</u>
Computerized Securities Trading - 0.05%	132,800	Investment Technology Group, Inc. (a)	<u>5,025,152</u>
Consumer Products - 0.02%	526,368	Home Products International, Inc. (a) (b)	551,077
	47,250	JAKKS Pacific, Inc. (a) (e)	1,135,417
			<u>1,686,494</u>
Depository Institutions - 0.82%	390,800	Berkshire Hills Bancorp, Inc.	12,599,392
	529,600	Brookline Bancorp, Inc. (e)	6,312,832
	218,500	Carver Bancorp, Inc. (c)	3,714,500
	26,127,450	Chong Hing Bank, Ltd. (c) (Hong Kong)	66,267,208
	54,704	Tompkins Trustco, Inc.	2,117,045
	16,354	Toronto-Dominion Bank (The) (Canada)	999,556
			<u>92,010,533</u>
Electronics Components - 2.02%	9,046,200	AVX Corp. (c)	150,528,768
	3,500,000	Intel Corp.	75,250,000
			<u>225,778,768</u>

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Third Avenue Trust
Third Avenue Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)

	Shares	Issues	Value
Common Stocks and Warrants (continued)			
Financial Insurance/	3,806,720	ACA Capital Holdings, Inc. (a) (b) (c) (h)	\$ 51,895,116
Credit Enhancement - 3.70%	300,000	Ambac Financial Group, Inc. (e)	27,540,000
	3,477,409	MBIA, Inc. (e)	241,888,570
	1,576,580	Radian Group, Inc.	91,615,064
			<u>412,938,750</u>
Financial Services - 0.13%	250,000	CIT Group, Inc.	<u>14,912,500</u>
Holding Companies - 20.66%	6,560,550	Brookfield Asset Management, Inc., Class A (e) (Canada)	381,495,982
	83,370	Capital Southwest Corp.	12,905,676
	53,819,000	Cheung Kong Holdings, Ltd. (Hong Kong)	701,771,579
	3,951,800	Guoco Group, Ltd. (Hong Kong) ¹	57,288,571
	27,482,000	Henderson Investment, Ltd. (Hong Kong)	58,319,851
	12,713,000	Hutchison Whampoa, Ltd. (Hong Kong)	123,109,244
	10,665,000	Investor AB, Class A (Sweden)	283,336,691
	2,200,000	Jardine Matheson Holdings, Ltd. (Hong Kong) ¹	51,480,000
	359,250	Pargesa Holding SA (Switzerland)	39,115,194
	4,487,800	Power Corp. of Canada (Canada)	152,639,382
	4,628,913	RHJ International (a) (c) (Belgium)	93,489,147
	42,953,000	Wharf (Holdings), Ltd. (The) (Hong Kong)	159,239,747
	83,555,500	Wheelock & Co., Ltd. (Hong Kong)	193,336,387
			<u>2,307,527,451</u>
Housing Development - 0.48%	208,750	Levitt Corp., Class A (e)	1,772,287
	1,000,000	MDC Holdings, Inc.	51,260,000
			<u>53,032,287</u>
Industrial & Agricultural Equipment - 0.46%	594,300	Alamo Group, Inc. (c)	16,046,100
	299,300	Lindsay Corp. (e)	9,143,615
	360,100	Mestek, Inc. (a)	5,257,460
	360,100	Omega Flex, Inc.	8,001,422
	480,500	Standex International Corp. (e)	13,146,480
			<u>51,595,077</u>

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**Third Avenue Trust
Third Avenue Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)**

	Shares	Issues	Value
Common Stocks and Warrants (continued)			
Insurance & Reinsurance - 0.78%	87,035	ACE, Ltd. (Cayman Islands)	\$ 5,175,101
	432,300	Arch Capital Group, Ltd. (a) (Bermuda)	31,480,086
	15,675	ESG Re, Ltd. Warrants, expires 12/07 (a) (b) (Bermuda)	—
	65,000	Helicon RE Holdings, Ltd. (a) (b) (Bermuda)	7,857,200
	480,000	Montpelier RE Holdings, Ltd. (e) (Bermuda)	8,764,800
	127,500	Olympus RE Holdings, Ltd. (a) (b) (Bermuda)	739,500
	32,089	RS Holdings, Class A (a) (b)	—
	58,300	White Mountains Insurance Group, Ltd. (Bermuda)	33,405,900
			<u>87,422,587</u>
Insurance Services Companies - 0.01%	63,460	Safelite Realty Corp. (b)	621,273
Life Insurance - 0.27%	2,009,900	Phoenix Cos., Inc. (The) (e)	29,947,510
Medical Supplies & Services - 0.87%	342,300	Datascope Corp.	12,682,215
	598,000	PAREXEL International Corp. (a)	23,489,440
	1,275,000	Pharmaceutical Product Development, Inc. (e)	45,989,250
	363,000	St. Jude Medical, Inc. (a)	15,532,770
			<u>97,693,675</u>
Mutual Holding Companies - 0.15%	637,122	Brooklyn Federal Bancorp, Inc.	9,327,466
	16,226	Colonial Bankshares, Inc. (a)	219,051
	173,392	FedFirst Financial Corp. (a)	1,612,546
	142,200	Gouverneur Bancorp, Inc. (c)	1,585,530
	120,000	Home Federal Bancorp, Inc. (e)	1,235,400
	242,800	SFSB, Inc. (a) (c)	2,306,600
	9,200	Westborough Financial Services, Inc.	321,540
			<u>16,608,133</u>

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Third Avenue Trust
Third Avenue Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)

	Shares	Issues	Value
Common Stocks and Warrants (continued)			
Non-Life			
Insurance-Japan - 4.01%	9,159,100	Aioi Insurance Co., Ltd. (Japan)	\$ 62,320,361
	5,290,500	Millea Holdings, Inc., ADR (Japan)	195,483,975
	10,857,140	Mitsui Sumitomo Insurance Co., Ltd. (Japan)	135,663,138
	4,420,560	Sompo Japan Insurance, Inc. (Japan)	54,348,267
			<u>447,815,741</u>
Oil & Gas			
Production & Services - 3.76%	366,632	Cimarex Energy Co. (e)	14,445,301
	626,800	EnCana Corp. (Canada)	32,875,660
	9,090,000	Nabors Industries, Ltd. (a) (Bermuda)	291,970,800
	1,000,000	Suncor Energy, Inc. (Canada)	80,500,000
			<u>419,791,761</u>
Pharmaceuticals - 0.74%			
	1,000,000	Daiichi Sankyo Co., Ltd. (Japan)	29,961,920
	2,000,000	Pfizer, Inc.	52,920,000
			<u>82,881,920</u>
Real Estate - 17.38%			
	1,387,200	Alexander & Baldwin, Inc. (e)	74,145,840
	139,000	Alico, Inc. (e)	8,132,890
	31,000	Consolidated-Tomoka Land Co. (e)	2,326,550
	18,978,281	FNC Realty Corp. (a) (b)	14,233,711
	3,830,526	Forest City Enterprises, Inc., Class A (c) (e)	255,917,442
	1,017,031	Forest City Enterprises, Inc., Class A (c) (d)	67,947,841
	562,876	Forest City Enterprises, Inc., Class A (b) (c) (d)	35,725,458
	22,500	Forest City Enterprises, Inc., Class B	1,503,675
	23,919,000	Hang Lung Group, Ltd. (Hong Kong)	92,038,492
	30,534,000	Hang Lung Properties, Ltd. (Hong Kong)	91,144,521
	53,328,000	Henderson Land Development Co., Ltd. (c) (Hong Kong)	320,756,085
	50,000,000	Henderson Land Development Co., Ltd. (c) (d) (Hong Kong)	300,738,904
	47,348	Homefed Corp. (a) (e)	2,959,250
	4,930,000	Mitsubishi Estate Co., Ltd. (Japan)	154,313,931
	151,000	Mitsui Fudosan Co., Ltd. (Japan)	4,448,424

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**Third Avenue Trust
Third Avenue Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)**

	Shares	Issues	Value
Common Stocks and Warrants (continued)			
Real Estate (continued)	6,072,168	St. Joe Co. (The) (c) (e)	\$ 343,866,874
	3,420,106	Tejon Ranch Co. (a) (c)	<u>170,389,681</u>
			<u>1,940,589,569</u>
Real Estate Investment Trust - 0.39%	676,607	ProLogis	43,844,134
	846	Public Storage, Inc.	<u>78,949</u>
			<u>43,923,083</u>
Retail - 0.28%	165,912	Sears Holding Corp. (a)	<u>31,674,260</u>
Security Brokers, Dealers & Flotation Companies - 0.93%	894,400	Jefferies Group, Inc. (e)	28,352,480
	2,444,062	Raymond James Financial, Inc. (e)	<u>74,983,822</u>
			<u>103,336,302</u>
Semiconductor Equipment Manufacturers - 0.12%	700,000	Applied Materials, Inc.	<u>13,454,000</u>
Software - 0.54%	2,000,000	Microsoft Corp.	<u>59,880,000</u>
Steel & Specialty Steel - 3.45%	445,714	Haynes International, Inc. (a)	34,747,863
	3,350,000	POSCO, ADR (e) (South Korea)	<u>350,879,000</u>
			<u>385,626,863</u>
Telecommunications - 0.19%	2,008,200	Tellabs, Inc. (a)	<u>21,327,084</u>
Title Insurance - 0.63%	1,000,000	First American Corp.	51,500,000
	479,800	Stewart Information Services Corp. (e)	<u>19,297,556</u>
			<u>70,797,556</u>
Transportation - 0.03%	55,032	Florida East Coast Industries, Inc. (e)	<u>3,880,306</u>

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**Third Avenue Trust
Third Avenue Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)**

	Shares	Issues	Value
Common Stocks and Warrants (continued)			
Utilities, Utility Service Companies & Waste Management - 2.28%	8,816,889	Covanta Holding Corp. (a) (c) (h)	\$ 216,366,456
	861,208	Mirant Corp. (a)	38,642,403
			<u>255,008,859</u>
		Total Common Stocks and Warrants (Cost \$5,023,548,040)	<u>8,421,746,067</u>
	Investment Amount (\$)		
Limited Partnerships - 0.01%			
Insurance & Reinsurance - 0.01%	1,805,000	Insurance Partners II Equity Fund, LP (a) (b)	<u>1,106,718</u>
		Total Limited Partnerships (Cost \$821,846)	<u>1,106,718</u>
	Principal Amount (†)		
Short Term Investments - 23.92%			
Foreign Government Obligations - 10.94%	234,000,000	GBP United Kingdom Treasury Bills, 5.09%-5.48%‡, due 05/14/07-08/28/07	<u>463,617,922</u>
	380,000,000	GBP United Kingdom Treasury Bonds, 5.00%-8.50%, due 07/16/07-03/07/08	<u>758,519,947</u>
			<u>1,222,137,869</u>
Repurchase Agreement - 4.58%	510,890,688	Bear Stearns, 5.11%, dated 04/30/07, due 05/01/06 (f)	<u>510,890,688</u>
U.S. Government Obligations - 8.40%	575,000,000	U.S. Treasury Bills, 5.01%-5.17%‡, due 05/17/07-10/18/07	571,395,292
	25,000,000	U.S. Treasury Bills, 5.12%‡, due 05/03/07 (g)	24,993,161
	350,000,000	U.S. Treasury Bills, 5.01%‡, due 10/25/07 (e)	<u>341,740,000</u>
			<u>938,128,453</u>

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**Third Avenue Trust
Third Avenue Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)**

	Principal Amount (†)	Issues	Value
Short Term Investments (continued)			
		Total Short Term Investments (Cost \$2,631,277,477)	<u>\$ 2,671,157,010</u>
Investment of Cash			
Collateral for Securities Loaned - 1.71%			
U.S. Government Obligations - 1.71%	8,860,000	U.S. Treasury Inflation Indexed Bonds, 3.88%, due 04/15/29	17,208,987
	73,800,000	U.S. Treasury Inflation Indexed Notes, 0.88%-3.38%, due 04/15/10-01/15/12	93,894,811
	215,160,000	U.S. Treasury Strip Principal (STRIPS), zero coupon bonds, due 11/15/26-11/15/28	<u>79,544,848</u>
			<u>190,648,646</u>
		Total Investment of Cash Collateral for Securities Loaned (Cost \$190,648,646)	<u>190,648,646</u>
		Total Investment Portfolio - 101.51% (Cost \$8,056,323,684)	<u>11,335,747,677</u>
		Liabilities in excess of Other Assets - (1.51%)	<u>(168,350,346)</u>
		NET ASSETS - 100.00% (Applicable to 176,124,221 shares outstanding)	<u>\$11,167,397,331</u>

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**Third Avenue Trust
Third Avenue Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)**

Notes:

- ADR: American Depository Receipt.
GBP: Great British Pound.
PIK: Payment-in kind.
(a) Non-income producing securities.
(b) Fair-valued securities:

Security	Carrying Value Per Unit	Acquisition Date	Acquisition Cost
ACA Capital Holdings, Inc. ^	\$ 13.63	9/24/1997 to 11/10/2006	\$43,774,056
CGA Group, Ltd., Series C Pfd.	—	3/2/1999	7,039,179
ESG Re, Ltd. Warrants, expires 12/07	—	1/28/1997 to 12/3/1997	—
FNC Realty Corp.	0.75	7/14/2000 to 1/30/2007	20,988,717
Forest City Enterprises, Inc., Class A	63.47	12/14/2006	31,521,056
Hechinger Co. 6.950%, due 10/15/03	2.56	7/9/2003	—
Hechinger Co. 9.450%, due 11/15/12	2.56	7/9/2003	—
Helicon RE Holdings, Ltd.	120.88	1/4/2006 & 1/6/2006	6,500,000
Home Products International, Inc.	1.05	11/29/2000 to 2/10/2003	36,751,650
Home Products International, Inc., 2nd Lien, Convertible, PIK, 6.000%, due 03/20/17	100.00	3/16/2007	13,803,603
Insurance Partners II Equity Fund, LP	0.61	12/15/1998 to 7/26/2004	821,846
ISE Corp. Series B Pfd.	3.29	3/8/2006	4,999,994
Olympus RE Holdings, Ltd.	5.80	12/20/2001	12,750,008
RS Holdings, Class A	—	5/9/2003 to 4/20/2004	30,853
RS Holdings Convertible, Class A Pfd.	—	3/18/2002 to 4/20/2004	991,392
Safelite Realty Corp.	9.79	10/4/2000 to 2/26/2001	73,352
Sears Holding Corp. Trade Claims	0.10	1/22/2002 to 4/30/2003	5,442,521

^ Restricted.

- (c) Affiliated issuers - as defined under the Investment Company Act of 1940 (ownership of 5% or more of the outstanding voting securities of these issuers).
- (d) Security is exempt from registration under Rule 144A of the Securities Act of 1933. This security may be resold in transactions that are exempt from registration, normally to qualified institutional buyers.
- (e) Securities in whole or in part on loan.
- (f) Repurchase agreement collateralized by U.S. Treasury Inflation Indexed Bonds, par value \$367,084,000, due 1/15/25-4/15/29, value \$525,659,625.
- (g) Security is segregated for future fund commitments.
- (h) Security is subject to restrictions on resale.
- * Issuer in default.
- # Amount represents less than 0.01% of total net assets.
- † Denominated in U.S. Dollars unless otherwise noted.
- ‡ Annualized yield at date of purchase.
- ‡ Incorporated in Bermuda.

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**Third Avenue Trust
Third Avenue Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)**

The aggregate cost for federal income tax purposes is \$8,056,323,684.

The aggregate gross unrealized appreciation is \$3,516,939,608.

The aggregate gross unrealized depreciation is \$(237,515,615).

Country Concentration

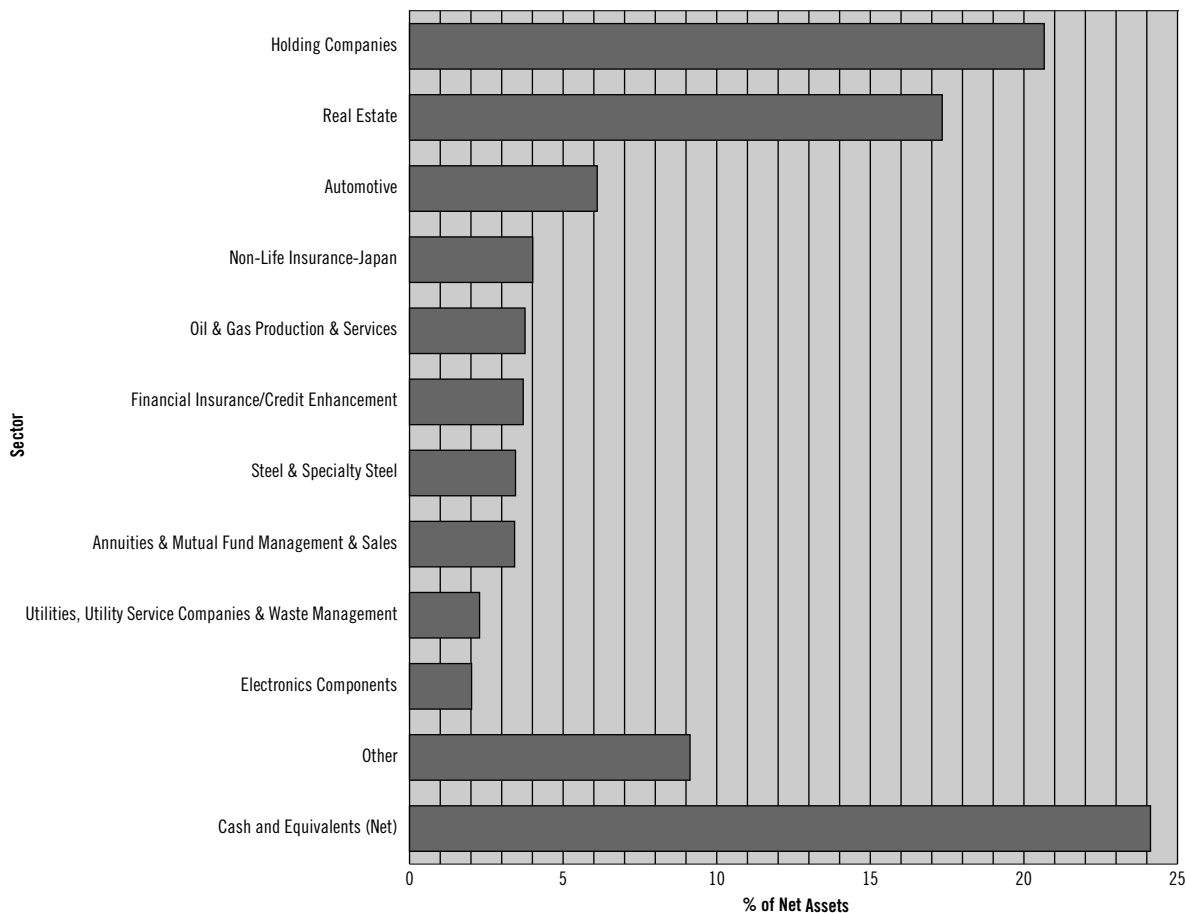
	% of <u>Net Assets</u>
United States	42.85%
Hong Kong	19.84
Japan	11.81
United Kingdom	10.94
Canada	5.81
Bermuda	3.35
South Korea	3.14
Sweden	2.54
Belgium	0.84
Switzerland	0.35
Cayman Islands	0.04
Total	<u>101.51%</u>

The accompanying notes are an integral part of the financial statements.



**Third Avenue Trust
Third Avenue Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)**

The Summary of the Fund's investments as of April 30, 2007 is as follows:
(Unaudited)



The accompanying notes are an integral part of the financial statements.



Third Avenue Trust
Third Avenue Value Fund
Statement of Assets and Liabilities
April 30, 2007
(Unaudited)

Assets:

Investments at value (Notes 1 and 4):	
Unaffiliated issuers (cost of \$6,567,859,742)	\$ 9,047,557,321
Affiliated issuers (cost of \$1,297,815,296)	2,097,541,710
Collateral on loaned securities (cost of \$190,648,646)	190,648,646
Total investments (cost of \$8,056,323,684)	11,335,747,677
Dividends and interest receivable	27,392,109
Receivable for fund shares sold	24,333,398
Other assets	181,802
Other receivables	104,346
Total assets	<u>11,387,759,332</u>

Liabilities:

Collateral on loaned securities (Note 1)	190,648,646
Payable for fund shares redeemed	14,716,500
Payable to investment adviser	8,137,787
Payable for securities purchased	5,226,989
Accounts payable and accrued expenses	1,124,356
Payable for other shareholder servicing fees (Note 3)	492,693
Payable to Trustees	15,030
Commitments (Note 6)	—
Total liabilities	<u>220,362,001</u>
Net assets	<u>\$11,167,397,331</u>

Summary of net assets:

Capital stock, unlimited shares authorized, \$0.001 par value, 176,124,221 shares outstanding	\$ 8,042,566,883
Accumulated distributions in excess of net investment income	(407,915,653)
Accumulated undistributed net realized gains from investments and foreign currency transactions	253,247,819
Net unrealized appreciation of investments and translation of foreign currency denominated assets and liabilities	<u>3,279,498,282</u>
Net assets applicable to capital shares outstanding	<u>\$11,167,397,331</u>
Net asset value, offering and redemption price per share	<u>\$63.41</u>

The accompanying notes are an integral part of the financial statements.



**Third Avenue Trust
Third Avenue Value Fund
Statement of Operations
For the Six Months Ended April 30, 2007
(Unaudited)**

Investment Income:

Interest	\$ 59,568,275
Dividends-unaffiliated issuers (net of foreign withholding tax of \$2,860,323)	36,041,385
Dividends-affiliated issuers (Note 4)	18,876,706
Securities lending income (Note 1)	510,045
Other income	397,282
Total investment income	<u>115,393,693</u>

Expenses:

Investment advisory fees (Note 3)	45,289,202
Other shareholder servicing fees (Note 3)	4,232,791
Transfer agent fees	994,744
Custodian fees	725,806
Reports to shareholders	603,589
Legal fees	563,509
Accounting services	272,037
Administration fees (Note 3)	242,986
Trustees' and officers' fees and expenses	169,306
Registration and filing fees	164,475
Auditing and tax consulting fees	78,349
Insurance expenses	35,507
Miscellaneous expenses	74,570
Total operating expenses	<u>53,446,871</u>
Net investment income	<u>61,946,822</u>

Realized and unrealized gain on investments:

Net realized gain on investments-unaffiliated issuers	136,777,247
Net realized gain on investments-affiliated issuers	87,612,500
Net realized gain on foreign currency transactions	29,062,053
Net change in unrealized appreciation on investments	748,571,870
Net change in unrealized appreciation on translation of other assets and liabilities denominated in foreign currency	301,689
Net realized and unrealized gain on investments and foreign currency transactions	<u>1,002,325,359</u>

Net increase in net assets resulting from operations

\$1,064,272,181

The accompanying notes are an integral part of the financial statements.



**Third Avenue Trust
Third Avenue Value Fund
Statements of Changes in Net Assets**

	For the Six Months Ended April 30, 2007 (Unaudited)	For the Year Ended October 31, 2006
Operations:		
Net investment income	\$ 61,946,822	\$ 225,899,738
Net realized gain on investments-unaffiliated issuers	136,777,247	49,968,282
Net realized gain on investments-affiliated issuers	87,612,500	2,318,979
Net realized gain on foreign currency transactions	29,062,053	17,934,232
Net change in unrealized appreciation on investments	748,571,870	643,785,382
Net change in unrealized appreciation (depreciation) on translation of other assets and liabilities denominated in foreign currency	<u>301,689</u>	<u>(147,307)</u>
Net increase in net assets resulting from operations	<u>1,064,272,181</u>	<u>939,759,306</u>
Distributions:		
Dividends to shareholders from net investment income	(503,985,940)	(184,620,893)
Distributions to shareholders from net realized gains	<u>(15,884,314)</u>	<u>(444,291,930)</u>
Decrease in net assets from distributions	<u>(519,870,254)</u>	<u>(628,912,823)</u>
Capital Share Transactions:		
Proceeds from sale of shares	1,643,066,266	3,398,645,067
Net asset value of shares issued in reinvestment of dividends and distributions	472,646,024	596,947,045
Redemption fees	131,567	354,473
Cost of shares redeemed	<u>(768,422,457)</u>	<u>(1,400,455,286)</u>
Net increase in net assets resulting from capital share transactions	<u>1,347,421,400</u>	<u>2,595,491,299</u>
Net increase in net assets	1,891,823,327	2,906,337,782
Net assets at beginning of period	<u>9,275,574,004</u>	<u>6,369,236,222</u>
Net assets at end of period (including undistributed net investment income of \$0 and \$34,123,465, respectively)	<u>\$1,167,397,331</u>	<u>\$9,275,574,004</u>

The accompanying notes are an integral part of the financial statements.



**Third Avenue Trust
Third Avenue Value Fund
Financial Highlights**

Selected data (for a share outstanding throughout each period) and ratios are as follows:

	For the Six Months Ended April 30, 2007 (Unaudited)	Years Ended October 31,				
		2006	2005	2004	2003	2002
Net asset value, beginning of period	\$60.29	\$58.62	\$48.16	\$40.62	\$29.90	\$34.50
Income (loss) from investment operations:						
Net investment income	0.70	2.40	0.60	0.16	0.40	0.31
Net gain (loss) on securities (both realized and unrealized)	5.76 ¹	4.76 ¹	10.64 ¹	7.70 ¹	10.75	(4.11)
Total from investment operations	6.46	7.16	11.24	7.86	11.15	(3.80)
Less distributions:						
Dividends from net investment income	(3.24)	(1.61)	(0.78)	(0.32)	(0.39)	(0.61)
Distributions from realized gains	(0.10)	(3.88)	—	—	(0.04)	(0.19)
Total distributions	(3.34)	(5.49)	(0.78)	(0.32)	(0.43)	(0.80)
Net asset value, end of period	\$63.41	\$60.29	\$58.62	\$48.16	\$40.62	\$29.90
Total return	11.13% ²	13.08%	23.55%	19.48%	37.76%	(11.40%)
Ratios/Supplemental Data:						
Net assets, end of period (in thousands)	\$11,167,397	\$9,275,574	\$6,369,236	\$3,797,964	\$3,018,013	\$2,198,110
Ratio of expenses to average net assets	1.06% ³	1.08%	1.10%	1.12%	1.11%	1.07%
Ratio of net investment income to average net assets	1.23% ³	2.83%	0.77%	0.34%	1.23%	0.90%
Portfolio turnover rate	5% ²	7%	16%	8%	11%	19%

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

² Not annualized.

³ Annualized.

The accompanying notes are an integral part of the financial statements.



**Third Avenue Trust
Third Avenue Small-Cap Value Fund
Portfolio of Investments
at April 30, 2007
(Unaudited)**

	Principal Amount (\$)	Issues	Value
Bank Debt - 0.00%#			
Technology - 0.00%#	4,942,604	Insilco Technologies Bank Debt (a) (b) (d)	\$ 20,841
		Total Bank Debt (Cost \$0)	<u>20,841</u>
		Quantity	
Subscription Receipts - 1.11%			
Agriculture Chemicals - 1.11%	3,799,687	Saskatchewan Wheat Pool (a) (b) (f) (g) (Canada)	<u>27,175,345</u>
		Total Subscription Receipts (Cost \$25,808,091)	<u>27,175,345</u>
		Shares	
Common Stocks - 80.47%			
Aerospace & Defense - 0.84%	1,338,130	Herley Industries, Inc. (a) (c)	<u>20,674,109</u>
Agriculture Chemicals - 1.52%	966,200	Agrium, Inc. (Canada)	<u>37,420,926</u>
Annuities & Mutual Fund Management & Sales - 0.05%	52,863	Westwood Holdings Group, Inc.	<u>1,275,056</u>
Auto Parts - 0.60%	642,200	Superior Industries International, Inc.	<u>14,674,270</u>
Banking - 1.44%	474,613	Kearny Financial Corp.	6,715,774
	1,259,961	NewAlliance Bancshares, Inc.	19,667,991
	290,110	Rockville Financial, Inc.	4,247,210
	275,636	Wauwatosa Holdings, Inc. (a)	4,826,386
			<u>35,457,361</u>
Cable Television Equipment - 2.40%	1,266,700	CommScope, Inc. (a)	<u>59,091,555</u>
Chemicals & Allied Products - 1.11%	935,770	Westlake Chemical Corp.	<u>27,315,126</u>
Computer Peripherals - 0.39%	177,900	Lexmark International, Inc., Class A (a)	<u>9,695,550</u>

The accompanying notes are an integral part of the financial statements.



Third Avenue Trust
Third Avenue Small-Cap Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)

	Shares	Issues	Value
Common Stocks (continued)			
Consumer Products - 4.12%	1,325,055	JAKKS Pacific, Inc. (a)	\$ 31,841,072
	1,271,276	K-Swiss, Inc., Class A	36,714,451
	1,746,850	Leapfrog Enterprises, Inc. (a)	19,145,476
	901,300	Russ Berrie & Co., Inc. (a)	13,546,539
			<u>101,247,538</u>
Diversified Media - 0.83%	1,515,751	Journal Communications, Inc., Class A	<u>20,447,481</u>
Electronics Components - 3.22%	707,092	Bel Fuse, Inc., Class B (c)	25,031,057
	659,239	Electronics for Imaging, Inc. (a)	17,581,904
	1,065,350	Ingram Micro, Inc., Class A (a)	20,902,167
	568,100	Park Electrochemical Corp.	15,651,155
			<u>79,166,283</u>
Energy/Coal - 1.09%	1,118,600	Fording Canadian Coal Trust (Canada)	<u>26,891,144</u>
Energy/Services - 3.02%	571,432	Bristow Group, Inc. (a)	21,485,843
	1,028,200	Bronco Drilling Co., Inc. (a)	18,589,856
	487,400	Precision Drilling Trust (Canada)	11,731,718
	352,800	Tidewater, Inc.	22,300,488
			<u>74,107,905</u>
Financial Insurance/Credit Enhancement - 0.45%	802,698	ACA Capital Holdings, Inc. (a) (b) (g)	<u>10,942,781</u>
Food/Meat Products - 0.33%	204,805	Sanderson Farms, Inc.	<u>8,095,942</u>
Forest Products & Paper - 7.82%	3,813,800	Canfor Corp. (a) (Canada)	41,027,815
	734,344	Canfor Pulp Income Fund (Canada)	9,825,217
	12,107,879	Catalyst Paper Corp. (a) (b) (c) (f) (Canada)	36,990,176
	750,875	Deltic Timber Corp. (c)	37,506,206
	1,763,742	Glatfelter	26,367,943
	2,612,600	TimberWest Forest Corp. (Canada)	40,534,257
			<u>192,251,614</u>

The accompanying notes are an integral part of the financial statements.



Third Avenue Trust
Third Avenue Small-Cap Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)

	Shares	Issues	Value
Common Stocks (continued)			
Healthcare Services - 1.02%	678,431	Cross Country Healthcare, Inc. (a)	\$ 13,358,306
	323,230	Pharmaceutical Product Development, Inc.	11,658,906
			<u>25,017,212</u>
Holding Companies - 5.51%	1,401,525	Brookfield Asset Management, Inc., Class A (Canada)	81,498,679
	449,743	IDT Corp.	4,762,779
	1,706,400	IDT Corp., Class B	18,855,720
	3,111,000	JZ Equity Partners PLC (United Kingdom)	10,793,443
	645,300	Leucadia National Corp.	19,449,342
			<u>135,359,963</u>
Home Furnishings - 0.97%	1,100,094	Stanley Furniture Co., Inc. (c)	<u>23,806,034</u>
Industrial Equipment - 4.68%	416,300	Alamo Group, Inc.	11,240,100
	1,142,139	A.S.V., Inc. (a)	17,337,670
	1,080,151	Bandag, Inc. (c)	54,482,816
	688,800	Trinity Industries, Inc.	31,960,320
			<u>115,020,906</u>
Insurance & Reinsurance - 3.18%	322,900	Arch Capital Group, Ltd. (a) (Bermuda)	23,513,578
	59,974	E-L Financial Corp., Ltd. (Canada)	39,445,914
	65,000	Helicon RE Holdings, Ltd. (a) (b) (Bermuda)	7,857,200
	135,000	Montpelier RE Holdings, Ltd. (Bermuda)	2,465,100
	400,000	Sompo Japan Insurance, Inc. (Japan)	4,917,772
			<u>78,199,564</u>
Life Insurance - 2.65%	179,000	FBL Financial Group, Inc., Class A	6,934,460
	184,559	National Western Life Insurance Co., Class A (c)	49,406,444
	589,400	Phoenix Cos., Inc. (The)	8,782,060
			<u>65,122,964</u>
Manufactured Housing - 0.44%	327,339	Skyline Corp.	<u>10,753,086</u>

The accompanying notes are an integral part of the financial statements.



Third Avenue Trust
Third Avenue Small-Cap Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)

	Shares	Issues	Value
Common Stocks (continued)			
Metals Manufacturing - 0.57%	507,185	Encore Wire Corp.	\$ 14,049,025
Oil & Gas - 13.23%	2,080,809	Cimarex Energy Co.	81,983,875
	535,800	CNX Gas Corp. (a)	15,034,548
	1,661,873	Comstock Resources, Inc. (a)	47,114,100
	1,641,017	Pogo Producing Co.	79,195,480
	1,407,300	St. Mary Land & Exploration Co.	51,535,326
	1,144,910	Whiting Petroleum Corp. (a)	50,398,938
			<u>325,262,267</u>
Real Estate - 10.74%	680,446	Alexander & Baldwin, Inc.	36,369,839
	279,531	Alico, Inc.	16,355,359
	749,200	Forest City Enterprises, Inc., Class A	50,054,052
	3,801,200	Parco Co., Ltd. (Japan)	43,011,444
	1,338,700	Sapporo Holdings, Ltd. (Japan)	9,635,368
	977,700	St. Joe Co. (The)	55,367,151
	322,646	Tejon Ranch Co. (a)	16,074,224
	653,170	Vail Resorts, Inc. (a)	37,243,753
			<u>264,111,190</u>
Retail - 1.37%	337,500	Buckle, Inc. (The)	12,021,750
	1,697,770	Haverty Furniture Cos., Inc. (c)	21,663,545
			<u>33,685,295</u>
Semiconductor Equipment Manufacturers & Related - 2.02%	280,700	Coherent, Inc. (a)	8,811,173
	1,237,051	Electro Scientific Industries, Inc. (a)	25,483,251
	1,502,482	GSI Group, Inc. (a) (Canada)	15,295,267
			<u>49,589,691</u>

The accompanying notes are an integral part of the financial statements.



**Third Avenue Trust
Third Avenue Small-Cap Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)**

	Shares	Issues	Value
Common Stocks (continued)			
Software - 3.67%	4,561,952	Borland Software Corp. (a) (c)	\$ 25,410,073
	1,391,113	Magma Design Automation, Inc. (a)	19,099,981
	379,700	Sybase, Inc. (a)	9,184,943
	1,317,736	Synopsys, Inc. (a)	36,448,578
			<u>90,143,575</u>
Telecommunications	3,858,740	Sycamore Networks, Inc. (a)	14,161,576
Equipment - 1.19%	1,414,396	Tellabs, Inc. (a)	15,020,886
			<u>29,182,462</u>
		Total Common Stocks (Cost \$1,407,968,485)	<u>1,978,057,875</u>
	Investment Amount (\$)		
Limited Partnerships - 0.75%			
Holding Companies - 0.75%	1,000,000	AP Alternative Assets LP (a) (b) (Guernsey)	<u>18,477,500</u>
		Total Limited Partnerships (Cost \$20,000,000)	<u>18,477,500</u>
	Principal Amount (\$)		
Short Term Investments - 11.32%			
U.S. Government Obligations - 11.32%	280,000,000	U.S. Treasury Bills, 4.98%-5.17%†, due 05/10/07-07/19/07	<u>278,182,602</u>
		Total Short Term Investments (Cost \$278,152,820)	<u>278,182,602</u>
		Total Investments excluding Repurchase Agreement (Cost \$1,731,929,396)	<u>2,301,914,163</u>

The accompanying notes are an integral part of the financial statements.



**Third Avenue Trust
Third Avenue Small-Cap Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)**

	Principal Amount (\$)	Issues	Value
Repurchase Agreement - 5.84%			
Repurchase Agreement - 5.84%	143,597,199	Bear Stearns, 5.11%, dated 04/30/07, due 05/01/07 (e)	<u>\$ 143,597,199</u>
		Total Repurchase Agreement (Cost \$143,597,199)	<u>143,597,199</u>
		Total Investment Portfolio - 99.49% (Cost \$1,875,526,595)	<u>2,445,511,362</u>
		Other Assets less Liabilities - 0.51%	<u>12,564,838</u>
		NET ASSETS - 100.00% (Applicable to 89,718,702 shares outstanding)	<u><u>\$2,458,076,200</u></u>

Notes:

- (a) Non-income producing securities.
(b) Fair-valued securities:

Security	Carrying Value Per Unit	Acquisition Date	Acquisition Cost
ACA Capital Holdings, Inc. ^^	\$ 13.63	9/30/2004	\$ 8,333,333
AP Alternative Assets LP	18.48	6/8/2006	20,000,000
Catalyst Paper Corp. ^^	3.06	10/23/2006	36,007,695
Helicon RE Holdings, Ltd.	120.88	1/4/2006 & 1/6/2006	6,500,000
Insilco Technologies Bank Debt	0.42	9/18/2002	— [^]
Saskatchewan Wheat Pool ^^	0.86	2/15/2007	25,808,091

- [^] Acquisition Cost has been adjusted for return of capital.
^{^^} Restricted.

- (c) Affiliated issuers - as defined under the Investment Company Act of 1940 (ownership of 5% or more of the outstanding voting securities of these issuers).
(d) Cost has been reduced to \$0 due to distributions received.
(e) Repurchase agreement collateralized by U.S. Inflation Indexed Bonds and Note, par value \$105,455,000, due 1/15/17-4/15/28, value \$147,762,543.
(f) Security is subject to restrictions on resale.
(g) Each subscription receipt will convert to a common share upon the successful completion of Saskatchewan Wheat Pool's bid for the stock of Agricore United.
Amount represents less than 0.01% of total net assets.
† Annualized yield at date of purchase.

The accompanying notes are an integral part of the financial statements.



Third Avenue Trust
Third Avenue Small-Cap Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)

The aggregate cost for federal income tax purposes is \$1,875,526,595.

The aggregate gross unrealized appreciation is \$589,035,091.

The aggregate gross unrealized depreciation is \$(19,050,324).

Country Concentration

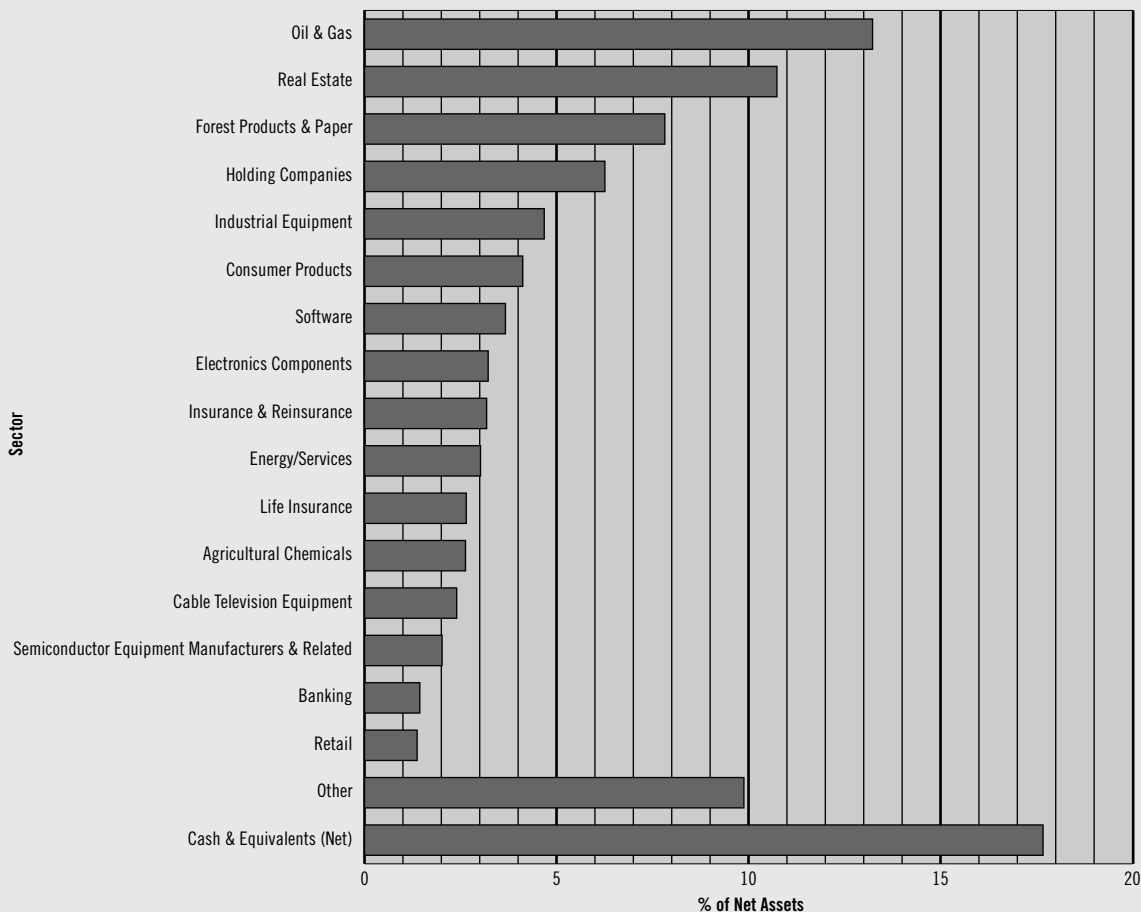
	% of Net Assets
United States	79.62%
Canada	14.96
Japan	2.34
Bermuda	1.38
Guernsey	0.75
United Kingdom	0.44
Total	<u>99.49%</u>

The accompanying notes are an integral part of the financial statements.



**Third Avenue Trust
Third Avenue Small-Cap Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)**

**The Summary of the Fund's investments as of April 30, 2007 is as follows:
(Unaudited)**



The accompanying notes are an integral part of the financial statements.



Third Avenue Trust
Third Avenue Small-Cap Value Fund
Statement of Assets and Liabilities
April 30, 2007
(Unaudited)

Assets:

Investments at value (Notes 1 and 4):	
Unaffiliated issuers (cost of \$1,474,104,427)	\$2,006,943,703
Affiliated issuers (cost of \$257,824,969)	294,970,460
Repurchase agreement (cost of \$143,597,199)	143,597,199
Total investments (cost of \$1,875,526,595)	<u>2,445,511,362</u>
Receivable for securities sold	16,691,438
Dividends and interest receivable	1,169,283
Receivable for fund shares sold	996,765
Other assets	43,672
Total assets	<u>2,464,412,520</u>

Liabilities:

Payable for fund shares redeemed	2,831,800
Payable to investment adviser	1,827,185
Payable for securities purchased	939,241
Accounts payable and accrued expenses	533,914
Payable for other shareholder servicing fees (Note 3)	192,609
Payable to Trustees	11,571
Commitments (Note 6)	—
Total liabilities	<u>6,336,320</u>
Net assets	<u>\$2,458,076,200</u>

Summary of net assets:

Capital stock, unlimited shares authorized, \$0.001 par value, 89,718,702 shares outstanding	\$1,778,277,268
Accumulated distributions in excess of net investment income	(550,742)
Accumulated undistributed net realized gains from investments, written options and foreign currency transactions	110,361,343
Net unrealized appreciation of investments and translation of foreign currency denominated assets and liabilities	569,988,331
Net assets applicable to capital shares outstanding	<u>\$2,458,076,200</u>
Net asset value, offering and redemption price per share	<u>\$27.40</u>

The accompanying notes are an integral part of the financial statements.



Third Avenue Trust
Third Avenue Small-Cap Value Fund
Statement of Operations
For the Six Months Ended April 30, 2007
(Unaudited)

Investment Income:

Interest	\$ 14,054,527
Dividends-unaffiliated issuers (net of foreign withholding tax of \$527,915)	13,704,663
Dividends-affiliated issuers (Note 4)	1,281,982
Other income	8,751
Total investment income	<u>29,049,923</u>

Expenses:

Investment advisory fees (Note 3)	10,783,403
Other shareholder servicing fees (Note 3)	1,281,737
Transfer agent fees	409,345
Reports to shareholders	198,731
Custodian fees	167,179
Accounting services	73,325
Administration fees (Note 3)	73,289
Registration and filing fees	67,608
Trustees' and officers' fees and expenses	47,149
Auditing and tax consulting fees	39,305
Insurance expenses	9,313
Legal fees	3,596
Miscellaneous expenses	15,401
Total operating expenses	<u>13,169,381</u>
Net investment income	<u>15,880,542</u>

Realized and unrealized gain on investments:

Net realized gain on investments-unaffiliated issuers	105,509,957
Net realized gain on investments-affiliated issuers	4,831,655
Net realized loss on written options	(49,118)
Net realized gain on foreign currency transactions	251,051
Net change in unrealized appreciation on investments	78,862,615
Net change in unrealized appreciation on written options	1,006,062
Net change in unrealized appreciation on translation of other assets and liabilities denominated in foreign currency	1,724
Net realized and unrealized gain on investments, written options and foreign currency transactions	<u>190,413,946</u>
Net increase in net assets resulting from operations	<u><u>\$206,294,488</u></u>

The accompanying notes are an integral part of the financial statements.



Third Avenue Trust
Third Avenue Small-Cap Value Fund
Statements of Changes in Net Assets

	For the Six Months Ended April 30, 2007 (Unaudited)	For the Year Ended October 31, 2006
Operations:		
Net investment income	\$ 15,880,542	\$ 38,478,080
Net realized gain on investments-unaffiliated issuers	105,509,957	88,998,021
Net realized gain on investments-affiliated issuers	4,831,655	—
Net realized loss on written options	(49,118)	—
Net realized gain (loss) on foreign currency transactions	251,051	(34,051)
Net change in unrealized appreciation on investments	78,862,615	125,017,576
Net change in unrealized appreciation (depreciation) on written options	1,006,062	(1,349,640)
Net change in unrealized appreciation on translation of other assets and liabilities denominated in foreign currency	1,724	1,840
Net increase in net assets resulting from operations	<u>206,294,488</u>	<u>251,111,826</u>
Distributions:		
Dividends to shareholders from net investment income	(38,284,487)	(24,795,444)
Distributions to shareholders from net realized gains	(88,482,951)	(26,684,469)
Decrease in net assets from distributions	<u>(126,767,438)</u>	<u>(51,479,913)</u>
Capital Share Transactions:		
Proceeds from sale of shares	124,702,912	701,999,810
Net asset value of shares issued in reinvestment of dividends and distributions	118,575,359	48,852,018
Redemption fees	122,107	758,307
Cost of shares redeemed	<u>(274,475,316)</u>	<u>(415,133,712)</u>
Net increase (decrease) in net assets resulting from capital share transactions	<u>(31,074,938)</u>	<u>336,476,423</u>
Net increase in net assets	48,452,112	536,108,336
Net assets at beginning of period	<u>2,409,624,088</u>	<u>1,873,515,752</u>
Net assets at end of period (including undistributed net investment income of \$0 and \$21,853,203, respectively)	<u>\$2,458,076,200</u>	<u>\$2,409,624,088</u>

The accompanying notes are an integral part of the financial statements.



**Third Avenue Trust
Third Avenue Small-Cap Value Fund
Financial Highlights**

Selected data (for a share outstanding throughout each period) and ratios are as follows:

	For the Six Months Ended April 30, 2007	Years Ended October 31,				
	(Unaudited)	2006	2005	2004	2003	2002
Net asset value, beginning of period	\$26.54	\$24.23	\$20.98	\$18.02	\$12.92	\$14.33
Income (loss) from investment operations:						
Net investment income	0.18	0.44	0.17	0.05	0.03	0.14
Net gain (loss) on securities (both realized and unrealized)	2.10 ¹	2.50 ¹	3.25 ²	3.02 ²	5.21 ¹	(1.26) ²
Total from investment operations	2.28	2.94	3.42	3.07	5.24	(1.12)
Less distributions:						
Dividends from net investment income	(0.43)	(0.30)	(0.09)	(0.03)	(0.14)	(0.12)
Distributions from realized gains	(0.99)	(0.33)	(0.08)	(0.08)	—	(0.17)
Total distributions	(1.42)	(0.63)	(0.17)	(0.11)	(0.14)	(0.29)
Net asset value, end of period	\$27.40	\$26.54	\$24.23	\$20.98	\$18.02	\$12.92
Total return	8.90% ³	12.33%	16.36%	17.11%	40.88%	(8.12%)
Ratios/Supplemental Data:						
Net assets, end of period (in thousands)	\$2,458,076	\$2,409,624	\$1,873,516	\$956,945	\$541,832	\$369,346
Ratio of expenses to average net assets	1.10% ⁴	1.09%	1.13%	1.14%	1.17%	1.17%
Ratio of net investment income to average net assets	1.33% ⁴	1.67%	0.80%	0.28%	0.21%	1.03%
Portfolio turnover rate	12% ³	15%	11%	10%	22%	19%

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

² Includes redemption fees of \$0.01 per share.

³ Not annualized.

⁴ Annualized.

The accompanying notes are an integral part of the financial statements.



**Third Avenue Trust
Third Avenue Real Estate Value Fund
Portfolio of Investments
at April 30, 2007
(Unaudited)**

	Principal Amount (†) /Units	Issues	Value
Corporate Debt Instruments - 0.45%			
Real Estate Operating Companies - 0.45%	400,000	Forest City Enterprises, Inc., \$25 par, 7.375%, due 02/01/34	\$ 10,180,000
	6,666,600 CAD	Sterling Centrecorp Inc., 8.500%, due 12/31/09 (b) (Canada)	5,528,971
			<u>15,708,971</u>
		Total Corporate Debt Instruments (Cost \$14,852,826)	<u>15,708,971</u>
Shares			
Preferred Stocks - 0.27%			
U.S. Real Estate Investment Trusts - 0.27%	125,000	RAIT Financial Trust, 7.750% Series A	3,016,250
	250,000	RAIT Financial Trust, 8.375% Series B	6,275,000
			<u>9,291,250</u>
		Total Preferred Stocks (Cost \$9,375,000)	<u>9,291,250</u>
Common Stocks and Warrants - 88.81%			
Diversified Financial Services - 0.32%	774,000	Guoco Group, Ltd. (Hong Kong) ¹	<u>11,220,546</u>
Homebuilders - 0.94%	434,690	Avatar Holdings, Inc. (a) (c)	<u>32,632,178</u>
Hotels/ Resorts - 1.71%	1,038,383	Vail Resorts, Inc. (a)	<u>59,208,599</u>
Natural Resources - 0.12%	85,200	Deltic Timber Corp.	<u>4,255,740</u>
Non-U.S. Real Estate Investment Trusts - 5.55%	3,830,622	British Land Co. PLC (United Kingdom)	112,832,071
	3,283,066	Liberty International PLC (United Kingdom)	79,371,836
			<u>192,203,907</u>

The accompanying notes are an integral part of the financial statements.



Third Avenue Trust
Third Avenue Real Estate Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)

	Shares	Issues	Value
Common Stocks and Warrants (continued)			
Real Estate Management/ Brokerage - 0.53%	29,574,000	Midland Holdings, Ltd. (Hong Kong) ¹	\$ 18,374,110
Real Estate Operating Companies - 59.34%	5,000	Atlantic American Realty Capital Advisors, Inc. (a) (b)	—
	5,496,084	Brookfield Asset Management, Inc., Class A (Canada)	319,597,285
	2,143,900	Brookfield Properties Corp. (Canada)	88,049,973
	6,676,000	Chinese Estates Holdings, Ltd. (Hong Kong) ¹	9,285,498
	510,000	Consolidated-Tomoka Land Co. (c)	38,275,500
	3,149,300	Daibiru Corp. (Japan)	47,179,537
	1,172,765	Derwent London PLC (United Kingdom)	50,069,055
	970,300	First Capital Realty, Inc. (Canada)	23,918,739
	12,990,739	FNC Realty Corp. (a) (b)	9,743,054
	6,012,900	Forest City Enterprises, Inc., Class A (c)	401,721,849
	1,017,031	Forest City Enterprises, Inc., Class A (c) (d)	67,947,841
	21,894,000	Hang Lung Properties, Ltd. (Hong Kong)	65,353,971
	10,502,000	Henderson Investment, Ltd. (Hong Kong)	22,286,408
	23,806,000	Henderson Land Development Co., Ltd. (Hong Kong)	143,187,807
	6,558,000	Hongkong Land Holdings, Ltd. (Hong Kong) ¹	30,691,440
	7,380,400	Killam Properties, Inc. (c) (Canada)	18,219,926
	1,109,000	Mitsubishi Estate Co., Ltd. (Japan)	34,712,809
	3,801,100	Parco Co., Ltd. (Japan)	43,010,313
	3,815,764	Quintain Estates & Development PLC (United Kingdom)	64,895,762
	1,338,800	Sapporo Holdings, Ltd. (Japan)	9,636,088
	5,070,861	St. Joe Co. (The) (c)	287,162,858
	108,000	Sterling Centrecorp, Inc. (a) (Canada)	155,690
	108,000	Sterling Centrecorp, Inc. Warrants, expires 3/09 (a) (b) (Canada)	31,265
	13,220,000	Tai Cheung Holdings, Ltd. (Hong Kong) ¹	9,261,301
	446,093	Tejon Ranch Co. (a)	22,224,353
	2,411,373	Thomas Properties Group, Inc. (c)	41,403,274
	3,526,728	Unite Group PLC (United Kingdom)	36,213,702
	25,345,800	Wharf (Holdings), Ltd. (The) (Hong Kong)	93,964,538

The accompanying notes are an integral part of the financial statements.



Third Avenue Trust
Third Avenue Real Estate Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)

	Shares	Issues	Value
Common Stocks and Warrants (continued)			
Real Estate Operating Companies (continued)	32,049,500	Wheelock & Co., Ltd. (Hong Kong)	\$ 74,158,308
	4,240,000	Wheelock Properties, Ltd. (Hong Kong)	5,013,807
			<u>2,057,371,951</u>
U.S. Real Estate Investment Trusts - 20.30%	2,436,810	Acadia Realty Trust (c)	65,501,453
	5,340,120	American Financial Realty Trust	56,605,272
	642,148	American Land Lease, Inc. (c)	16,535,311
	1,348,100	Associated Estates Realty Corp. (c)	20,464,158
	1,100,000	Crystal River Capital, Inc. (d)	28,897,000
	563,400	First Potomac Realty Trust	14,541,354
	2,251,800	JER Investors Trust, Inc. (c)	39,654,198
	937,700	One Liberty Properties, Inc. (c)	22,242,244
	2,841,792	ProLogis	184,148,122
	1,150,400	PS Business Parks, Inc. (c)	79,262,560
	1,999,900	Quadra Realty Trust, Inc. (a) (c)	27,938,603
	1,248,200	Vornado Realty Trust	148,073,966
			<u>703,864,241</u>
		Total Common Stocks and Warrants (Cost \$1,870,299,448)	<u>\$3,079,131,272</u>
	Principal Amount (\$)		
Short Term Investments - 10.43%			
Repurchase Agreement - 4.67%	161,957,607	Bear Stearns, 5.11%, dated 04/30/07, due 05/01/07 (e)	<u>161,957,607</u>
U.S. Government Obligations - 5.76%	175,000,000	U.S. Treasury Bills, 4.86%-4.92%‡, due 05/03/07-05/24/07	174,674,868
	25,000,000	U.S. Treasury Bills, 4.92%‡, due 05/03/07 (f)	24,993,281
			<u>199,668,149</u>

The accompanying notes are an integral part of the financial statements.



Third Avenue Trust
Third Avenue Real Estate Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)

	Value
Total Short Term Investments (Cost \$361,625,756)	<u>\$ 361,625,756</u>
Total Investment Portfolio - 99.96% (Cost \$2,256,153,030)	<u>3,465,757,249</u>
Other Assets less Liabilities - 0.04%	<u>1,338,459</u>
NET ASSETS - 100.00% (Applicable to 94,339,065 shares outstanding)	<u><u>\$3,467,095,708</u></u>

Notes:

CAD: Canadian Dollar.

(a) Non-income producing securities.

(b) Fair-valued securities:

Security	Carrying Value Per Unit	Acquisition Date	Acquisition Cost
Atlantic American Realty Capital Advisors, Inc.	\$ —	10/22/2004	\$ 500,000
FNC Realty Corp.	0.75	5/22/2002 to 1/30/2007	10,726,689
Sterling Centrecorp, Inc., 8.500% due 12/31/09	82.94	5/11/2004 & 12/16/2004	4,610,226
Sterling Centrecorp, Inc. Warrants, expires 3/09	0.29	3/26/2004	—

(c) Affiliated issuers - as defined under the Investment Company Act of 1940 (ownership of 5% or more of the outstanding voting securities of those issuers).

(d) Security is exempt from registration under Rule 144A of the Securities Act of 1933. This security may be resold in transactions that are exempt from registration, normally to qualified institutional buyers.

(e) Repurchase agreement collateralized by:

U.S. Treasury Bills, par value \$12,560,000, due 7/5/07, value \$12,452,110.

U.S. Treasury Note, par value \$100,000,000, due 5/15/08, value \$103,311,750.

U.S. Inflation Indexed Bond, par value \$26,430,000, due 4/15/28, value \$50,886,906.

(f) Security is segregated for future fund commitments.

† Denominated in U.S. Dollars unless otherwise noted.

‡ Annualized yield at date of purchase.

‡ Incorporated in Bermuda.

The aggregate cost for federal income tax purposes is \$2,256,153,030.

The aggregate gross unrealized appreciation is \$1,225,787,097.

The aggregate gross unrealized depreciation is \$(16,182,878).

Country Concentration

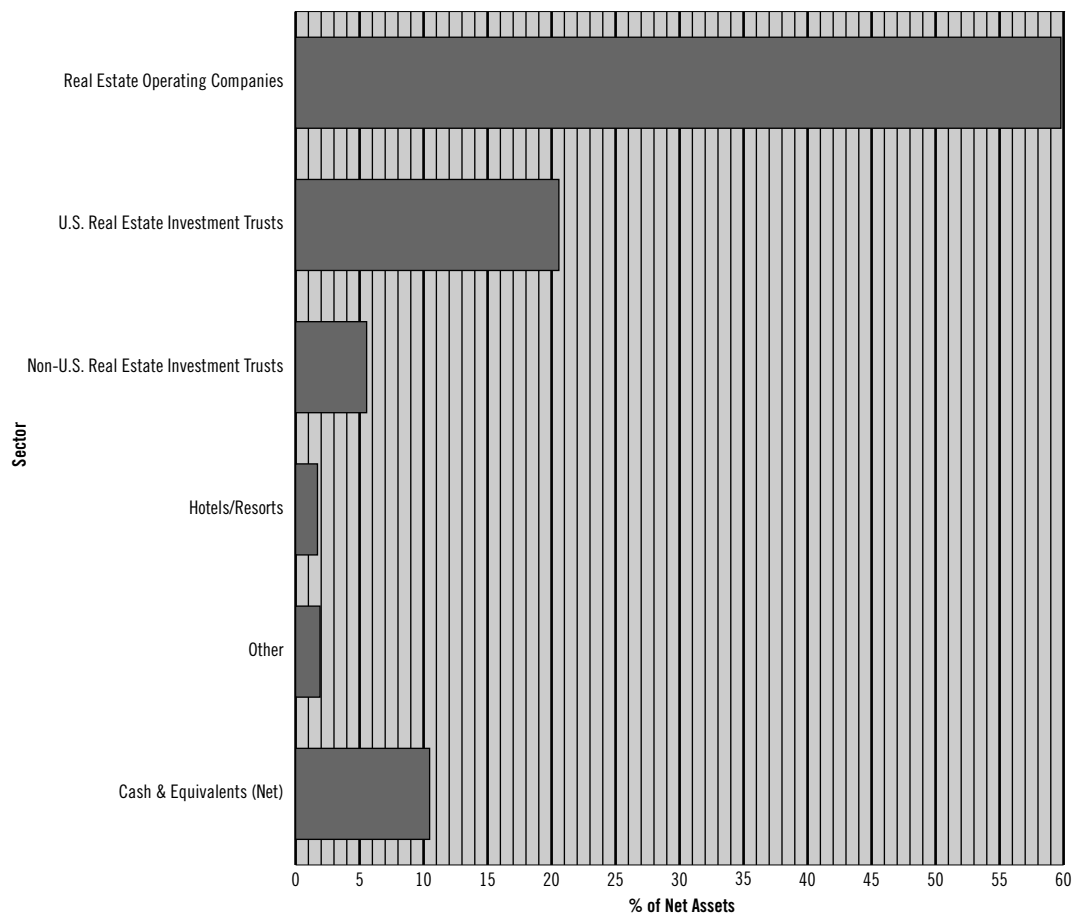
	% of Net Assets
United States	59.11%
Hong Kong	13.93
Canada	13.14
United Kingdom	9.90
Japan	3.88
Total	<u>99.96%</u>

The accompanying notes are an integral part of the financial statements.



**Third Avenue Trust
Third Avenue Real Estate Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)**

The Summary of the Fund's investments as of April 30, 2007 is as follows:
(Unaudited)



The accompanying notes are an integral part of the financial statements.



Third Avenue Trust
Third Avenue Real Estate Value Fund
Statement of Assets and Liabilities
April 30, 2007
(Unaudited)

Assets:

Investments at value (Notes 1 and 4):	
Unaffiliated issuers (cost of \$1,587,588,774)	\$2,306,795,296
Affiliated issuers (cost of \$668,564,256)	<u>1,158,961,953</u>
Total investments (cost of \$2,256,153,030)	3,465,757,249
Dividends and interest receivable	7,185,476
Receivable for fund shares sold	5,738,500
Other assets	<u>80,341</u>
Total assets	<u>3,478,761,566</u>

Liabilities:

Payable for fund shares redeemed	7,123,760
Payable to investment adviser	2,576,183
Payable for securities purchased	1,048,766
Accounts payable and accrued expenses	751,007
Payable for other shareholder servicing fees (Note 3)	150,069
Payable to Trustees	16,073
Commitments (Note 6)	<u>—</u>
Total liabilities	11,665,858
Net assets	<u>\$3,467,095,708</u>

Summary of net assets:

Capital stock, unlimited shares authorized, \$0.001 par value, 94,339,065 shares outstanding	\$2,086,614,364
Accumulated distributions in excess of net investment income	(61,100,966)
Accumulated undistributed net realized gains from investments and foreign currency transactions	231,903,666
Net unrealized appreciation of investments and translation of foreign currency denominated assets and liabilities	<u>1,209,678,644</u>
Net assets applicable to capital shares outstanding	<u>\$3,467,095,708</u>
Net asset value, offering and redemption price per share	<u>\$36.75</u>

The accompanying notes are an integral part of the financial statements.



Third Avenue Trust
Third Avenue Real Estate Value Fund
Statement of Operations
For the Six Months Ended April 30, 2007
(Unaudited)

Investment Income:	
Interest	\$ 8,797,378
Dividends-unaffiliated issuers (net of foreign withholding tax of \$495,007)	13,081,011
Dividends-affiliated issuers (net of foreign withholding tax of \$22,667) (Note 4)	7,918,519
Other income	1,433
Total investment income	<u>29,798,341</u>
Expenses:	
Investment advisory fees (Note 3)	14,873,753
Other shareholder servicing fees (Note 3)	1,665,213
Transfer agent fees	464,261
Custodian fees	428,978
Reports to shareholders	278,971
Administration fees (Note 3)	99,446
Accounting fees	86,346
Trustees' and officers' fees and expenses	60,127
Legal fees	50,503
Auditing and tax consulting fees	16,008
Registration and filing fees	12,909
Insurance expenses	11,925
Miscellaneous expenses	26,913
Total operating expenses	<u>18,075,353</u>
Net investment income	<u>11,722,988</u>
Realized and unrealized gain (loss) on investments:	
Net realized gain on investments-unaffiliated issuers	198,750,582
Net realized gain on investments-affiliated issuers	31,865,835
Net realized loss on foreign currency transactions	(91,999)
Net change in unrealized appreciation on investments	115,626,902
Net change in unrealized appreciation on written options	1,675,388
Net change in unrealized appreciation on translation of other assets and liabilities denominated in foreign currency	6,346
Net realized and unrealized gain (loss) on investments, written options and foreign currency transactions	<u>347,833,054</u>
Net increase in net assets resulting from operations	<u><u>\$359,556,042</u></u>

The accompanying notes are an integral part of the financial statements.



Third Avenue Trust
Third Avenue Real Estate Value Fund
Statements of Changes in Net Assets

	For the Six Months Ended April 30, 2007 (Unaudited)	For the Year Ended October 31, 2006
Operations:		
Net investment income	\$ 11,722,988	\$ 23,957,946
Net realized gain on investments-unaffiliated issuers	198,750,582	203,598,721
Net realized gain on investments-affiliated issuers	31,865,835	29,850,357
Net realized gain (loss) on foreign currency transactions	(91,999)	63,357
Net change in unrealized appreciation on investments	115,626,902	519,758,298
Net change in unrealized appreciation (depreciation) on written options	1,675,388	(2,247,560)
Net change in unrealized appreciation on translation of other assets and liabilities denominated in foreign currency	<u>6,346</u>	<u>2,620</u>
Net increase in net assets resulting from operations	<u>359,556,042</u>	<u>774,983,739</u>
Distributions:		
Dividends to shareholders from net investment income	(77,266,724)	(42,842,566)
Distributions to shareholders from net realized gains	(227,518,232)	(99,226,293)
Decrease in net assets from distributions	<u>(304,784,956)</u>	<u>(142,068,859)</u>
Capital Share Transactions:		
Proceeds from sale of shares	383,307,123	489,149,784
Net asset value of shares issued in reinvestment of dividends and distributions	290,081,388	135,438,214
Redemption fees	277,662	946,937
Cost of shares redeemed	<u>(401,125,836)</u>	<u>(992,434,879)</u>
Net increase (decrease) in net assets resulting from capital share transactions	<u>272,540,337</u>	<u>(366,899,944)</u>
Net increase in net assets	327,311,423	266,014,936
Net assets at beginning of period	<u>3,139,784,285</u>	<u>2,873,769,349</u>
Net assets at end of period (including undistributed net investment income of \$0 and \$4,442,770, respectively)	<u>\$3,467,095,708</u>	<u>\$3,139,784,285</u>

The accompanying notes are an integral part of the financial statements.



**Third Avenue Trust
Third Avenue Real Estate Value Fund
Financial Highlights**

Selected data (for a share outstanding throughout the period) and ratios are as follows:

	For the Six Months Ended April 30, 2007 (Unaudited)	Years Ended October 31,				
		2006	2005	2004	2003	2002
Net asset value, beginning of period	\$36.34	\$29.41	\$25.47	\$20.17	\$15.73	\$15.04
Income from investment operations:						
Net investment income	0.19	0.32	0.33	0.06	0.46	0.06
Net gain on securities (both realized and unrealized)	3.74 ¹	8.08 ¹	4.05 ²	5.77 ²	4.46 ²	1.02 ³
Total from investment operations	3.93	8.40	4.38	5.83	4.92	1.08
Less distributions:						
Dividends from net investment income	(0.89)	(0.44)	(0.18)	(0.45)	(0.18)	(0.19)
Distributions from realized gains	(2.63)	(1.03)	(0.26)	(0.08)	(0.30)	(0.20)
Total distributions	(3.52)	(1.47)	(0.44)	(0.53)	(0.48)	(0.39)
Net asset value, end of period	\$36.75	\$36.34	\$29.41	\$25.47	\$20.17	\$15.73
Total return	11.57% ⁴	29.78%	17.36%	29.47%	32.15%	7.17%
Ratios/Supplemental Data:						
Net assets, end of period (in thousands)	\$3,467,096	\$3,139,784	\$2,873,769	\$1,693,294	\$646,979	\$331,997
Ratio of expenses to average net assets						
Before expense reimbursement/recovery	1.09% ⁵	1.11%	1.14%	1.15%	1.19%	1.22%
After expense reimbursement/recovery	N/A	N/A	N/A	N/A	N/A	1.41%
Ratio of net investment income to average net assets						
Before expense reimbursement/recovery	0.71% ⁵	0.80%	1.15%	0.47%	3.27%	0.92%
After expense reimbursement/recovery	N/A	N/A	N/A	N/A	N/A	0.73%
Portfolio turnover rate	10% ⁴	10%	13%	8%	11%	21%

¹ Includes redemption fees of \$0.01 per share.

² Includes redemption fees of \$0.02 per share.

³ Includes redemption fees of \$0.03 per share.

⁴ Not annualized.

⁵ Annualized.

The accompanying notes are an integral part of the financial statements.



Third Avenue Trust
Third Avenue International Value Fund
Portfolio of Investments
at April 30, 2007
(Unaudited)

	Quantity	Issues	Value
Subscription Receipts - 1.38%			
Agriculture - 1.38%	4,486,764	Saskatchewan Wheat Pool (a) (b) (e) (g) (Canada)	\$ 32,089,317
		Total Subscription Receipts	<u>32,089,317</u>
		(Cost \$30,474,829)	
	Shares		
Common Stocks - 81.90%			
Advertising - 1.37%	1,001,500	Asatsu-DK, Inc. (Japan)	<u>32,018,496</u>
Agriculture - 8.03%	8,084,674	ABB Grain, Ltd. (c) (Australia)	52,710,662
	75,400	Agrium, Inc. (Canada)	2,920,242
	226,952	Cresud SA, ADR (Argentina)	5,505,855
	10,559,300	Saskatchewan Wheat Pool (a) (c) (Canada)	78,964,042
	444,406	United International Enterprises, Ltd. (c) (Denmark) ¹	47,126,570
			<u>187,227,371</u>
Building & Construction Products/Services - 4.02%	216,342	Imerys SA (France)	20,739,947
	13,696,300	Nippon Sheet Glass Co., Ltd. (Japan)	72,788,639
			<u>93,528,586</u>
Computer Software - 0.43%	599,800	Fujitsu Business Systems, Ltd. (Japan)	<u>9,954,416</u>
Corporate Services - 0.31%	22,522,784	Boardroom, Ltd. (c) (Singapore)	<u>7,264,219</u>
Diversified Operations - 8.69%	2,380,234	Antarchile S.A. (Chile)	44,656,279
	211,824	HAL Trust (Netherlands) ²	21,968,946
	6,648,200	Hutchison Whampoa, Ltd. (Hong Kong)	64,379,366
	175,000	Investor AB, Class A (Sweden)	4,649,219
	2,806,000	Straits Trading Co., Ltd. (Singapore)	8,126,641
	19,290,300	WBL Corp., Ltd. (c) (Singapore)	58,661,304
			<u>202,441,755</u>

The accompanying notes are an integral part of the financial statements.



Third Avenue Trust
Third Avenue International Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)

	Shares	Issues	Value
Common Stocks (continued)			
Electronics - 2.96%	1,332,300	Futaba Corp. (Japan)	\$ 32,503,281
	2,615,800	Nichicon Corp. (Japan)	36,384,982
			<u>68,888,263</u>
Energy/Coal - 0.55%	1,152,700	Westshore Terminals Income Fund (Canada)	12,857,398
Energy/Services - 1.05%	943,200	Farstad Shipping A/S (Norway)	24,571,995
Engineering/Construction - 3.98%	1,636,900	Aker Kvaerner ASA (Norway)	38,998,702
	1,789,700	Chudenko Corp. (Japan)	33,327,049
	480,300	Subsea 7, Inc. (a) (Norway)	9,848,665
	1,165,000	Tokyo Energy & Systems, Inc. (Japan)	10,461,941
			<u>92,636,357</u>
Food & Beverage - 0.94%	48,728,000	Vitasoy International Holdings, Ltd. (Hong Kong)	21,802,516
Forest Products & Paper - 10.07%	5,590,700	Canfor Corp. (a) (Canada)	60,143,218
	1,416,804	Canfor Pulp Income Fund (Canada)	18,956,248
	40,080,245	Catalyst Paper Corp. (a) (b) (c) (e) (Canada)	122,447,153
	44,893,185	Rubicon, Ltd. (a) (c) (New Zealand)	32,930,925
			<u>234,477,544</u>
Holding Companies - 6.00%	902,712	Compagnie Nationale a Portefeuille (Belgium)	58,847,081
	5,041,400	Guoco Group, Ltd. (Hong Kong) ²	73,084,317
	71,000	Pargesa Holding S.A. (Switzerland)	7,730,491
			<u>139,661,889</u>
Insurance - 4.71%	124,876	Blue Ocean Reinsurance, Ltd. (a) (b) (c) (Bermuda)	15,879,184
	9,731,415	BRIT Insurance Holdings PLC (United Kingdom)	68,936,045
	70,000	Millea Holdings, Inc. (Japan)	2,607,022
	8,600	Norton Holdings, Ltd. (b) (Bermuda)	8,874,856
	1,094,050	Sompo Japan Insurance, Inc. (Japan)	13,450,721
			<u>109,747,828</u>

The accompanying notes are an integral part of the financial statements.



Third Avenue Trust
Third Avenue International Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)

	Shares	Issues	Value
Common Stocks (continued)			
Metals & Mining - 1.64%	3,792,832	Dundee Precious Metals, Inc. (a) (c) (Canada)	\$ 38,307,637
Other Financial - 2.93%	892,100	Aiful Corp. (Japan)	22,323,965
	106,097,000	Fuhwa Financial Holdings Co., Ltd. (a) (Taiwan)	45,858,438
			<u>68,182,403</u>
Real Estate - 7.26%	103,667,023	BIL International, Ltd. (c) (Singapore) ²	110,541,765
	1,789,700	Daibiru Corp. (Japan)	26,811,424
	21,374,000	Liu Chong Hing Investment, Ltd. (c) (Hong Kong)	31,695,950
			<u>169,049,139</u>
Securities Brokerage - 3.20%	97,017,800	Asia Plus Securities Public Co., Ltd. (Thailand)	7,476,857
	3,002,900	Capital Nomura Securities Public Co., Ltd., NVDR (Thailand)	2,720,096
	33,765,434	Capital Securities Corp. (Taiwan)	15,607,981
	38,126,960	Hotung Investment Holdings, Ltd. (a) (Taiwan) ²	5,528,409
	652,300	Ichiyoshi Securities Co., Ltd. (Japan)	10,629,184
	82,857,200	KGI Securities Public Co., Ltd., NVDR (Thailand)	3,311,905
	29,361,000	President Securities Corp. (Taiwan)	15,202,451
	12,860,000	UOB-Kay Hian Holdings, Ltd. (Singapore)	14,051,407
			<u>74,528,290</u>
Technology - Hardware - 1.08%	37,628,000	Gigabyte Technology Co., Ltd. (c) (Taiwan)	25,186,607
Telecommunications - 6.11%	30,050,529	Netia S.A. (c) (Poland)	43,109,595
	27,749,955	Telecom Corp. of New Zealand, Ltd. (New Zealand)	99,311,086
			<u>142,420,681</u>
Transportation - 6.57%	3,106,300	BW Gas ASA (f) (Norway)	43,333,765
	1,938,700	Golar LNG, Ltd. (Norway) ²	31,444,367
	4,423,000	Seino Holdings Co., Ltd. (Japan)	41,607,331
	18,671,113	Toll NZ, Ltd. (a) (c) (New Zealand)	36,661,008
			<u>153,046,471</u>

The accompanying notes are an integral part of the financial statements.



**Third Avenue Trust
Third Avenue International Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)**

			Value
Common Stocks (continued)			
		Total Common Stocks (Cost \$1,527,215,146)	<u>\$1,907,799,861</u>
	Notional Amount (\$)	Issues	
Purchased Options - 0.01%			
Foreign Currency Put Options - 0.01%	100,000,000	New Zealand Dollar, strike 0.64 NZD, expires 10/24/07	<u>244,900</u>
		Total Purchased Options (Cost \$3,600,000)	<u>244,900</u>
	Principal Amount (\$)		
Short Term Investments - 15.98%			
Repurchase Agreement - 1.61%	37,474,155	Bear Stearns, 5.11%, dated 04/30/07, due 05/01/07 (d)	<u>37,474,155</u>
U.S. Government Obligations - 14.37%	337,000,000	U.S. Treasury Bills, 4.98%-5.15%‡, due 05/17/07-07/19/07	<u>334,811,130</u>
		Total Short Term Investments (Cost \$372,249,971)	<u>372,285,285</u>
		Total Investment Portfolio - 99.27% (Cost \$1,933,539,946)	<u>2,312,419,363</u>
		Other Assets less Liabilities - 0.73%	<u>17,087,239</u>
		NET ASSETS - 100.00% (Applicable to 101,326,303 shares outstanding)	<u>\$2,329,506,602</u>

The accompanying notes are an integral part of the financial statements.



Third Avenue Trust
Third Avenue International Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)

Notes:

- ADR: American Depository Receipt.
NVDR: Non-Voting Depository Receipt.
NZD: New Zealand Dollar.
(a) Non-income producing securities.
(b) Fair-valued securities:

Security	Carrying Value Per Unit	Acquisition Date	Acquisition Cost
Blue Ocean Reinsurance, Ltd.	\$127.16	12/30/2005 to 2/9/2006	\$12,500,000
Catalyst Paper Corp. ^	3.06	1/3/2006 to 10/23/2006	114,161,857
Norton Holdings, Ltd.	1,031.96	12/14/2006	8,600,000
Saskatchewan Wheat Pool^	0.86	2/15/2007	30,474,829

^ Restricted.

(c) Affiliated issuers - as defined under the Investment Company Act of 1940 (ownership of 5% or more of the outstanding voting securities of these issuers).

(d) Repurchase agreement collateralized by U.S. Inflation Indexed Bonds, par value \$32,715,000, due 1/15/25, value \$38,545,741.

(e) Security is subject to restrictions on resale.

(f) Name changed from Bergesen Worldwide Gas ASA effective 5/7/07.

(g) Each subscription receipt will convert to a common share upon the successful completion of Saskatchewan Wheat Pool's bid for the stock of Agricore United.

‡ Annualized yield at date of purchase.

¹ Incorporated in Bahamas.

² Incorporated in Bermuda.

The aggregate cost for federal income tax purposes is \$1,933,539,946.

The aggregate gross unrealized appreciation is \$414,780,284.

The aggregate gross unrealized depreciation is \$(35,900,867).

Country Concentration

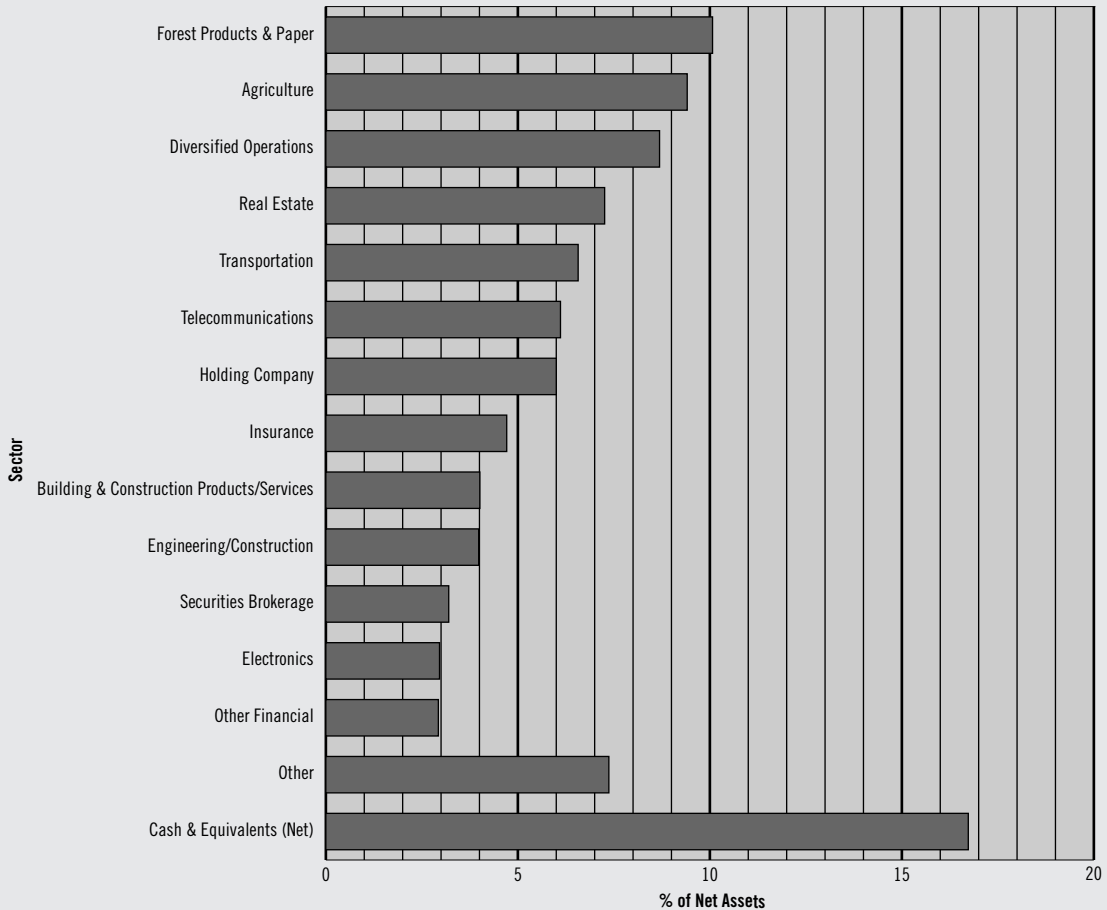
	% of Net Assets
United States #	15.98%
Canada	15.74
Japan	14.81
Singapore	8.53
Hong Kong	8.20
New Zealand	7.26
Norway	6.36
Taiwan	4.61
United Kingdom	2.96
Belgium	2.53
Australia	2.26
Denmark	2.02
Chile	1.92
Poland	1.85
Bermuda	1.06
Netherlands	0.94
France	0.89
Thailand	0.58
Switzerland	0.33
Argentina	0.24
Sweden	0.20
Total	<u>99.27%</u>

The accompanying notes are an integral part of the financial statements.



**Third Avenue Trust
Third Avenue International Value Fund
Portfolio of Investments (continued)
at April 30, 2007
(Unaudited)**

**The Summary of the Fund's investments as of April 30, 2007 is as follows:
(Unaudited)**



The accompanying notes are an integral part of the financial statements.



Third Avenue Trust
Third Avenue International Value Fund
Statement of Assets and Liabilities
April 30, 2007
(Unaudited)

Assets:

Investments at value (Notes 1 and 4):	
Unaffiliated issuers (cost of \$1,382,458,852)	\$1,610,932,742
Affiliated issuers (cost of \$551,081,094)	701,486,621
Total investments (cost of \$1,933,539,946)	<u>2,312,419,363</u>
Foreign currency at value (cost of \$2,586,855)	2,241,160
Receivable for fund securities sold	19,879,437
Dividends and interest receivable	2,746,022
Receivable for fund shares sold	1,547,695
Other assets	65,297
Total assets	<u>2,338,898,974</u>

Liabilities:

Payable for fund shares redeemed	5,374,309
Payable to investment adviser	2,403,305
Payable for securities purchased	1,041,364
Accounts payable and accrued expenses	382,141
Payable for other shareholder servicing fees (Note 3)	179,920
Payable to Trustees	11,333
Commitments (Note 6)	—
Total liabilities	<u>9,392,372</u>
Net assets	<u>\$2,329,506,602</u>

Summary of net assets:

Capital stock, unlimited shares authorized, \$0.001 par value, 101,326,303 shares outstanding	\$1,830,677,525
Accumulated distributions in excess of net investment income	(41,474,094)
Accumulated undistributed net realized gains from investments and foreign currency transactions	161,784,888
Net unrealized appreciation of investments and translation of foreign currency denominated assets and liabilities	<u>378,518,283</u>
Net assets applicable to capital shares outstanding	<u>\$2,329,506,602</u>
Net asset value, offering and redemption price per share	<u>\$22.99</u>

The accompanying notes are an integral part of the financial statements.



Third Avenue Trust
Third Avenue International Value Fund
Statement of Operations
For the Six Months Ended April 30, 2007
(Unaudited)

Investment Income:

Interest	\$ 11,876,276
Dividends-unaffiliated issuers (net of foreign withholding tax of \$2,058,556)	20,635,001
Dividends-affiliated issuers (Note 4)	1,842,688
Other income	115,760
Total investment income	<u>34,469,725</u>

Expenses:

Investment advisory fees (Note 3)	14,478,522
Other shareholder servicing fees (Note 3)	1,027,894
Custodian fees	505,056
Transfer agent fees	270,212
Reports to shareholders	168,856
Accounting fees	86,390
Administration fees (Note 3)	69,036
Trustees' and officers' fees and expenses	45,401
Auditing and tax consulting fees	43,784
Registration fees	25,776
Legal fees	11,019
Miscellaneous expenses	15,452
Total operating expenses	<u>16,747,398</u>
Net investment income	<u>17,722,327</u>

Realized and unrealized gain (loss) on investments:

Net realized gain on investments-unaffiliated issuers	138,604,882
Net realized gain on investments-affiliated issuers	23,970,472
Net realized loss on foreign currency transactions	(768,904)
Net change in unrealized appreciation on investments	27,112,673
Net change in unrealized appreciation on translation of other assets and liabilities denominated in foreign currency	(440,574)
Net realized and unrealized gain (loss) on investments and foreign currency transactions	<u>188,478,549</u>

Net increase in net assets resulting from operations \$206,200,876

The accompanying notes are an integral part of the financial statements.



Third Avenue Trust
Third Avenue International Value Fund
Statements of Changes in Net Assets

	For the Six Months Ended April 30, 2007 (Unaudited)	For the Year Ended October 31, 2006
Operations:		
Net investment income	\$ 17,722,327	\$ 73,157,419
Net realized gain on investments-unaffiliated issuers	138,604,882	172,462,933
Net realized gain on investments-affiliated issuers	23,970,472	7,704,137
Net realized gain (loss) on foreign currency transactions	(768,904)	458,938
Net change in unrealized appreciation on investments	27,112,673	130,565,434
Net change in unrealized appreciation (depreciation) on translation of other assets and liabilities denominated in foreign currency	(440,574)	95,988
Net increase in net assets resulting from operations	<u>206,200,876</u>	<u>384,444,849</u>
Distributions:		
Dividends to shareholders from net investment income	(105,951,673)	(43,828,096)
Distributions to shareholders from net realized gains	(170,052,532)	(9,495,160)
Decrease in net assets from distributions	<u>(276,004,205)</u>	<u>(53,323,256)</u>
Capital Share Transactions:		
Proceeds from sale of shares	121,123,709	400,071,663
Net asset value of shares issued in reinvestment of dividends and distributions	245,564,779	48,449,070
Redemption fees	274,191	1,691,983
Cost of shares redeemed	<u>(325,297,074)</u>	<u>(358,649,442)</u>
Net increase in net assets resulting from capital share transactions	41,665,605	91,563,274
Net increase (decrease) in net assets	(28,137,724)	422,684,867
Net assets at beginning of period	<u>2,357,644,326</u>	<u>1,934,959,459</u>
Net assets at end of period (including undistributed net investment income of \$0 and \$46,755,252, respectively)	<u>\$2,329,506,602</u>	<u>\$2,357,644,326</u>

The accompanying notes are an integral part of the financial statements.



**Third Avenue Trust
Third Avenue International Value Fund
Financial Highlights**

Selected data (for a share outstanding throughout the period) and ratios are as follows:

	For the Six Months Ended April 30, 2007 (Unaudited)	Years Ended October 31,				
		2006	2005	2004	2003	2002*
Net asset value, beginning of period	\$23.77	\$20.40	\$17.17	\$13.49	\$9.73	\$10.00
Income (loss) from investment operations:						
Net investment income	0.20	0.86 [†]	0.30	0.25	0.08	0.02
Net gain (loss) on securities (both realized and unrealized)	1.84 ³	3.07 ¹	3.15 ¹	3.73 ¹	3.76 ¹	(0.29) ²
Total from investment operations	2.04	3.93	3.45	3.98	3.84	(0.27)
Less distributions:						
Dividends from net investment income	(1.08)	(0.46)	(0.22)	(0.30)	(0.08)	—
Distributions from realized gains	(1.74)	(0.10)	—	—	—	—
Total distributions	(2.82)	(0.56)	(0.22)	(0.30)	(0.08)	—
Net asset value, end of period	\$22.99	\$23.77	\$20.40	\$17.17	\$13.49	\$9.73
Total return	9.26% ⁴	19.63%	20.24%	29.95%	39.84%	(2.70%) ⁴
Ratios/Supplemental Data:						
Net assets, end of period (in thousands)	\$2,329,507	\$2,357,644	\$1,934,959	\$437,361	\$97,285	\$23,036
Ratio of expenses to average net assets						
Before expense reimbursement/recovery	1.45% ⁵	1.45%	1.52%	1.58%	2.21%	4.30% ⁵
After expense reimbursement/recovery	N/A	N/A	1.53%	1.75%	1.75%	1.75% ⁵
Ratio of net investment income (loss) to average net assets						
Before expense reimbursement/recovery	1.53% ⁵	3.25% [†]	1.19%	0.75%	0.06%	(2.20%) ⁵
After expense reimbursement/recovery	N/A	N/A	1.18%	0.58%	0.52%	0.34% ⁵
Portfolio turnover rate	12% ⁴	34%	3%	11%	4%	0% ⁴

¹ Includes redemption fees of \$0.02 per share.

² Includes redemption fees of \$0.01 per share.

³ Includes redemption fees of less than \$0.01 per share.

⁴ Not annualized.

⁵ Annualized.

* The Fund commenced investment operations on December 31, 2001.

† 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%.

The accompanying notes are an integral part of the financial statements.



Third Avenue Trust
Notes to Financial Statements
April 30, 2007
(Unaudited)

1. SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization:

Third Avenue Trust (the “Trust”) is an open-end, non-diversified management investment company organized as a Delaware business trust pursuant to a Trust Instrument dated October 31, 1996. The Trust currently consists of four, non-diversified (within the meaning of Section 5(b)(2) of the Investment Company Act), separate investment series: Third Avenue Value Fund, Third Avenue Small-Cap Value Fund, Third Avenue Real Estate Value Fund and Third Avenue International Value Fund (each a “Fund” and, collectively, the “Funds”). Third Avenue Management LLC (the “Adviser”) provides investment advisory services to each of the Funds in the Trust. The Funds seek to achieve their investment objectives of long-term capital appreciation by adhering to a strict value discipline when selecting securities. While the Funds pursue a capital appreciation objective, each Fund has a distinct investment approach.

Third Avenue Value Fund seeks to achieve its objective mainly by acquiring common stocks of well-financed companies (meaning companies without significant liabilities in comparison to their liquid resources) at a discount to what the Adviser believes is their intrinsic value. The Fund also seeks to acquire senior securities, such as preferred stocks, and debt instruments (including high-yield securities) that the Adviser believes are undervalued.

Third Avenue Small-Cap Value Fund seeks to achieve its objective by acquiring equity securities, including common stocks and convertible securities, of well-financed small companies at a discount to what the Adviser believes is their intrinsic value. Under normal circumstances, the Fund expects to invest at least 80% of its assets in equity securities (which may include both common and preferred stocks, and convertible securities) of companies that are considered small. The Fund considers a “small company” to be one whose market capitalization is no greater than nor less than the range of capitalizations of companies in the Russell 2000 Index, the S&P Small Cap 600 Index or the Dow Jones Wilshire U.S. Small-Cap Index at the time of investment.

Third Avenue Real Estate Value Fund, under normal circumstances, seeks to achieve its objective by investing at least 80% of its assets in a securities of real estate and real estate-related companies, or in companies which own significant real estate 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. 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 and mortgage-backed securities) in real estate companies or loans secured by real estate that the Adviser believes have above average yield potential.

Third Avenue International Value Fund seeks to achieve its objective by primarily acquiring equity securities, including common stocks and convertible securities, of well-financed companies 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 will be invested in securities of issuers located outside of the United States at the time of investment.



Third Avenue Trust
Notes to Financial Statements (continued)
April 30, 2007
(Unaudited)

Because of the Funds' disciplined and deliberate investing approach, there may be times when the Funds will have significant cash positions. A substantial cash position can impact Fund performance in certain market conditions, and may make it more difficult for a Fund to achieve its investment objective.

Accounting policies:

The policies described below are followed consistently by the Funds in the preparation of their financial statements in conformity with accounting principles generally accepted in the United States of America.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

Security valuation:

Generally, the Funds' investments are valued at market value. Securities traded on a principal stock exchange or the National Association of Securities Dealers' Automated Quotation System ("NASDAQ") are valued at the last quoted sales price, the NASDAQ official close price or, in the absence of closing sales prices on that day, securities are valued at the mean between the closing bid and asked price. In accordance with procedures approved by the Trust's Board of Trustees, the Funds may adjust the prices of securities traded in foreign markets, as appropriate, to reflect the fair value as of the time the Funds' net asset values are calculated. Temporary cash investments are valued at cost, plus accrued interest, which approximates market. Short-term debt securities with original or remaining maturities in excess of 60 days are valued at the mean of their quoted bid and asked prices. Short-term debt securities with 60 days or less to maturity are amortized to maturity based on their cost.

The Funds may invest up to 15% of their total net assets in securities which are not readily marketable, including those which are restricted as to disposition under applicable securities laws ("restricted securities"). Restricted securities and other securities and assets for which market quotations are not readily available are valued at "fair value", as determined in good faith by the Funds' Valuation Committee as authorized by the Board of Trustees of the Funds, under procedures established by the Board of Trustees. At April 30, 2007, such securities had a total fair value of \$138,655,729 or 1.24% of net assets of Third Avenue Value Fund, \$101,463,843 or 4.13% of net assets of Third Avenue Small-Cap Value Fund, \$15,303,290 or 0.44% of net assets of Third Avenue Real Estate Value Fund and \$179,290,510 or 7.70% of net assets of Third Avenue International Value Fund. Among the factors considered by the Valuation Committee in determining fair value are the type of security, trading in unrestricted securities of the same issuer, the financial condition of the issuer, the Fund's cost at the date of purchase, the percentage of the Fund's beneficial ownership of the issuer's common stock and debt securities, the operating results of the issuer, the discount from market value of any similar unrestricted securities of the issuer at the time of purchase and liquidation values of the issuer. The fair values determined in accordance with these procedures may differ significantly from the amounts which would be realized



Third Avenue Trust
Notes to Financial Statements (continued)
April 30, 2007
(Unaudited)

upon disposition of the securities. Restricted securities often have costs associated with subsequent registration. The restricted securities currently held by the Funds are not expected to incur any material future registration costs.

Security transactions and investment income:

Security transactions are accounted for on a trade date basis. Dividend income is recorded on the ex-dividend date and interest income, including, where applicable, amortization of premium and accretion of discount on investments, is accrued daily, except when collection is not expected. Payments received from certain investments held by the Funds may be comprised of dividends, capital gains and return of capital. The Funds originally estimate the expected classification of such payments. The amounts may subsequently be reclassified upon receipt of information from the issuer. Realized gains and losses from securities transactions are reported on an identified cost basis.

Foreign currency translation and foreign investments:

The books and records of the Funds are maintained in U.S. dollars. Foreign currency amounts are translated into U.S. dollars as follows:

- ***Investments and assets and liabilities denominated in foreign currencies:*** At the prevailing rates of exchange on the valuation date.
- ***Investment transactions and investment income:*** At the prevailing rates of exchange on the date of such transactions.

The net assets of the Funds are presented at the foreign exchange rates and market values at the close of the period. The Funds do not isolate that portion of the results of operations arising as a result of changes in the foreign exchange rates from the fluctuations arising from changes in the market prices of the securities held. Similarly, the Funds do not isolate the effect of changes in foreign exchange rates from the fluctuations arising from changes in the market prices of equity securities sold during the period. Accordingly, realized and unrealized foreign currency gains (losses) are included in the reported net realized and unrealized gains (losses) on investments.

Net realized gains (losses) on foreign currency transactions represent net foreign exchange gains (losses) from foreign currency exchange contracts, disposition of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amount of investment income and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent amounts actually received or paid. Net unrealized currency gains (losses) from valuing foreign currency denominated assets and liabilities at period end exchange rates are reflected as a component of unrealized appreciation (depreciation) on the Statement of Assets and Liabilities. The change in net unrealized currency gains (losses) for the period is reflected on the Statement of Operations.



Third Avenue Trust
Notes to Financial Statements (continued)
April 30, 2007
(Unaudited)

Pursuant to U.S. Federal income tax regulations, gains and losses from certain foreign currency transactions and the foreign currency portion of gains and losses realized on sales and maturities of foreign denominated debt securities are generally treated as ordinary income for U.S. Federal income tax purposes.

Option contracts:

An option contract gives the buyer the right, but not the obligation, to buy (call) or sell (put) an underlying item at a fixed exercise price on a certain date or during a specified period. The cost of securities acquired through the exercise of a call options is increased by the premiums paid. The proceeds from securities sold through the exercise of purchased put options are decreased by the premiums paid. Investments in options contracts require the Funds to fair value or mark-to-market option contracts on a daily basis, which reflects the change in the market value of the contracts at the close of each day's trading. The cost of options that expire unexercised are treated by the Funds, on expiration date, as realized losses on investments.

When the Funds write an option, an amount equal to the premium received by the Funds is recorded as a liability and is subsequently adjusted to the current fair value of the option written. Premiums received from writing options that expire unexercised are treated by the Funds, on the expiration date, as realized gains from investments. The difference between the premium and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or, if the premium is less than the amount paid for the closing purchase transaction, as a realized loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether the Funds have a realized gain or loss. If a put option is exercised, the premium reduces the cost basis of the securities purchased by the Funds. The Funds as writer of an option bear the market risk of an unfavorable change in the price of the security underlying the written option.

Loans of portfolio securities:

The Funds may loan securities to certain brokers, with the Funds' custodian acting as lending agent. Upon such loans, the Funds receive collateral which is maintained by the custodian. The Funds earn interest on such collateral and earn income in the form of negotiated lenders' fees, both of which are included in securities lending income in the Statement of Operations. Securities loaned are required to be secured at all times by collateral at least equal to the market value of the securities loaned. Risks may arise upon entering into securities lending to the extent that the value of the collateral is less than the value of the securities loaned due to changes in the value of collateral or the loaned securities. Dividends or other distributions on loaned securities may also receive different tax treatments than would otherwise be the case. The Funds may receive collateral in the form of cash or other eligible securities, such as a letter of credit issued by a U.S. bank, or securities issued or guaranteed by the U.S. government having a value at all times not less than 100% of the value of securities loaned.



Third Avenue Trust
Notes to Financial Statements (continued)
April 30, 2007
(Unaudited)

During the six months ended April 30, 2007, the following fund had securities lending income, which is included in the Statement of Operations, totaling:

Fund

Third Avenue Value Fund	\$510,045
-------------------------	-----------

The value of loaned securities and related collateral outstanding at April 30, 2007, was as follows:

<u>Fund</u>	<u>Value of Securities Loaned</u>	<u>Value of Collateral</u>
Third Avenue Value Fund	\$179,947,864	\$190,648,646

Repurchase agreements:

The Funds may invest excess cash in repurchase agreements whereby the Funds purchase securities, which serve as collateral, with an agreement to resell such collateral at the maturity date of the repurchase agreement. Securities pledged as collateral for repurchase agreements are held by the Funds' custodian bank until maturity of the repurchase agreement. Provisions in the agreements require that the market value of the collateral is at least equal to the repurchase value in the event of default. In the event of default, the Funds have the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. Under certain circumstances, in the event of default or bankruptcy by the other party to the agreement, realization and/or retention of the collateral may be subject to legal proceedings.

Distributions to shareholders:

Dividends from net investment income paid to shareholders and distributions from realized gains on sales of securities paid to shareholders are recorded on the ex-dividend date. The amount of dividends and distributions from net investment income and net realized capital gains are determined in accordance with Federal income tax law and regulations which may differ from accounting principles generally accepted in the United States of America. The Funds tax basis net income and capital gains and losses are determined only at the end of each fiscal year.

Federal income taxes:

The Funds have complied and intend to continue to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies. Therefore, no Federal income tax provision is required.

Expense allocation:

Expenses attributable to a specific Fund are charged to that Fund. Expenses attributable to the Trust are generally allocated using the ratio of each Fund's net assets relative to the total net assets of the Trust. Certain expenses are shared with Third Avenue Variable Series Trust, an affiliated fund group. Such costs are allocated using the ratio of the Funds' net assets relative to the total net assets of Third Avenue Variable Series Trust.



Third Avenue Trust
Notes to Financial Statements (continued)
April 30, 2007
(Unaudited)

Trustees' and officers' fees:

The Trust does not pay any fees to its officers for their services as such, except for the Chief Compliance Officer, to whom the Trust paid \$54,081 for the six months ended April 30, 2007. The Trust does pay, together with its affiliate Third Avenue Variable Series Trust, Trustees who are not affiliated with the Investment Adviser a fee of \$4,000 for each meeting of the Board of Trustees that they attend, in addition to reimbursing all Trustees for travel and incidental expenses incurred by them in connection with their attendance at meetings. If a special meeting is required, Trustees will each receive \$2,000. The Trust, together with Third Avenue Variable Series Trust, also pays non-interested Trustees an annual stipend of \$50,000, effective July 1, 2006. Prior to July 1, 2006, the annual stipend was \$44,000 for each trustee. The Trustees on the Audit Committee each receive \$1,500 for each audit committee meeting and the audit committee chairman receives an annual retainer of \$2,000.

Accounting Pronouncements:

In July 2006, the Financial Accounting Standards Board ("FASB") issued Interpretation No.48, "Accounting for Uncertainty in Income Taxes an Interpretation of FASB Statement No. 109" (the "Interpretation"). The Interpretation establishes for all entities, including pass-through entities such as the Funds, a minimum threshold for financial statement recognition of the benefit of positions taken in filing tax returns (including whether an entity is taxable in a particular jurisdiction), and requires certain expanded tax disclosures. The Interpretation is effective for fiscal years beginning after December 15, 2006, and is to be applied to all open tax years as of the date of effectiveness. The Adviser has begun to evaluate the application of the Interpretation to the Funds, and is not in a position at this time to estimate the significance of its impact, if any, on the Funds' financial statements.

In addition, in September 2006, the FASB issued Statement on Financial Accounting Standards (SFAS) No. 157, "Fair Value Measurements." This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. SFAS No. 157 applies to fair value measurements already required or permitted by existing standards. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The changes to current generally accepted accounting principles from the application of this Statement relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements. The Adviser has recently begun to evaluate the application of the Fair Value Measurements to the Funds, and is not in position at this time to estimate the significance of its impact, if any, on the Funds' financial statements.



Third Avenue Trust
Notes to Financial Statements (continued)
April 30, 2007
(Unaudited)

2. SECURITIES TRANSACTIONS

Purchases and sales/conversions:

The aggregate cost of purchases and aggregate proceeds from sales and conversions of investments, excluding short-term investments, from unaffiliated and affiliated issuers (as defined in the Investment Company Act of 1940, as amended, as ownership of 5% or more of the outstanding common stock of the issuer) for the six months ended April 30, 2007 were as follows:

	<u>Purchases</u>	<u>Sales</u>
Third Avenue Value Fund:		
Affiliated	\$ 311,774,525	\$106,446,500
Unaffiliated	779,879,167	249,681,755
Third Avenue Small-Cap Value Fund:		
Affiliated	24,209,450	14,958,953
Unaffiliated	250,933,310	203,783,788
Third Avenue Real Estate Value Fund:		
Affiliated	39,277,532	93,270,384
Unaffiliated	260,364,960	332,371,469
Third Avenue International Value Fund:		
Affiliated	25,023,045	34,739,296
Unaffiliated	194,165,119	181,193,852



Third Avenue Trust
Notes to Financial Statements (continued)
April 30, 2007
(Unaudited)

Written options transactions during the period are summarized as follows:

	<u>Third Avenue Small-Cap Value Fund</u>	
	<u>Number of</u>	<u>Premiums</u>
	<u>Contracts</u>	<u>Received</u>
Options outstanding at		
October 31, 2006	1,467	\$ 2,514,738
Options written	—	—
Options terminated in		
closing purchase transactions	(67)	(115,035)
Options exercised	(1,400)	(2,399,703)
Options outstanding at		
April 30, 2007	—	\$ —
	<u>Third Avenue Real Estate Value Fund</u>	
	<u>Number of</u>	<u>Premiums</u>
	<u>Contracts</u>	<u>Received</u>
Options outstanding at		
October 31, 2006	2,443	\$ 4,187,812
Options written	—	—
Options terminated in		
closing purchase transactions	—	—
Options exercised	(2,443)	(4,187,812)
Options outstanding at		
April 30, 2007	—	\$ —

3. INVESTMENT ADVISORY SERVICES, ADMINISTRATION AND SERVICE FEE AGREEMENTS

Each Fund has an Investment Advisory Agreement with the Adviser for investment advice and certain management functions. The terms of the Investment Advisory Agreement provide for a monthly fee of 1/12 of 0.90% (an annual fee of 0.90%) of the total average daily net assets of Third Avenue Value Fund, Third Avenue Small-Cap Value Fund and Third Avenue Real Estate Value Fund, and 1/12 of 1.25% (an annual fee of 1.25%) of the total average daily net assets of Third Avenue International Value Fund. Additionally, under the terms of the Investment Advisory Agreements, the Adviser pays certain expenses on behalf of the Funds which are partially reimbursed by the Funds, including service fees due to third parties, the compensation expense for the Funds' Chief Compliance Officer and other miscellaneous expenses. At April 30, 2007, Third Avenue Value Fund, Third Avenue Small-Cap Value Fund,



Third Avenue Trust
Notes to Financial Statements (continued)
April 30, 2007
(Unaudited)

Third Avenue Real Estate Value Fund and Third Avenue International Value Fund had amounts payable to the Adviser of \$1,036,640, \$246,101, \$386,230 and \$251,809, respectively, for reimbursement of expenses paid by the Adviser. Under current arrangements for Third Avenue Value Fund and Third Avenue Small-Cap Value Fund, whenever, in any fiscal year, the Fund's normal operating expenses, including the investment advisory fee, but excluding brokerage commissions and interest and taxes, exceeds 1.90% of the first \$100 million of the Funds average daily net assets, and 1.50% of average daily net assets in excess of \$100 million, the Adviser is obligated to reimburse the Fund in an amount equal to that excess. Whenever, in any fiscal year, Third Avenue Real Estate Value Fund's normal operating expenses, including the investment advisory fee, but excluding brokerage commissions and taxes, exceeds 1.50% of the Fund's average daily net assets, the Adviser is obligated to reimburse the Fund in an amount equal to that excess. Under current arrangements for Third Avenue International Value Fund, whenever, in any fiscal year, the Fund's normal operating expenses including the investment advisory fee, but excluding brokerage commissions and taxes exceed 1.75% of the Fund's average daily net assets, the Adviser is obligated to reimburse Third Avenue International Value Fund in an amount equal to the excess. Such waived and reimbursed expenses may be paid to the Adviser during the following three-year period to the extent that the payment of such expenses would not cause the Funds to exceed the preceding limitations. No expense reimbursement was required for the six months ended April 30, 2007.

The Trust has entered into an Administration Agreement with the Adviser pursuant to which the Adviser, as administrator, is responsible for providing various administrative services to the Trust. The Adviser has in turn entered into a Sub-Administration Agreement with PFPC Inc. pursuant to which PFPC Inc. provides certain of these administrative services on behalf of the Adviser. The Adviser earns a fee from the Trust equal to \$174,590 plus 50% of the difference between (i) \$191,022 plus .01% of the Trust's average net assets in excess of \$1 billion and (ii) \$174,590. The Adviser pays PFPC Inc. a sub-administration fee for sub-administration services provided to the Trust equal to \$180,775.

Both the Trust and the Adviser have entered into agreements with financial intermediaries to provide recordkeeping, processing, shareholder communications and other services to customers of the intermediaries and have agreed to compensate the intermediaries for providing those services. Certain of those services would be provided by the Funds if the shares of each customer were registered directly with the Funds' transfer agent. Accordingly, the Adviser has agreed to pay and the Funds to reimburse a portion of the intermediary fees pursuant to provisions adopted by the Board of Trustees. Each Fund pays a portion of the intermediary fees attributable to shares of the Fund not exceeding the estimated expense the Fund would have paid its transfer agent had each customer's shares been registered directly with the transfer agent instead of held through the intermediary accounts. The Adviser pays the remainder of the fees. The fees incurred by the Funds are reflected as other shareholder servicing fees in the Statements of Operations. For the six months ended April 30, 2007, such fees amounted to \$4,232,791 for Third Avenue Value Fund, \$1,281,737 for Third Avenue Small-Cap Value Fund, \$1,665,213 for Third Avenue Real Estate Value Fund and \$1,027,894 for Third Avenue International Value Fund.



Third Avenue Trust
Notes to Financial Statements (continued)
April 30, 2007
(Unaudited)

4. RELATED PARTY TRANSACTIONS

Brokerage commissions:

M.J. Whitman LLC, a registered broker-dealer and Private Debt LLC, a dealer in the trading of bank debt and other private claims, operate under common control with the Adviser. For the six months ended April 30, 2007, the Funds incurred brokerage commissions, paid to related parties as follows:

<u>Fund</u>	<u>M.J. Whitman LLC</u>	<u>Private Debt LLC</u>
Third Avenue Value Fund	\$1,231,886	\$ —
Third Avenue Small-Cap Value Fund	494,101	—
Third Avenue Real Estate Value Fund	670,976	—
Third Avenue International Value Fund	283,567	—

Investment in affiliates:

A summary of the Funds' transactions in securities of affiliated issuers for the six months ended April 30, 2007 is set forth below:

Third Avenue Value Fund

<u>Name of Issuer:</u>	<u>Shares Held at Oct. 31, 2006</u>	<u>Shares Purchased</u>	<u>Shares Sold</u>	<u>Shares Held at April 30, 2007</u>	<u>Value at April 30, 2007</u>	<u>Dividend Income Nov. 1, 2006 - Apr. 30, 2007</u>
ACA Capital Holdings, Inc.	118,812	3,687,908 ¹	—	3,806,720	\$ 51,895,116	\$ —
ACA Capital Holdings, Inc. Convertible Pfd.	259	—	259 ²	—	—	—
ACA Capital Holdings, Inc. Senior Convertible Pfd.	123	—	123 ²	—	—	—
ACA Capital Holdings, Inc. Series B Senior Convertible Pfd.	133,783	—	133,783 ²	—	—	—
Alamo Group, Inc.	594,300	—	—	594,300	16,046,100	71,316
AVX Corp.	9,046,200	—	—	9,046,200	150,528,768	678,465
Carver Bancorp, Inc.	218,500	—	—	218,500	3,714,500	39,330
Chong Hing Bank, Ltd.	26,127,450	—	—	26,127,450	66,267,208	1,471,423
Covanta Holding Corp.	8,816,889	—	—	8,816,889	216,366,456	—
Forest City Enterprises, Inc., Class A	4,847,557	562,876	—	5,410,433	359,590,741	718,059
Gouverneur Bancorp, Inc.	142,200	—	—	142,200	1,585,530	22,752
Henderson Land Development Co., Ltd.	53,328,000	50,000,000	—	103,328,000	621,494,989	13,932,267
RHJ International	4,505,945	122,968	—	4,628,913	93,489,147	—
SFSB, Inc.	197,800	45,000	—	242,800	2,306,600	—
St. Joe Co. (The)	6,072,168	—	—	6,072,168	343,866,874	1,943,094
Tejon Ranch Co.	3,420,106	—	—	3,420,106	170,389,681	—
Trammell Crow Co.*	2,150,000	—	2,150,000	—	—	—
Total Affiliates					<u>\$2,097,541,710</u>	<u>\$18,876,706</u>



Third Avenue Trust
Notes to Financial Statements (continued)
April 30, 2007
(Unaudited)

Third Avenue Small-Cap Value Fund

Name of Issuer:	Shares	Shares Purchased	Shares Sold	Shares	Value at April 30, 2007	Dividend Income
	Held at Oct. 31, 2006			Held at April 30, 2007		Nov. 1, 2006 - Apr. 30, 2007
Bandag, Inc.	1,126,284	—	46,133	1,080,151	\$ 54,482,816	\$ 746,498
Bel Fuse, Inc., Class B	690,643	16,449	—	707,092	25,031,057	69,887
Borland Software Corp.	3,939,252	622,700	—	4,561,952	25,410,073	—
Catalyst Paper Corp.	12,107,879	—	—	12,107,879	36,990,176	—
Deltic Timber Corp.	750,875	—	—	750,875	37,506,206	112,631
Haverty Furniture Cos., Inc.	1,617,166	80,604	—	1,697,770	21,663,545	218,318
Herley Industries, Inc.	1,088,351	249,779	—	1,338,130	20,674,109	—
Magma Design Automation, Inc.*	2,386,734	—	995,621	1,391,113	19,099,981	—
National Western Life Insurance Co., Class A	148,742	35,817	—	184,559	49,406,444	—
Stanley Furniture Co., Inc.	748,046	352,048	—	1,100,094	23,806,034	134,648
Total Affiliates					<u>\$314,070,441</u>	<u>\$1,281,982</u>

Third Avenue Real Estate Value Fund

Name of Issuer:	Shares	Shares Purchased	Shares Sold	Shares	Value at April 30, 2007	Dividend Income
	Held at Oct. 31, 2006			Held at April 30, 2007		Nov. 1, 2006 - Apr. 30, 2007
Acadia Realty Trust	2,293,800	143,010	—	2,436,810	\$ 65,501,453	\$ 946,836
American Land Lease, Inc.	642,148	—	—	642,148	16,535,311	321,074
Associated Estates Realty Corp.	1,348,100	—	—	1,348,100	20,464,158	458,354
Avatar Holdings, Inc.	434,690	—	—	434,690	32,632,178	—
Columbia Equity Trust, Inc. *	1,000,000	—	1,000,000	—	—	220,000
Consolidated-Tomoka Land Co.	510,000	—	—	510,000	38,275,500	91,800
Forest City Enterprises, Inc., Class A	7,029,931	—	—	7,029,931	469,669,690	1,352,934
JER Investors Trust, Inc.	2,251,800	—	—	2,251,800	39,654,198	2,612,088
Killam Properties, Inc.	7,380,400	—	—	7,380,400	18,219,926	151,112
Midland Realty (Holdings), Ltd.*	49,926,000	—	20,352,000	29,574,000	18,374,110	294,839
One Liberty Properties, Inc.	938,200	—	500	937,700	22,242,244	675,324
PS Business Parks, Inc.	1,150,400	—	—	1,150,400	79,262,560	667,232
Quadra Realty Trust, Inc.	—	1,999,900	—	1,999,900	27,938,603	—
St. Joe Co. (The)	5,070,861	—	—	5,070,861	287,162,858	1,622,675
Thomas Properties Group, Inc.	2,000,000	411,373	—	2,411,373	41,403,274	252,754
Unite Group PLC*	7,757,487	—	4,230,759	3,526,728	36,213,702	118,744
Total Affiliates					<u>\$1,213,549,765</u>	<u>\$9,785,766</u>



Third Avenue Trust
Notes to Financial Statements (continued)
April 30, 2007
(Unaudited)

Third Avenue International Value Fund

Name of Issuer:	Shares	Shares Purchased	Shares Sold	Shares	Value at April 30, 2007	Dividend Income
	Held at Oct. 31, 2006			Held at April 30, 2007		Nov. 1, 2006 - Apr. 30, 2007
ABB Grain, Ltd.	6,096,663	1,988,011	—	8,084,674	\$ 52,710,662	\$ 794,152
BIL International, Ltd.	103,667,023	—	—	103,667,023	110,541,765	—
Blue Ocean Reinsurance, Ltd.	124,876	—	—	124,876	15,879,184	—
Boardroom, Ltd.	22,522,784	—	—	22,522,784	7,264,219	147,449
Catalyst Paper Corp.	40,080,245	—	—	40,080,245	122,447,153	—
Dundee Precious Metals, Inc.	3,792,832	—	—	3,792,832	38,307,637	—
Gigabyte Technology Co., Ltd.	31,351,000	6,277,000	—	37,628,000	25,186,607	—
Liu Chong Hing Investment, Ltd.	21,374,000	—	—	21,374,000	31,695,950	410,360
Netia S.A.	29,703,256	347,273	—	30,050,529	43,109,595	—
Oslo Bors Holding ASA*	351,700	—	351,700	—	—	—
Rubicon, Ltd.	44,893,185	—	—	44,893,185	32,930,925	—
Saskatchewan Wheat Pool	10,559,300	—	—	10,559,300	78,964,042	—
Toll NZ, Ltd.	18,671,113	—	—	18,671,113	36,661,008	—
United International Enterprises, Ltd.	444,406	—	—	444,406	47,126,570	—
WBL Corp., Ltd.	16,216,000	3,074,300	—	19,290,300	58,661,304	490,727
Total Affiliates					<u>\$701,486,621</u>	<u>\$1,842,688</u>

* As of April 30, 2007, no longer an affiliate.

¹ Increase due to exchange.

² Decrease due to exchange.



Third Avenue Trust
Notes to Financial Statements (continued)
April 30, 2007
(Unaudited)

5. CAPITAL SHARE TRANSACTIONS

Each Fund is authorized to issue an unlimited number of shares of beneficial interest with \$0.001 par value.

Transactions in capital stock were as follows:

	Third Avenue Value Fund		Third Avenue Small-Cap Value Fund	
	For the	For the	For the	For the
	Six Months Ended April 30, 2007	Year Ended October 31, 2006	Six Months Ended April 30, 2007	Year Ended October 31, 2006
Increase (decrease) in Fund shares:				
Shares outstanding at beginning of period	153,848,187	108,658,702	90,805,077	77,319,265
Shares sold	26,856,218	58,685,754	4,697,258	27,806,946
Shares reinvested from dividends and distributions	8,012,353	10,828,087	4,585,307	1,984,280
Shares redeemed	(12,592,537)	(24,324,356)	(10,368,940)	(16,305,414)
Net increase (decrease) in Fund shares	22,276,034	45,189,485	(1,086,375)	13,485,812
Shares outstanding at end of period	<u>176,124,221</u>	<u>153,848,187</u>	<u>89,718,702</u>	<u>90,805,077</u>

	Third Avenue Real Estate Value Fund		Third Avenue International Value Fund	
	For the	For the	For the	For the
	Six Months Ended April 30, 2007	Year Ended October 31, 2006	Six Months Ended April 30, 2007	Year Ended October 31, 2006
Increase (decrease) in Fund shares:				
Shares outstanding at beginning of period	86,401,434	97,702,927	99,168,233	94,865,602
Shares sold	10,641,893	15,254,843	5,413,044	17,893,198
Shares reinvested from dividends and distributions	8,499,308	4,617,657	11,274,840	2,312,692
Shares redeemed	(11,203,570)	(31,173,993)	(14,529,814)	(15,903,259)
Net increase (decrease) in Fund shares	7,937,631	(11,301,493)	2,158,070	4,302,631
Shares outstanding at end of period	<u>94,339,065</u>	<u>86,401,434</u>	<u>101,326,303</u>	<u>99,168,233</u>



Third Avenue Trust
Notes to Financial Statements (continued)
April 30, 2007
(Unaudited)

Third Avenue Value Fund charges a redemption fee of 1% for shares held 60 days or less. Third Avenue Small-Cap Value Fund and Third Avenue Real Estate Value Fund charge a redemption fee of 1% for shares held one year or less. Third Avenue International Value Fund charges a redemption fee of 2% for shares held one year or less.

6. COMMITMENTS AND CONTINGENCIES

Third Avenue Value Fund has committed a \$1,755,000 capital investment to RS Holdings of which \$1,022,245 has been funded as of April 30, 2007. Under certain circumstances this commitment may be payable to RS Holdings, although the Adviser believes that this commitment is no longer enforceable.

Third Avenue Real Estate Value Fund has committed up to \$10,500,000 to Atlantic American Realty Capital Advisors, Inc., of which \$500,000 has been funded as of April 30, 2007. Under certain circumstances this commitment may be payable to Atlantic American Realty Capital Advisors, Inc.

Accordingly, Third Avenue Value Fund and Third Avenue Real Estate Value Fund have segregated securities valued at \$24,993,161 and \$24,993,281 respectively, to meet each of these contingencies.

In the normal course of business, the Funds enter into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Funds' maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Funds that have not yet occurred. However, based on experience, the Funds expect the risk of loss to be remote.

7. RISKS RELATING TO CERTAIN INVESTMENTS

Foreign securities:

Investments in the securities of foreign issuers may involve investment risks different from those of U.S. issuers including possible political or economic instability of the country of the issuer, the difficulty of predicting international trade patterns, the possibility of currency exchange controls, the possible imposition of foreign taxes on income from and transactions in such instruments, the possible establishment of foreign controls, the possible seizure or nationalization of foreign deposits or assets, or the adoption of other foreign government restrictions that might adversely affect the foreign securities held by the Funds. Foreign securities may also be subject to greater fluctuations in price than securities of domestic corporations or the U.S. Government.

High yield debt:

The Funds may invest in high yield, lower grade debt. The market values of these higher yielding debt securities tend to be more sensitive to economic conditions and individual corporate developments than those of higher rated securities. In addition, the secondary market for these bonds is generally less liquid.



Third Avenue Trust
Notes to Financial Statements (continued)
April 30, 2007
(Unaudited)

Loans and other direct debt instruments:

The Funds may invest in loans and other direct debt instruments issued by corporate borrowers. These loans represent amounts owed to lenders or lending syndicates (loans and loan participations) or to other parties. Direct debt instruments may involve a risk of loss in case of default or insolvency of the borrower and may offer less legal protection to the Fund in the event of fraud or misrepresentation. In addition, loan participations involve a risk of insolvency of the lending bank or other financial intermediary. The markets in loans are not regulated by federal securities laws or the Securities and Exchange Commission (“SEC”).

Trade claims:

An investment in trade claims is very speculative and carries a high degree of risk. Trade claims are illiquid instruments which generally do not pay interest and there can be no guarantee that the debtor will ever be able to satisfy the obligation on the trade claim. The markets in trade claims are not regulated by federal securities laws or the SEC. Because trade claims are unsecured, holders of trade claims may have a lower priority in terms of payment than certain other creditors in a bankruptcy proceeding.

8. FEDERAL INCOME TAXES

The tax character of distributions paid during the period ended April 30, 2007 was as follows:

	<u>Ordinary income</u>	<u>Net long-term capital gain</u>
Third Avenue Value Fund	\$505,248,562	\$ 14,621,692
Third Avenue Small-Cap Value Fund	49,009,478	77,757,960
Third Avenue Real Estate Value Fund	82,681,372	222,103,583
Third Avenue International Value Fund	121,976,814	154,027,391

The tax character of distributions paid during the fiscal year ended October 31, 2006 was as follows:

	<u>Ordinary income</u>	<u>Net long-term capital gain</u>
Third Avenue Value Fund	\$184,620,893	\$444,291,930
Third Avenue Small-Cap Value Fund	32,394,132	19,085,781
Third Avenue Real Estate Value Fund	64,992,122	77,076,737
Third Avenue International Value Fund	43,828,096	9,495,160



**Third Avenue Funds
Schedule of Shareholder Expenses
(Unaudited)**

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, such as redemption fees; and (2) ongoing costs, including management fees; other shareholder servicing fees; and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of \$1,000 invested at the beginning of the period, November 1, 2006 and held for the entire reporting period ended April 30, 2007.

Actual Expenses

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During the Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees, or exchange fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value November 1, 2006	Ending Account Value April 30, 2007	Expenses Paid During the Period November 1, 2006 to April 30, 2007*	Annualized Expense Ratio
Third Avenue Value Fund				
Actual	\$1,000	\$1,111	\$5.55	1.06%
Hypothetical	\$1,000	\$1,020	\$5.31	1.06%
Third Avenue Small-Cap Value Fund				
Actual	\$1,000	\$1,089	\$5.70	1.10%
Hypothetical	\$1,000	\$1,019	\$5.51	1.10%
Third Avenue Real Estate Value Fund				
Actual	\$1,000	\$1,116	\$5.72	1.09%
Hypothetical	\$1,000	\$1,019	\$5.46	1.09%
Third Avenue International Value Fund				
Actual	\$1,000	\$1,093	\$7.52	1.45%
Hypothetical	\$1,000	\$1,018	\$7.25	1.45%

* Expenses are equal to the Fund's annualized expense ratio, multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year (181) divided by 365.



Annual Renewal of Investment Advisory Agreements (Unaudited)

At a meeting of the Board of Trustees of the Trust held on June 1, 2006, the Trustees, by a unanimous vote (including a separate vote of those Trustees who are not “interested persons” (as the term is defined in the 1940 Act) (the “Independent Trustees”)), approved the renewal of each Fund’s Investment Advisory Agreement (collectively, the “Agreements”). In advance of the meeting, the Independent Trustees, through their independent legal counsel, requested extensive materials, and the Adviser provided them, to assist the Board in considering the renewal of the Agreements. The Board engaged in a detailed discussion of the materials with the Adviser. The Independent Trustees then met separately with their independent legal counsel for a discussion of the Adviser’s presentation and materials. In considering the Agreements, the Trustees did not identify any single overriding factor and instead considered all factors collectively. As a part of their decision-making process, the Trustees noted that the Adviser has managed each Fund since its inception, and that the Trustees believe that a long-term relationship with a capable, conscientious adviser is in the best interest of the Funds. Following this session, the full Board reconvened and approved the continuation of each Agreement as being in the best interests of the relevant Fund and its shareholders. The following is a summary of the discussions and conclusions regarding the material factors that formed the basis for the Board’s approval.

Factors Considered

A. Financial Condition of the Adviser; Advisory Fees: Profitability.

The Trustees received a presentation from representatives of the Adviser, including a report prepared by Lipper Inc., and reviewed and considered:

1. the financial condition of the Adviser to determine that the Adviser is solvent and sufficiently well capitalized to perform its ongoing responsibilities to the Funds;
2. the information sources and methodology used in the selection of funds to be included in the comparison universe and the competitive fund group used in comparative analyses of each Fund’s advisory fees and expense ratio and in analyzing the Fund’s performance;
3. each Fund’s advisory fee and total expenses versus those of the comparison universe and competitive fund group, noting, for each Fund, the Fund’s generally competitive ranking within the universe and that its fees and expenses generally were well within the range of those of the funds in its competitive group;
4. performance/expense analysis of each Fund and funds in its competitive fund group;
5. a comparison of fees paid to the Adviser versus fees paid by similar funds advised and sub-advised by the Adviser;
6. advisory fee breakpoints of funds in the competitive groups;



Annual Renewal of Investment Advisory Agreements (continued)
(Unaudited)

7. information presented in respect of economies of scale, noting the competitive expense ratios, the extensive resources that the Adviser dedicates to its investment advisory process to the benefit of the Funds and the trend of declining or generally stable gross expense ratios of each Fund since inception;
8. the profitability to the Adviser resulting from each Agreement, reviewing the dollar amount of expenses allocated and revenue received by the Adviser and the method used to determine such expenses and corresponding profit; and
9. brokerage commission revenue to the Adviser's affiliated broker-dealer from transactions executed for the Funds, including the quarterly brokerage analysis performed by a third party service and provided to the Trustees analyzing, among other things, the affiliated broker-dealer's per share commission and execution costs.

B. Description of Personnel And Service Provided by the Adviser.

The Trustees reviewed with representatives of the Adviser, and considered:

1. the nature, extent and quality of services rendered to the Funds, including the Adviser's investment, senior management and operational personnel and the oversight of day-to-day operations of the Funds provided by the Adviser;
2. the Adviser's research and portfolio management capabilities, particularly the intensive research undertaken in connection with the Adviser's deep value philosophy; and
3. the value added through the Adviser's active management style that includes participation in corporate restructurings.

C. Compliance Matters

1. The Trustees met in private session with the Trust's Chief Compliance Officer and reviewed the operation of the Trust's and the Adviser's compliance programs.

D. Investment Performance of the Funds and Adviser.

1. The Trustees reviewed total return information for each Fund versus the comparison universe and competitive funds group and compared to the Fund's benchmark index for various periods and since inception.
2. It was noted that each Fund's performance was favorable both on an absolute basis and, since inception, relative to that of funds in the comparison universe and competitive group and the Fund's benchmark.



Annual Renewal of Investment Advisory Agreements (continued) (Unaudited)

Conclusions

The Trustees concluded that the nature, extent and quality of the services provided by the Adviser are adequate and appropriate. The Trustees considered, evaluated and were satisfied with each Fund's historical performance. They also considered the advisory fee and expense ratio of each Fund and evaluated the comparisons to those of funds in the comparable universe and competitive group and the performance/expense analysis, as discussed in the Adviser's presentation. The Trustees discussed the Adviser's profitability, and it was noted that the profitability percentage for each Fund was within ranges in relevant court cases upholding board approval of particular advisory agreements. The Trustees concluded that each Fund's fee paid to the Adviser was reasonable in light of comparative performance and advisory fee and expense information, costs of the services provided and profits and other benefits derived by the Adviser and its affiliates from their relationship with the Fund. The Trustees also considered the advisory fees charged for similar funds advised and sub-advised by the Adviser and reviewed the nature of the services provided and differences, from the Adviser's perspective, in management of the Funds as compared to advisory services provided to other advised and sub-advised funds. The Trustees recognized that any differences in fees paid were consistent with the differences in services provided by the Adviser.

The Trustees considered whether economies of scale are shared with the Funds and considered each Fund's competitive fee structure, the extensive resources that the Adviser dedicates to its investment advisory process to the benefit of the Fund, and the size of the Fund. The Trustees concluded that operational economies of scale had benefited the Funds and that there were no other material economies of scale in which the Funds should share.

Board of Trustees

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Lucinda Franks
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Marvin Moser
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Chairman of the Board
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General Counsel, Secretary
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Chief Compliance Officer

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Accounting Firm**

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Custodian

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