



**Third Avenue Value Fund**

**Third Avenue Small-Cap Value Fund**

**Third Avenue Real Estate Value Fund**

**Third Avenue International Value Fund**

**THIRD QUARTER REPORT**

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July 31, 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' 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.thirdave.com](http://www.thirdave.com).

### **Schedule of Portfolio Holdings—Form N-Q**

Third Avenue Funds files 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 July 31, 2007  
(Unaudited)**

	Principal Amount (\$)	Issues	Value
<b>Corporate Debt Instruments - 0.32%</b>			
Auto Parts - 0.08%		Collins & Aikman Products Co.:	
	250,750,000	10.750%, due 12/31/11 (a) *	\$ 8,776,250
	2,000,000	12.875%, due 8/15/12 (a) (d) *	12,000
			<u>8,788,250</u>
Automotive - 0.01%	2,005,000	General Motors Corp., step bond, 0.000% until 3/15/16 (7.750% thereafter), due 3/15/36	<u>651,625</u>
Consumer Products - 0.12%	13,803,603	Home Products International, Inc., 2nd Lien, Convertible, PIK, 6.000%, due 3/20/17 (b)	<u>13,803,603</u>
Energy & Utilities - 0.08%	10,000,000	Mirant Americas Generation LLC, 8.500%, due 10/1/21	<u>9,575,000</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 - 0.02%	86,205,118	Sears Holding Corp. Trade Claims (a) (b)	<u>1,996,148</u>
		<b>Total Corporate Debt Instruments</b> (Cost \$173,671,803)	<u>35,669,998</u>
	<b>Shares</b>		
<b>Preferred Stocks - 0.02%</b>			
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)	12,438
	1,022,245	RS Holdings Convertible, Class A (a) (b)	<u>—</u>
			<u>12,438</u>
		<b>Total Preferred Stocks</b> (Cost \$13,040,361)	<u>2,512,397</u>

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust**  
**Third Avenue Value Fund**  
**Portfolio of Investments (continued)**  
**at July 31, 2007**  
**(Unaudited)**

	Shares	Issues	Value
<b>Common Stocks and Warrants - 78.34%</b>			
Annuities & Mutual Fund Management & Sales - 4.56%	5,500,000	Bank of New York Mellon Corp.	\$ 234,025,000
	1,451,598	Legg Mason, Inc.	130,643,820
	2,370,933	Nuveen Investments, Inc. Class A (e)	144,958,844
	139,212	Westwood Holdings Group, Inc.	4,649,681
			<u>514,277,345</u>
Automotive - 5.77%	14,372,600	Toyota Industries Corp. (Japan)	<u>651,177,055</u>
Building Products - 0.92%	2,500,000	USG Corp. (a) (e)	<u>103,775,000</u>
Business Services - 0.12%	337,082	Fair Issac Corp.	<u>13,233,839</u>
Computerized Securities Trading - 0.05%	132,800	Investment Technology Group, Inc. (a)	<u>5,306,688</u>
Consumer Products - 0.01%	526,368	Home Products International, Inc. (a) (b) (c)	584,268
	47,250	JAKKS Pacific, Inc. (a)	1,120,297
			<u>1,704,565</u>
Depository Institutions - 0.76%	390,800	Berkshire Hills Bancorp, Inc.	10,254,592
	529,600	Brookline Bancorp, Inc. (e)	5,438,992
	218,500	Carver Bancorp, Inc. (c)	3,439,190
	26,127,450	Chong Hing Bank, Ltd. (c) (Hong Kong)	63,901,653
	54,704	Tompkins Financial Corp. (e)	1,739,587
	16,354	Toronto-Dominion Bank (The) (Canada) (e)	1,048,618
			<u>85,822,632</u>
Electronics Components - 2.01%	9,046,200	AVX Corp. (c) (e)	144,648,738
	3,500,000	Intel Corp.	82,670,000
			<u>227,318,738</u>

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust**  
**Third Avenue Value Fund**  
**Portfolio of Investments (continued)**  
**at July 31, 2007**  
**(Unaudited)**

	Shares	Issues	Value
<b>Common Stocks and Warrants (continued)</b>			
Financial Insurance/ Credit Enhancement - 3.84%	3,806,722	ACA Capital Holdings, Inc. (a) (b) (c) (h)	\$ 21,823,939
	300,000	Ambac Financial Group, Inc. (e)	20,145,000
	5,477,409	MBA, Inc. (e)	307,282,645
	2,487,100	Radian Group, Inc.	83,840,141
			<u>433,091,725</u>
Financial Services - 0.09%	250,000	CIT Group, Inc.	<u>10,295,000</u>
Holding Companies - 21.34%	1,387,200	Alexander & Baldwin, Inc. (e)	75,213,984
	10,000,000	Brookfield Asset Management, Inc., Class A (e) (Canada)	351,400,000
	83,370	Capital Southwest Corp.	11,299,970
	53,819,000	Cheung Kong Holdings, Ltd. (Hong Kong)	755,203,561
	3,951,800	Guoco Group, Ltd. (Hong Kong) <sup>1</sup>	57,471,853
	12,713,000	Hutchison Whampoa, Ltd. (Hong Kong)	135,141,206
	10,665,000	Investor AB, Class A (Sweden)	270,327,880
	2,200,000	Jardine Matheson Holdings, Ltd. (Hong Kong) <sup>1</sup>	53,240,000
	359,250	Pargesa Holding SA (Switzerland)	39,356,639
	4,487,800	Power Corp. of Canada (Canada)	163,223,322
	4,628,913	RHJ International (a) (c) (Belgium)	94,172,930
	42,953,000	Wharf (Holdings), Ltd. (The) (Hong Kong)	177,322,412
	86,874,500	Wheelock & Co., Ltd. (Hong Kong)	224,415,753
			<u>2,407,789,510</u>
Housing Development - 0.42%	208,750	Levitt Corp., Class A (e)	1,703,400
	1,000,000	MDC Holdings, Inc. (e)	46,000,000
			<u>47,703,400</u>
Industrial & Agricultural Equipment - 0.34%	594,300	Alamo Group, Inc. (c)	15,410,199
	360,100	Mestek, Inc. (a) (e)	5,401,500
	360,100	Omega Flex, Inc.	6,431,386
	480,500	Standex International Corp.	11,387,850
			<u>38,630,935</u>

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust**  
**Third Avenue Value Fund**  
**Portfolio of Investments (continued)**  
**at July 31, 2007**  
**(Unaudited)**

	Shares	Issues	Value
<b>Common Stocks and Warrants (continued)</b>			
Insurance & Reinsurance - 0.74%	87,035	ACE, Ltd. (Cayman Islands)	\$ 5,023,660
	432,300	Arch Capital Group, Ltd. (a) (Bermuda)	30,114,018
	15,675	ESG Re, Ltd. Warrants, expires 12/07 (a) (b) (Bermuda)	—
	65,000	Helicon RE Holdings, Ltd. (a) (b) (Bermuda)	8,110,050
	480,000	Montpelier RE Holdings, Ltd. (e) (Bermuda)	7,608,000
	127,500	Olympus RE Holdings, Ltd. (a) (b) (Bermuda)	826,200
	32,089	RS Holdings, Class A (a) (b)	—
	58,300	White Mountains Insurance Group, Ltd.	32,035,850
			<u>83,717,778</u>
Insurance Services Companies - 0.01%	63,460	Safelite Realty Corp. (b)	<u>621,273</u>
Life Insurance - 0.25%	2,009,900	Phoenix Cos., Inc. (The) (e)	<u>27,716,521</u>
Medical Supplies & Services - 0.84%	342,300	Datascope Corp. (e)	11,778,543
	598,000	PAREXEL International Corp. (a)	24,177,140
	1,275,000	Pharmaceutical Product Development, Inc. (e)	42,712,500
	363,000	St. Jude Medical, Inc. (a)	15,659,820
			<u>94,328,003</u>
Mutual Holding Companies - 0.16%	637,122	Brooklyn Federal Bancorp, Inc.	9,397,549
	16,226	Colonial Bankshares, Inc. (a)	186,112
	301,821	FedFirst Financial Corp. (a)	2,640,934
	189,315	Gouverneur Bancorp, Inc. (c)	2,063,534
	120,000	Home Federal Bancorp, Inc.	1,221,600
	242,800	SFSB, Inc. (a) (c)	2,023,738
	9,200	Westborough Financial Services, Inc.	315,100
			<u>17,848,567</u>

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**Third Avenue Trust  
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Portfolio of Investments (continued)  
at July 31, 2007  
(Unaudited)**

	Shares	Issues	Value
<b>Common Stocks and Warrants (continued)</b>			
<b>Non-Life</b>			
Insurance-Japan - 3.91%	9,159,100	Aiio Insurance Co., Ltd. (Japan)	\$ 54,187,117
	5,290,500	Millea Holdings, Inc., ADR (Japan)	210,171,461
	10,857,140	Mitsui Sumitomo Insurance Co., Ltd. (Japan)	125,308,786
	4,420,560	Sompo Japan Insurance, Inc. (Japan)	51,326,402
			<u>440,993,766</u>
<b>Oil &amp; Gas</b>			
Production & Services - 3.65%	471,754	Cimarex Energy Co. (e)	17,855,889
	626,800	EnCana Corp. (e) (Canada)	38,222,264
	9,090,000	Nabors Industries, Ltd. (a) (Bermuda)	265,791,600
	1,000,000	Suncor Energy, Inc. (Canada)	90,470,000
			<u>412,339,753</u>
<b>Pharmaceuticals - 0.66%</b>			
	1,000,000	Daiichi Sankyo Co., Ltd. (Japan)	27,630,923
	2,000,000	Pfizer, Inc.	47,020,000
			<u>74,650,923</u>
<b>Real Estate - 17.98%</b>			
	139,000	Alico, Inc.	6,676,170
	31,000	Consolidated-Tomoka Land Co. (e)	1,926,960
	18,978,281	FNC Realty Corp. (a) (b)	14,233,711
	5,177,517	Forest City Enterprises, Inc., Class A (c) (e)	281,708,700
	1,017,031	Forest City Enterprises, Inc., Class A (c) (d)	55,336,657
	562,876	Forest City Enterprises, Inc., Class A (b) (c) (d)	29,094,779
	22,500	Forest City Enterprises, Inc., Class B	1,229,625
	23,919,000	Hang Lung Group, Ltd. (Hong Kong)	117,278,703
	30,534,000	Hang Lung Properties, Ltd. (Hong Kong)	112,314,443
	56,080,000	Henderson Land Development Co., Ltd. (c) (Hong Kong)	403,970,813
	50,000,000	Henderson Land Development Co., Ltd. (c) (d) (Hong Kong)	360,173,692
	47,348	Homefed Corp. (a) (e)	3,148,642
	6,151,000	Mitsubishi Estate Co., Ltd. (Japan)	156,480,663
	3,957,000	Mitsui Fudosan Co., Ltd. (Japan)	103,315,631
	6,072,168	St. Joe Co. (The) (c) (e)	246,165,691
	3,420,106	Tejon Ranch Co. (a) (c)	135,675,605
			<u>2,028,730,485</u>

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust**  
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**Portfolio of Investments (continued)**  
**at July 31, 2007**  
**(Unaudited)**

	Shares	Issues	Value
<b>Common Stocks and Warrants (continued)</b>			
Real Estate Investment Trust - 0.34%	676,607	ProLogis (e)	\$ 38,498,938
	846	Public Storage, Inc.	59,296
			<u>38,558,234</u>
Retail - 0.24%	197,240	Sears Holding Corp. (a)	<u>26,980,460</u>
Security Brokers, Dealers & Flotation Companies - 0.87%	894,400	Jefferies Group, Inc. (e)	23,495,888
	2,444,062	Raymond James Financial, Inc. (e)	74,959,382
			<u>98,455,270</u>
Semiconductor Equipment Manufacturers - 0.14%	700,000	Applied Materials, Inc.	<u>15,428,000</u>
Software - 0.51%	2,000,000	Microsoft Corp.	<u>57,980,000</u>
Steel & Specialty Steel - 4.58%	445,714	Haynes International, Inc. (a) (e)	40,029,574
	3,350,000	POSCO, ADR (South Korea)	477,207,500
			<u>517,237,074</u>
Telecommunications - 0.20%	2,008,200	Tellabs, Inc. (a) (e)	<u>22,793,070</u>
Title Insurance - 0.57%	1,000,000	First American Corp. (e)	46,290,000
	479,800	Stewart Information Services Corp. (e)	17,503,104
			<u>63,793,104</u>
Utilities, Utility Service Companies & Waste Management - 2.46%	8,816,889	Covanta Holding Corp. (a) (c) (h)	199,967,043
	27,482,000	Henderson Investment, Ltd. (Hong Kong)	45,350,297
	861,208	Mirant Corp. (a)	32,579,499
			<u>277,896,839</u>
		<b>Total Common Stocks and Warrants</b>	
		(Cost \$5,628,363,787)	<u>8,840,195,552</u>

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust**  
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**Portfolio of Investments (continued)**  
**at July 31, 2007**  
**(Unaudited)**

	Investment Amount (\$)	Issues	Value
<b>Limited Partnerships - 0.01%</b>			
Insurance & Reinsurance - 0.01%	1,805,000	Insurance Partners II Equity Fund, LP (a) (b)	\$ 1,276,578
		<b>Total Limited Partnerships</b>	
		(Cost \$821,846)	<u>1,276,578</u>
	<b>Principal Amount (†)</b>		
<b>Short Term Investments - 22.21%</b>			
Foreign Government Obligations - 13.06%	207,000,000 GBP	United Kingdom Treasury Bills, 5.37%-5.82%‡, due 8/13/07-10/1/07	417,806,224
	520,000,000 GBP	United Kingdom Treasury Bonds, 5.00%-7.25%, due 12/7/07-3/7/08	<u>1,055,179,104</u>
			<u>1,472,985,328</u>
Repurchase Agreement - 0.84%	95,025,154	Bear Stearns, 5.12%, dated 7/31/07, due 8/1/07 (f)	<u>95,025,154</u>
U.S. Government Obligations - 8.31%	50,000,000	U.S. Treasury Bill, 5.02%‡, due 10/18/07 (g)	49,482,400
	900,000,000	U.S. Treasury Bills, 4.85%-5.17%‡, due 8/2/07-12/13/07 (e)	<u>888,267,348</u>
			<u>937,749,748</u>
		<b>Total Short Term Investments</b>	
		(Cost \$2,460,927,878)	<u>2,505,760,230</u>
<b>Investment of Cash Collateral for Securities Loaned - 8.26%</b>			
U.S. Government Obligations - 8.26%	80,690,000	U.S. Treasury Notes, 8.75%, due 8/15/20	113,006,119
	316,898,000	U.S. Treasury Strip Principal (STRIPS), zero coupon bonds due 8/15/08-2/15/29	148,155,844
	625,125,000	U.S. Treasury Inflation Indexed Notes, 2.00%-2.63%, due 1/15/14-7/15/17	<u>671,146,893</u>
			<u>932,308,856</u>

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**Third Avenue Trust  
Third Avenue Value Fund  
Portfolio of Investments (continued)  
at July 31, 2007  
(Unaudited)**

	<u>Value</u>
<b>Total Investments of Cash Collateral for Securities Loaned</b> (Cost \$932,308,856)	\$ 932,308,856
<b>Total Investment Portfolio - 109.16%</b> (Cost \$9,209,134,531)	12,317,723,611
<b>Liabilities in excess of Other Assets - (9.16%)</b>	(1,034,016,912)
<b>NET ASSETS - 100.00%</b> (Applicable to 179,242,759 shares outstanding)	<u>\$11,283,706,699</u>
<b>NET ASSET VALUE PER SHARE</b>	<u>\$62.95</u>

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.	\$ 5.73	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	51.69	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.	124.77	1/4/2006 & 1/6/2006	6,500,000
Home Products International, Inc.	1.11	5/30/2007	54,667,471
Home Products International, Inc., 2nd Lien, Convertible, PIK, 6.000%, due 3/20/17	100.00	3/16/2007 to 4/5/2007	13,803,603
Insurance Partners II Equity Fund, LP	0.71	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.	6.48	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	0.02	1/22/2002 to 4/30/2003	—

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**Third Avenue Trust  
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- (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 Bonds, par value \$44,310,000, due 8/15/20, value \$62,056,031.  
U.S. Treasury Inflation Indexed Bonds, par value \$32,650,000, due 1/15/25, value \$35,725,889.
- (g) A portion of this 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.

Country Concentration	% of Net Assets
United States	45.34%
Hong Kong	22.21
United Kingdom	13.05
Japan	12.23
Canada	5.71
South Korea	4.23
Bermuda	2.77
Sweden	2.40
Belgium	0.83
Switzerland	0.35
Cayman Islands	0.04
Total	<u>109.16%</u>

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**Third Avenue Trust  
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(Unaudited)**

	Principal Amount (\$)	Issues	Value
<b>Bank Debt - 0.00%#</b>			
Technology - 0.00%#	4,942,604	Insilco Technologies Bank Debt (a) (b) (d)	\$ 20,841
		<b>Total Bank Debt</b> (Cost \$0)	<u>20,841</u>
<b>Shares</b>			
<b>Common Stocks - 82.06%</b>			
Aerospace & Defense - 0.86%	1,388,130	Herley Industries, Inc. (a) (c)	<u>19,725,327</u>
Agriculture Chemicals - 2.64%	486,200	Agrium, Inc. (Canada)	20,381,504
	3,799,687	Saskatchewan Wheat Pool (a) (Canada)	<u>40,425,991</u>
			<u>60,807,495</u>
Auto Parts - 0.52%	642,200	Superior Industries International, Inc.	<u>11,880,700</u>
Banking - 1.16%	474,613	Kearny Financial Corp.	5,638,402
	1,259,961	NewAlliance Bancshares, Inc.	17,022,073
	290,110	Rockville Financial, Inc.	<u>4,078,947</u>
			<u>26,739,422</u>
Cable Television Equipment - 1.92%	809,400	CommScope, Inc. (a)	<u>44,055,642</u>
Chemicals & Allied Products - 1.66%	1,533,444	Westlake Chemical Corp.	<u>38,305,431</u>
Computer Peripherals - 0.44%	257,834	Lexmark International, Inc., Class A (a)	<u>10,194,756</u>
Consumer Products - 3.94%	1,325,055	JAKKS Pacific, Inc. (a)	31,417,054
	1,322,276	K-Swiss, Inc., Class A	29,447,087
	1,746,850	Leapfrog Enterprises, Inc. (a)	15,791,524
	901,300	Russ Berrie & Co., Inc. (a)	<u>13,871,007</u>
			<u>90,526,672</u>

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**Third Avenue Trust**  
**Third Avenue Small-Cap Value Fund**  
**Portfolio of Investments (continued)**  
**at July 31, 2007**  
**(Unaudited)**

	Shares	Issues	Value
<b>Common Stocks (continued)</b>			
Diversified Media - 0.70%	1,515,751	Journal Communications, Inc., Class A	\$ 16,051,803
Electronics Components - 3.38%	707,092	Bel Fuse, Inc., Class B (c)	21,382,462
	659,239	Electronics for Imaging, Inc. (a)	17,311,616
	1,065,350	Ingram Micro, Inc., Class A (a)	21,360,268
	593,100	Park Electrochemical Corp.	17,585,415
			<u>77,639,761</u>
Energy/Coal - 1.52%	1,055,000	Fording Canadian Coal Trust (Canada)	34,931,050
Energy/Services - 3.68%	571,432	Bristow Group, Inc. (a)	27,103,020
	2,172,932	Bronco Drilling Co, Inc. (a) (c)	31,507,514
	437,400	Precision Drilling Trust (Canada)	8,669,268
	252,800	Tidewater, Inc.	17,296,576
			<u>84,576,378</u>
Financial Insurance/ Credit Enhancement - 0.20%	802,697	ACA Capital Holdings, Inc. (a) (b)	4,601,862
Forest Products & Paper - 8.94%	4,165,700	Canfor Corp. (a) (Canada)	50,450,735
	809,344	Canfor Pulp Income Fund (Canada)	10,757,872
	12,107,879	Catalyst Paper Corp. (a) (b) (c) (f) (Canada)	34,591,670
	750,875	Deltic Timber Corp. (c)	39,037,991
	2,196,177	Glatfelter	29,494,657
	2,732,600	TimberWest Forest Corp. (Canada)	41,368,101
			<u>205,701,026</u>
Healthcare Services - 0.95%	678,431	Cross Country Healthcare, Inc. (a)	11,105,915
	323,230	Pharmaceutical Product Development, Inc.	10,828,205
			<u>21,934,120</u>

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust**  
**Third Avenue Small-Cap Value Fund**  
**Portfolio of Investments (continued)**  
**at July 31, 2007**  
**(Unaudited)**

	Shares	Issues	Value
<b>Common Stocks (continued)</b>			
Holding Companies - 5.63%	2,102,287	Brookfield Asset Management, Inc., Class A (Canada)	\$ 73,874,365
	449,743	IDT Corp.	4,438,963
	1,706,400	IDT Corp., Class B	17,029,872
	3,111,000	JZ Equity Partners PLC (United Kingdom)	9,947,150
	645,300	Leucadia National Corp.	24,263,280
			<u>129,553,630</u>
Home Furnishings - 0.98%	1,344,697	Stanley Furniture Co., Inc. (c)	<u>22,469,887</u>
Industrial Equipment - 2.28%	366,300	Alamo Group, Inc.	9,498,159
	1,142,139	A.S.V., Inc. (a)	16,663,808
	688,800	Trinity Industries, Inc.	26,332,824
			<u>52,494,791</u>
Insurance & Reinsurance - 2.98%	322,900	Arch Capital Group, Ltd. (a) (Bermuda)	22,493,214
	59,974	E-L Financial Corp., Ltd. (Canada)	37,948,116
	65,000	Helicon RE Holdings, Ltd. (a) (b) (Bermuda)	8,110,050
			<u>68,551,380</u>
Life Insurance - 2.68%	179,000	FBL Financial Group, Inc., Class A	6,299,010
	200,078	National Western Life Insurance Co., Class A (c)	47,162,386
	589,400	Phoenix Cos., Inc. (The)	8,127,826
			<u>61,589,222</u>
Manufactured Housing - 0.40%	327,339	Skyline Corp.	<u>9,149,125</u>
Metals Manufacturing - 0.67%	507,185	Encore Wire Corp.	<u>15,494,502</u>
Oil & Gas - 13.90%	2,080,809	Cimarex Energy Co.	78,758,621
	535,800	CNX Gas Corp. (a)	14,321,934
	1,661,873	Comstock Resources, Inc. (a)	44,637,909
	1,641,017	Pogo Producing Co.	87,400,565
	1,610,700	St. Mary Land & Exploration Co.	53,620,203
	995,043	Whiting Petroleum Corp. (a)	40,866,416
			<u>319,605,648</u>

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust**  
**Third Avenue Small-Cap Value Fund**  
**Portfolio of Investments (continued)**  
**at July 31, 2007**  
**(Unaudited)**

	Shares	Issues	Value
<b>Common Stocks (continued)</b>			
Real Estate - 12.60%	680,446	Alexander & Baldwin, Inc.	\$ 36,893,782
	279,531	Alico, Inc.	13,425,874
	749,200	Forest City Enterprises, Inc., Class A	40,763,972
	3,959,300	Parco Co., Ltd. (Japan)	50,172,726
	10,148,000	Sapporo Holdings, Ltd. (Japan)	61,082,732
	977,700	St. Joe Co. (The)	39,635,958
	322,646	Tejon Ranch Co. (a)	12,799,367
	653,170	Vail Resorts, Inc. (a)	34,977,254
			<u>289,751,665</u>
Retail - 0.92%	1,891,945	Haverty Furniture Cos., Inc. (c)	<u>21,095,187</u>
Semiconductor Equipment Manufacturers & Related - 2.24%	280,700	Coherent, Inc. (a)	8,126,265
	1,237,051	Electro Scientific Industries, Inc. (a)	27,153,269
	1,502,482	GSI Group, Inc. (a) (Canada)	16,226,806
			<u>51,506,340</u>
Software - 2.87%	4,561,952	Borland Software Corp. (a) (c)	24,223,965
	451,439	Magma Design Automation, Inc. (a)	6,685,812
	379,700	Sybase, Inc. (a)	9,006,484
	1,067,736	Synopsys, Inc. (a)	26,116,823
			<u>66,033,084</u>
Telecommunications Equipment - 1.40%	3,858,740	Sycamore Networks, Inc. (a)	16,052,358
	1,414,396	Tellabs, Inc. (a)	16,053,395
			<u>32,105,753</u>
		<b>Total Common Stocks</b>	
		(Cost \$1,466,775,297)	<u>1,887,071,659</u>

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust  
Third Avenue Small-Cap Value Fund  
Portfolio of Investments (continued)  
at July 31, 2007  
(Unaudited)**

	Investment Amount (\$)	Issues	Value
<b>Limited Partnerships - 0.74%</b>			
Holding Companies - 0.74%	1,000,000	AP Alternative Assets LP (a) (b) (Guernsey)	\$ 17,100,000
		<b>Total Limited Partnerships</b> (Cost \$20,000,000)	<u>17,100,000</u>
	<b>Principal Amount (\$)</b>		
<b>Short Term Investments - 17.89%</b>			
Repurchase Agreement - 3.54%	81,429,428	Bear Stearns, 5.12%, dated 7/31/07, due 8/1/07 (e)	<u>81,429,428</u>
U.S. Government Obligations - 14.35%	75,000,000	U.S. Treasury Bills, 4.99%†, due 11/23/07 (g)	73,864,725
	260,000,000	U.S. Treasury Bills, 4.85%-5.03%†, due 8/9/07-1/17/08	<u>256,061,792</u>
			<u>329,926,517</u>
		<b>Total Short Term Investments</b> (Cost \$411,306,499)	<u>411,355,945</u>
<b>Investment of Cash Collateral for Securities Loaned - 3.37%</b>			
U.S. Government Obligations - 3.37%	70,880,000	U.S. Treasury Inflation Indexed Bonds, 2.38%, due 1/15/25	<u>77,557,459</u>
		<b>Total Investments of Cash Collateral for Securities Loaned</b> (Cost \$77,557,459)	<u>77,557,459</u>
		<b>Total Investment Portfolio - 104.06%</b> (Cost \$1,975,639,255)	<u>2,393,105,904</u>
		<b>Liabilities in excess of Other Assets - (4.06%)</b>	<u>(93,411,088)</u>
		<b>NET ASSETS - 100.00%</b> (Applicable to 86,575,877 shares outstanding)	<u>\$2,299,694,816</u>
		<b>NET ASSET VALUE PER SHARE</b>	<u>\$26.56</u>

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust**  
**Third Avenue Small-Cap Value Fund**  
**Portfolio of Investments (continued)**  
**at July 31, 2007**  
**(Unaudited)**

Notes:

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

Security	Carrying Value Per Unit	Acquisition Date	Acquisition Cost
ACA Capital Holdings, Inc.	\$ 5.73	11/10/2006	\$ 8,333,333
AP Alternative Assets LP	17.10	6/8/2006	20,000,000
Catalyst Paper Corp.	2.86	10/23/2006	36,007,695
Helicon RE Holdings, Ltd.	124.77	1/4/2006 & 1/6/2006	6,500,000
Insilco Technologies Bank Debt	0.42	9/18/2002	— ^

^ Acquisition Cost has been adjusted for return of capital.

- (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, par value \$54,005,000, due 4/15/28, value \$83,631,386.  
 (f) Security is subject to restrictions on resale.  
 (g) Security in whole or in part on loan.  
 # Amount represents less than 0.01% of total net assets.  
 † Annualized yield at date of purchase.

Country Concentration

	% of Net Assets
United States	80.65%
Canada	16.07
Japan	4.84
Bermuda	1.33
Gurnsey	0.74
United Kingdom	0.43
Total	<u>104.06%</u>

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust**  
**Third Avenue Real Estate Value Fund**  
**Portfolio of Investments**  
**at July 31, 2007**  
**(Unaudited)**

	Shares	Issues	Value
<b>Preferred Stocks - 0.50%</b>			
U.S. Real Estate Investment Trusts - 0.15%	125,000	RAIT Financial Trust, 7.750% Series A	\$ 1,427,500
	250,000	RAIT Financial Trust, 8.375% Series B	2,912,500
			<u>4,340,000</u>
U.S. Real Estate Operating Companies - 0.35%	400,000	Forest City Enterprises, Inc., \$25 par, 7.375%, due 2/1/34	<u>10,120,000</u>
		<b>Total Preferred Stocks</b> (Cost \$19,375,000)	<u>14,460,000</u>
<b>Common Stocks - 90.85%</b>			
Homebuilders - 0.91%	408,775	Avatar Holdings, Inc. (a)	<u>26,541,761</u>
Non-U.S. Real Estate Investment Trusts - 7.87%	3,830,622	British Land Co. PLC (United Kingdom)	95,501,225
	1,950,595	Derwent London PLC (United Kingdom)	65,240,160
	3,283,066	Liberty International PLC (United Kingdom)	68,432,508
			<u>229,173,893</u>
Non-U.S. Real Estate Operating Companies - 35.76%	7,443,454	Brookfield Asset Management, Inc., Class A (Canada)	261,562,973
	3,362,200	Daibiru Corp. (Japan)	47,180,126
	701,800	First Capital Realty, Inc. (Canada)	17,104,237
	21,894,000	Hang Lung Properties, Ltd. (Hong Kong)	80,533,583
	21,093,000	Henderson Land Development Co., Ltd. (Hong Kong)	151,942,874
	5,921,000	Hongkong Land Holdings, Ltd. (Hong Kong) <sup>1</sup>	25,223,460
	1,845,100	Killam Properties, Inc. (c) (Canada)	14,787,781
	2,679,000	Mitsubishi Estate Co., Ltd. (Japan)	68,153,422
	3,959,400	Parco Co., Ltd. (Japan)	50,173,993
	3,215,764	Quintain Estates & Development PLC (United Kingdom)	59,595,754
	7,543,700	Sapporo Holdings, Ltd. (Japan)	45,406,958
	1,931,000	Tai Cheung Holdings, Ltd. (Hong Kong) <sup>1</sup>	1,448,294
	3,526,728	Unite Group PLC (United Kingdom)	25,433,415

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust**  
**Third Avenue Real Estate Value Fund**  
**Portfolio of Investments (continued)**  
**at July 31, 2007**  
**(Unaudited)**

	Shares	Issues	Value
<b>Common Stocks (continued)</b>			
Non-U.S. Real Estate Operating Companies (continued)			
	25,345,800	Wharf (Holdings), Ltd. (The) (Hong Kong)	\$ 104,634,796
	32,049,500	Wheelock & Co., Ltd. (Hong Kong)	82,790,838
	4,240,000	Wheelock Properties, Ltd. (Hong Kong)	5,269,977
			<u>1,041,242,481</u>
U.S. Real Estate Investment Trusts - 21.33%			
	2,436,810	Acadia Realty Trust (c)	56,119,734
	5,357,133	American Financial Realty Trust	46,982,056
	642,148	American Land Lease, Inc. (c)	13,453,001
	1,348,100	Associated Estates Realty Corp. (c)	17,255,680
	1,100,000	Crystal River Capital, Inc.	19,129,000
	250,000	EastGroup Properties, Inc.	10,310,000
	1,385,000	First Potomac Realty Trust (c)	27,132,150
	2,251,800	JER Investors Trust, Inc. (c)	24,702,246
	925,700	One Liberty Properties, Inc. (c)	18,356,631
	2,716,792	ProLogis	154,585,465
	1,150,400	PS Business Parks, Inc. (c)	58,785,440
	2,235,800	Quadra Realty Trust, Inc. (c)	19,831,546
	2,000,000	RAIT Financial Trust	20,720,000
	1,248,200	Vornado Realty Trust	133,594,846
			<u>620,957,795</u>
U.S. Real Estate Operating Companies - 24.98%			
	5,000	Atlantic American Realty Capital Advisors, Inc. (a) (b)	—
	3,215,850	Brookfield Properties Corp.	72,678,210
	510,000	Consolidated-Tomoka Land Co. (c)	31,701,600
	12,990,739	FNC Realty Corp. (a) (b)	9,743,054
	5,512,900	Forest City Enterprises, Inc., Class A (c)	299,956,889
	1,017,031	Forest City Enterprises, Inc., Class A (c) (d)	55,336,657
	5,070,861	St. Joe Co. (The) (c)	205,572,705
	485,584	Tejon Ranch Co. (a)	19,263,117
	2,411,373	Thomas Properties Group, Inc. (c)	32,891,128
			<u>727,143,360</u>
		<b>Total Common Stocks</b>	
		(Cost \$1,924,911,868)	<u>2,645,059,290</u>

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust  
Third Avenue Real Estate Value Fund  
Portfolio of Investments (continued)  
at July 31, 2007  
(Unaudited)**

	Principal Amount (\$)	Issues	Value
<b>Short Term Investments - 10.13%</b>			
Repurchase Agreement - 10.13%	295,078,495	Bear Stearns, 5.12%, dated 7/31/07, due 8/1/07 (e) (f)	\$ 295,078,495
		<b>Total Short Term Investments</b>	
		(Cost \$295,078,495)	<u>295,078,495</u>
		<b>Total Investment Portfolio - 101.48%</b>	
		(Cost \$2,239,365,363)	<u>2,954,597,785</u>
		<b>Liabilities in excess of Other Assets - (1.48%)</b>	<u>(43,182,678)</u>
		<b>NET ASSETS - 100.00%</b>	
		(Applicable to 88,814,406 shares outstanding)	<u>\$2,911,415,107</u>
		<b>NET ASSET VALUE PER SHARE</b>	<u>\$32.78</u>

Notes:

- (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

- (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. Inflation Indexed Bonds and Notes, par value \$281,855,000, due 7/15/13-4/15/32, value \$303,631,891.  
(f) A portion of this security is segregated for future fund commitments.  
<sup>1</sup> Incorporated in Bermuda.

Country Concentration

	% of Net Assets
United States	57.85%
Hong Kong	15.52
United Kingdom	10.79
Canada	10.08
Japan	7.24
Total	<u>101.48%</u>

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust  
Third Avenue International Value Fund  
Portfolio of Investments  
at July 31, 2007  
(Unaudited)**

	Shares	Issues	Value
<b>Preferred Stock - 0.01%</b>			
Holding Companies - 0.01%	9,660	LG Corp. (South Korea)	\$ 340,216
		<b>Total Preferred Stock</b> (Cost \$227,398)	<u>340,216</u>
<b>Common Stocks and Warrants - 86.39%</b>			
Advertising - 1.40%	1,070,900	Asatsu-DK, Inc. (Japan)	<u>33,720,777</u>
Agriculture - 12.19%	10,477,887	ABB Grain, Ltd. (c) (Australia)	81,007,108
	15,046,064	Saskatchewan Wheat Pool (a) (c) (e) (Canada)	160,079,515
	444,406	United International Enterprises, Ltd. (c) (Denmark) <sup>1</sup>	<u>52,390,162</u>
			<u>293,476,785</u>
Building & Construction Products/Services - 3.87%	216,342	Imerys SA (France)	21,200,558
	13,696,300	Nippon Sheet Glass Co., Ltd. (Japan)	<u>71,944,571</u>
			<u>93,145,129</u>
Corporate Services - 0.35%	22,522,784	Boardroom, Ltd. (c) (Singapore)	<u>8,473,423</u>
Diversified Operations - 5.75%	2,570,626	Antarchile S.A. (Chile)	52,245,491
	64,610	HAL Trust (Netherlands) <sup>2</sup>	7,225,826
	6,648,200	Hutchison Whampoa, Ltd. (Hong Kong)	70,671,420
	2,806,000	Straits Trading Co., Ltd. (Singapore)	<u>8,324,856</u>
			<u>138,467,593</u>
Electronics - 3.12%	1,624,300	Futaba Corp. (Japan)	34,185,843
	2,615,800	Nichicon Corp. (Japan)	<u>40,968,214</u>
			<u>75,154,057</u>
Electronics Components - 2.58%	19,290,300	WBL Corp., Ltd. (c) (Singapore)	<u>62,203,435</u>

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust**  
**Third Avenue International Value Fund**  
**Portfolio of Investments (continued)**  
**at July 31, 2007**  
**(Unaudited)**

	Shares	Issues	Value
<b>Common Stocks and Warrants (continued)</b>			
Energy/Coal - 1.30%	482,800	Fording Canadian Coal Trust (Canada)	\$ 15,985,508
	1,152,700	Westshore Terminals Income Fund (Canada)	15,289,375
			<u>31,274,883</u>
Energy/Services - 1.03%	909,500	Farstad Shipping A/S (Norway)	24,823,680
Engineering/Construction - 3.23%	1,456,900	Aker Kvaerner ASA (Norway)	37,222,722
	1,789,700	Chudenko Corp. (Japan)	29,810,199
	1,165,000	Tokyo Energy & Systems, Inc. (Japan)	10,785,133
			<u>77,818,054</u>
Food & Beverage - 0.92%	48,504,000	Vitasoy International Holdings, Ltd. (Hong Kong)	22,063,612
Forest Products & Paper - 9.68%	5,590,700	Canfor Corp. (a) (Canada)	67,708,890
	1,183,754	Canfor Pulp Income Fund (Canada)	15,734,563
	40,080,245	Catalyst Paper Corp. (a) (b) (c) (e) (Canada)	114,507,472
	44,893,185	Rubicon, Ltd. (a) (c) (New Zealand)	35,219,182
			<u>233,170,107</u>
Holding Companies - 7.62%	902,712	Compagnie Nationale a Portefeuille (Belgium)	63,814,468
	5,041,400	Guoco Group, Ltd. (Hong Kong) <sup>2</sup>	73,318,133
	680,000	LG Corp. (South Korea)	38,571,668
	71,000	Pargesa Holding S.A. (Switzerland)	7,778,208
			<u>183,482,477</u>
Insurance - 3.96%	124,876	Blue Ocean Reinsurance, Ltd. (a) (b) (c) (Bermuda)	4,680,338
	9,731,415	BRIT Insurance Holdings PLC (United Kingdom)	66,756,274
	70,000	Millea Holdings, Inc. (Japan)	2,784,537
	7,828	Norton Holdings, Ltd. (b) (Bermuda)	8,421,989
	1,094,050	Sompo Japan Insurance, Inc. (Japan)	12,702,836
			<u>95,345,974</u>

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust**  
**Third Avenue International Value Fund**  
**Portfolio of Investments (continued)**  
**at July 31, 2007**  
**(Unaudited)**

	Shares	Issues	Value
<b>Common Stocks and Warrants (continued)</b>			
Metals & Mining - 1.82%	3,792,832	Dundee Precious Metals, Inc. (a) (c) (Canada)	\$ 33,562,368
	1,025,000	Dundee Precious Metals, Inc. (a) (c) (f) (Canada)	9,070,116
	512,500	Dundee Precious Metals, Inc. Warrants, expires 6/29/12 (a) (c) (e) (Canada)	1,152,981
			<u>43,785,465</u>
Other Financial - 3.85%	892,100	Aiful Corp. (Japan)	22,379,640
	107,731,000	Fuhwa Financial Holdings Co., Ltd. (a) (Taiwan)	70,180,506
			<u>92,560,146</u>
Real Estate - 7.15%	103,667,023	BIL International, Ltd. (c) (Singapore) <sup>2</sup>	112,553,305
	1,799,900	Daibiru Corp. (Japan)	25,257,126
	21,296,000	Liu Chong Hing Investment, Ltd. (c) (Hong Kong)	34,301,251
			<u>172,111,682</u>
Securities Brokerage - 4.94%	97,017,800	Asia Plus Securities Public Co., Ltd. (Thailand)	11,892,041
	3,002,900	Capital Nomura Securities Public Co., Ltd., NVDR (Thailand)	3,461,328
	49,483,434	Capital Securities Corp. (Taiwan)	33,255,837
	38,126,960	Hotung Investment Holdings, Ltd. (a) (Taiwan) <sup>2</sup>	6,290,948
	652,300	Ichiyoshi Securities Co., Ltd. (Japan)	8,574,832
	82,857,200	KGI Securities Public Co., Ltd., NVDR (Thailand)	7,709,017
	36,594,000	President Securities Corp. (Taiwan)	27,830,430
	12,085,000	UOB-Kay Hian Holdings, Ltd. (Singapore)	19,822,836
			<u>118,837,269</u>
Technology - Hardware - 1.31%	37,628,000	Gigabyte Technology Co., Ltd. (c) (Taiwan)	<u>31,613,973</u>
Telecommunications - 3.11%	30,050,529	Netia S.A. (a) (c) (Poland)	46,787,734
	8,088,955	Telecom Corp. of New Zealand, Ltd. (New Zealand)	27,990,118
			<u>74,777,852</u>

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust**  
**Third Avenue International Value Fund**  
**Portfolio of Investments (continued)**  
**at July 31, 2007**  
**(Unaudited)**

	Shares	Issues	Value
<b>Common Stocks and Warrants (continued)</b>			
Transportation - 7.21%	3,576,100	BW Gas ASA (Norway)	\$ 53,982,583
	1,938,700	Golar LNG, Ltd. (a) (Bermuda)	34,646,398
	4,423,000	Seino Holdings Co., Ltd. (Japan)	42,871,826
	18,671,113	Toll NZ, Ltd. (a) (c) (New Zealand)	42,175,605
			<u>173,676,412</u>
		<b>Total Common Stocks and Warrants</b> (Cost \$1,554,507,249)	<u>2,079,982,785</u>
	<b>Notional Amount (\$)</b>		
<b>Purchased Options - 0.00% #</b>			
Foreign Currency Put Options - 0.00% #	100,000,000 NZD	New Zealand Dollar, strike 0.64 NZD, expires 10/24/07	<u>24,700</u>
		<b>Total Purchased Options</b> (Cost \$3,600,000)	<u>24,700</u>
	<b>Principal Amount (\$)</b>		
<b>Short Term Investments - 12.86%</b>			
Repurchase Agreement - 2.24%	53,940,844	Bear Stearns, 5.12%, dated 7/31/07, due 8/1/07 (d)	<u>53,940,844</u>
U.S. Government Obligations - 10.62%	257,000,000	U.S. Treasury Bills, 4.71%-4.93%†, due 8/9/07-10/18/07	<u>255,730,926</u>
		<b>Total Short Term Investments</b> (Cost \$309,667,583)	<u>309,671,770</u>
		<b>Total Investment Portfolio - 99.26%</b> (Cost \$1,868,002,230)	<u>2,390,019,471</u>
		<b>Other Assets less Liabilities - 0.74%</b>	<u>17,763,941</u>
		<b>NET ASSETS - 100.00%</b> (Applicable to 96,856,483 shares outstanding)	<u>\$2,407,783,412</u>
		<b>NET ASSET VALUE PER SHARE</b>	<u>\$24.86</u>

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust**  
**Third Avenue International Value Fund**  
**Portfolio of Investments (continued)**  
**at July 31, 2007**  
**(Unaudited)**

Notes:

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.	\$ 37.48	12/30/2005 to 2/9/2006	\$ 4,568,674
Catalyst Paper Corp.	2.86	1/3/2006 to 10/23/2006	114,161,857
Norton Holdings, Ltd.	1,075.88	12/14/2006	7,828,000

(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) Repurchase agreement collateralized by U.S. Inflation Indexed Bonds, par value \$35,775,000, due 4/15/28, value \$55,400,663.

(e) Security is subject to restrictions on resale.

(f) 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.

# Amount represents less than 0.01% of total net assets.

† Annualized yield at date of purchase.

<sup>1</sup> Incorporated in Bahamas.

<sup>2</sup> Incorporated in Bermuda.

Country Concentration

	% of Net Assets
Canada	17.99%
Japan	13.95
United States *	12.86
Singapore	8.78
Hong Kong	8.32
Taiwan	7.03
Norway	4.82
New Zealand	4.38
Australia	3.36
United Kingdom	2.77
Belgium	2.65
Denmark	2.18
Chile	2.17
Bermuda	1.98
Poland	1.94
South Korea	1.62
Thailand	0.96
France	0.88
Switzerland	0.32
Netherlands	0.30
Total	<u>99.26%</u>

\* Comprised of cash equivalents.

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust**  
**Notes to Portfolios of Investments**  
**July 31, 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”).

**Accounting policies:**

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

**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 July 31, 2007, such securities had a total fair value of \$95,725,880 or 0.85% of net assets of Third Avenue Value Fund, \$64,424,423 or 2.80% of net assets of Third Avenue Small-Cap Value Fund, \$9,743,054 or 0.33% of net assets of Third Avenue Real Estate Value Fund and \$127,609,799 or 5.30% 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 unre-



**Third Avenue Trust**  
**Notes to Portfolios of Investments (continued)**  
**July 31, 2007**  
**(Unaudited)**

stricted 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 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.

**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.

**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 denominated in foreign currencies:* At the prevailing rates of exchange on the valuation date.
- *Investment transaction:* At the prevailing rates of exchange on the date of such transactions.

**Security transactions:**

Security transactions are accounted for on a trade date basis.

**2. INVESTMENTS**

The following information is based upon the book basis of investment securities as of July 31, 2007:

	<u>Value Fund</u>	<u>Small-Cap Value Fund</u>	<u>Real Estate Value Fund</u>	<u>International Value Fund</u>
Gross unrealized appreciation	\$3,373,492,569	\$ 485,494,003	\$ 836,583,675	\$ 546,483,130
Gross unrealized depreciation	(264,903,489)	(68,027,354)	(121,351,253)	(24,465,889)
Net unrealized appreciation	<u>\$3,108,589,080</u>	<u>\$ 417,466,649</u>	<u>\$ 715,232,422</u>	<u>\$ 522,017,241</u>
Aggregate book cost	<u>\$9,209,134,531</u>	<u>\$1,975,639,255</u>	<u>\$2,239,365,363</u>	<u>\$1,868,002,230</u>



**Third Avenue Trust**  
**Notes to Portfolios of Investments (continued)**  
**July 31, 2007**  
**(Unaudited)**

**3. 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 July 31, 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 July 31, 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 \$2,000,000 and \$12,000,000 respectively, to meet each of these contingencies.

For additional information regarding the accounting policies of the Funds, refer to the most recent financial statements in the N-CSR filing at [www.sec.gov](http://www.sec.gov).

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**Investment Adviser**

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