



**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, 2008



## **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 Funds' investment 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 by August 31, each year (i) without charge, upon request, by calling (800) 443-1021, (ii) on the website of the Securities and Exchange Commission ("SEC") at <http://www.sec.gov>, and (iii) the Funds website [www.thirdavenuefunds.com](http://www.thirdavenuefunds.com).

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

Third Avenue Funds files their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Third Avenue Funds' Form N-Q is available on the SEC's website at <http://www.sec.gov>, and may be reviewed and copied at the SEC'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, 2008  
(Unaudited)**

Principal Amount (†)	Value (Note 1)	Shares	Value (Note 1)
<b>Corporate Bonds - 3.56%</b>			
	<b>Auto &amp; Related - 0.75%</b>		
2,005,000	General Motors Corp., step bond, 0.000% until 3/15/16 (7.750% thereafter), due 3/15/36	6,045,667	\$ —
49,652,000	GMAC LLC, 7.250%, due 3/2/11	4,775	395,988
30,000,000	EUR GMAC LLC, 5.375%, due 6/6/11	1,022,245	34,075,373
			29,097,319
			<u>63,568,680</u>
	<b>Consumer Products - 0.17%</b>		
14,646,612	Home Products International, Inc., 2nd Lien, Convertible, PIK, 6.000%, due 3/20/17 (b)		14,646,612
	<b>Financial Insurance/ Credit Enhancement - 2.17%</b>		
334,555,000	MBIA Insurance Corp., 14.000%, due 1/15/33 (d) (h)	5,500,000	184,153,792
	<b>Financial Services - 0.08%</b>		
8,250,000	CIT Group, Inc., 4.750%, due 12/15/10	2,451,598	6,733,138
	<b>Home Development - 0.39%</b>		
9,800,000	Standard Pacific Corp.: 6.250%, due 4/1/14	217,210	7,889,000
31,415,000	7.000%, due 8/15/15		25,171,269
			<u>33,060,269</u>
	<b>Total Corporate Bonds</b> (Cost \$414,642,369)		<u>302,162,491</u>
<b>Shares</b>			
<b>Preferred Stocks - 0.02%</b>			
	<b>Auto Supply - 0.01%</b>		
2,039,865	ISE Corp. Series B (a) (b)	526,368	—
977,469	ISE Corp. Series C (a) (b)	390,800	1,064,464
		529,600	<u>1,064,464</u>
	<b>Financial Insurance/ Credit Enhancement - 0.00%</b>		
	CGA Group, Ltd. Series C (Bermuda) (a) (b)		\$ —
	<b>Insurance &amp; Reinsurance - 0.01%</b>		
	Ecclesiastical Insurance, 8.625% (United Kingdom)		10,218
	RS Holdings Corp., Convertible, Class A (a) (b)		401,221
			<u>411,439</u>
	<b>Total Preferred Stocks</b> (Cost \$14,103,695)		
			<u>1,475,903</u>
	<b>Common Stocks - 87.85%</b>		
	<b>Annuities &amp; Mutual Fund Management &amp; Sales - 5.39%</b>		
	Bank of New York Mellon Corp. (The)		195,250,000
	Legg Mason, Inc.		98,921,979
	Power Corp. of Canada (Canada)		157,011,612
	Westwood Holdings Group, Inc.		6,470,574
			<u>457,654,165</u>
	<b>Auto Supply - 0.00%</b>		
	ISE Corp. (a) (b)		—
	<b>Automotive - 6.27%</b>		
	Toyota Industries Corp. (Japan) (c)	18,376,400	532,169,476
	<b>Building Products - 1.08%</b>		
	USG Corp. (a)	3,189,400	91,535,780
	<b>Consumer Products - 0.00%#</b>		
	Home Products International, Inc. (a) (b) (c)		84,219
	<b>Depository Institutions - 0.81%</b>		
	Berkshire Hills Bancorp, Inc.		10,356,200
	Brookline Bancorp, Inc.		5,163,600

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust**  
**Third Avenue Value Fund**  
**Portfolio of Investments (continued)**  
**at July 31, 2008**  
**(Unaudited)**

Shares	Value (Note 1)	Shares	Value (Note 1)
<b>Common Stocks (continued)</b>		<b>Holding Companies (continued)</b>	
	<b>Depository Institutions (continued)</b>	359,250	Pargesa Holding SA (Switzerland) \$ 37,180,444
218,500	Carver Bancorp, Inc. (c) \$ 1,920,615	4,628,913	RHJ International
19,558,450	Chong Hing Bank, Ltd. (Hong Kong) 51,254,711	48,355,822	(Belgium) (a) (c) 51,600,347
	68,695,126	90,996,500	Wharf (Holdings), Ltd. (The) (Hong Kong) 213,725,048
	<b>Electronics Components - 1.99%</b>		Wheelock & Co., Ltd. (Hong Kong) 246,274,301
9,046,200	AVX Corp. (c) 91,095,234		2,102,297,747
3,500,000	Intel Corp. 77,665,000		<b>Home Development - 0.49%</b>
	168,760,234	1,000,000	MDC Holdings, Inc. 41,520,000
	<b>Financial Insurance/Credit Enhancement - 2.86%</b>		<b>Industrial &amp; Agricultural Equipment - 0.40%</b>
3,806,722	ACA Capital Holdings, Inc. (a) (b) (c) (f) 959,294	594,300	Alamo Group, Inc. (c) 12,866,595
27,707,362	Ambac Financial Group, Inc. (c) 69,822,552	360,100	Mestek, Inc. (a) 4,195,165
23,649,845	MBIA, Inc. (a) (c) 140,243,581	360,100	Omega Flex, Inc. 6,737,471
2,000,000	MGIC Investment Corp. 12,800,000	480,500	Standex International Corp. 10,518,145
10,649,350	Radian Group, Inc. (c) 18,529,869		34,317,376
	242,355,296		<b>Insurance &amp; Reinsurance - 0.01%</b>
	<b>Financial Services - 0.32%</b>	127,500	Olympus Re Holdings, Ltd. (Bermuda) (a) (b) 720,634
3,250,000	CIT Group, Inc. 27,560,000	32,089	RS Holdings Corp., Class A (a) (b) 12,595
	<b>Healthcare Services - 0.19%</b>		733,229
342,300	Datascope Corp. 15,978,564		<b>Mutual Holding Companies - 0.21%</b>
	<b>Holding Companies - 24.77%</b>		637,122
10,000,000	Brookfield Asset Management, Inc., Class A (Canada) 336,200,000	50,920	Brooklyn Federal Bancorp, Inc. 8,460,980
83,370	Capital Southwest Corp. 10,870,614	490,036	Colonial Bankshares, Inc. (a) 509,200
53,819,000	Cheung Kong Holdings, Ltd. (Hong Kong) 752,950,458	205,511	FedFirst Financial Corp. (a) (c) 3,136,230
3,951,800	Guoco Group, Ltd. (Hong Kong) <sup>1</sup> 41,368,890	274,157	Gouverneur Bancorp, Inc. (c) 1,541,333
12,713,000	Hutchison Whampoa, Ltd. (Hong Kong) 118,926,235	242,800	Home Federal Bancorp, Inc. (c) 2,227,526
10,665,000	Investor AB, Class A (Sweden) 223,681,410		SFSB, Inc. (a) (c) 1,578,200
2,200,000	Jardine Matheson Holdings, Ltd. (Hong Kong) <sup>1</sup> 69,520,000		17,453,469

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust  
Third Avenue Value Fund  
Portfolio of Investments (continued)  
at July 31, 2008  
(Unaudited)**

Shares	Value (Note 1)	Shares	Value (Note 1)
<b>Common Stocks (continued)</b>		<b>Semiconductor</b>	
			<b>Equipment Manufacturers - 0.14%</b>
		700,000	Applied Materials, Inc. \$ 12,124,000
			<b>Software - 0.61%</b>
5,260,500	<b>Non-Life Insurance-Japan - 2.34%</b> Tokio Marine Holdings, Inc., ADR (Japan) \$ 198,573,880	2,000,000	Microsoft Corp. 51,440,000
			<b>Steel &amp; Specialty Steel - 5.24%</b>
	<b>Non-U.S. Real Estate Operating Companies - 15.50%</b>	3,350,000	POSCO, ADR (South Korea) 444,377,500
23,919,000	Hang Lung Group, Ltd. (Hong Kong) 106,082,828		<b>Telecommunications - 0.71%</b>
30,534,000	Hang Lung Properties, Ltd. (Hong Kong) 95,907,938	10,000,000	Sycamore Networks, Inc. (a) 34,800,000
69,071,738	Henderson Land Development Co., Ltd. (Hong Kong) (c) 427,546,674	5,008,450	Tellabs, Inc. (a) 25,743,433
50,000,000	Henderson Land Development Co., Ltd. (Hong Kong) (c) (d) 309,494,655		60,543,433
8,151,000	Mitsubishi Estate Co., Ltd. (Japan) 196,310,858	25,150,000	<b>Transportation Infrastructure - 0.02%</b> Henderson Investment, Ltd. (Hong Kong) 1,702,038
7,970,000	Mitsui Fudosan Co., Ltd. (Japan) 180,314,049		
	1,315,657,002		<b>U.S. Real Estate Operating Companies - 7.17%</b>
		60,670	Alico, Inc. 2,574,228
	<b>Oil &amp; Gas Production &amp; Services - 7.38%</b>	18,975,821	FNC Realty Corp. (a) (b) 11,119,831
2,000,630	Cimarex Energy Co. 104,252,829	8,781,885	Forest City Enterprises, Inc., Class A (c) 228,943,742
626,800	EnCana Corp. (Canada) 45,248,692		Forest City Enterprises, Inc., Class B 587,475
10,090,000	Nabors Industries, Ltd. (Bermuda) (a) 367,881,400	22,500	Homefed Corp. (a) 1,663,790
2,000,000	Suncor Energy, Inc. (Canada) 109,000,000	39,148	St. Joe Co. (The) (a) (c) 259,772,391
	626,382,921	7,415,712	Tejon Ranch Co. (a) (c) 103,800,217
		3,420,106	608,461,674
	<b>Retail - 0.00%#</b>		<b>Utilities, Utility Service Companies &amp; Waste Management - 2.92%</b>
1,576	Sears Holdings Corp. (a) 127,656		Covanta Holding Corp. (a) (c) 248,107,257
			<b>Total Common Stocks</b> (Cost \$6,678,464,667) 7,456,230,090
	<b>Security Brokers, Dealers &amp; Flotation Companies - 1.03%</b>		
894,400	Jefferies Group, Inc. 16,984,656		
2,444,062	Raymond James Financial, Inc. 70,633,392	8,816,889	
	87,618,048		

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust  
Third Avenue Value Fund  
Portfolio of Investments (continued)  
at July 31, 2008  
(Unaudited)**

Investment Amount (\$) or Partnership Units	Value (Note 1)
<b>Limited Partnerships - 0.09%</b>	
400,000 <b>Infrastructure - 0.08%</b> Brookfield Infrastructure Partners LP <sup>2</sup>	\$ 7,480,000
1,805,000 <b>Insurance &amp; Reinsurance - 0.01%</b> Insurance Partners II Equity Fund, L.P. (a) (b)	627,452
<b>Total Limited Partnerships</b> (Cost \$8,429,969)	<u>8,107,452</u>
<b>Principal Amount (†)</b>	
<b>Short Term Investments - 8.82%</b>	
<b>Foreign Government Obligations - 7.56%</b>	
308,725,000 <sup>GBP</sup> United Kingdom Treasury Bills, 4.54%-5.03%‡, due 8/26/08-12/29/08 (g)	602,444,691
20,000,000 <sup>GBP</sup> United Kingdom Treasury Bond, 4.00%, due 3/7/09	39,414,787
	<u>641,859,478</u>
106,685,026 <b>Repurchase Agreement - 1.26%</b> Bear Stearns, 2.00%, dated 7/31/08, due 8/1/08 (e)	106,685,026
<b>Total Short Term Investments</b> (Cost \$749,727,767)	<u>748,544,504</u>
<b>Total Investment Portfolio - 100.34%</b> (Cost \$7,865,368,467)	8,516,520,440
<b>Liabilities in excess of Other Assets - (0.34%)</b>	<u>(29,029,638)</u>
<b>NET ASSETS - 100.00%</b> (Applicable to 171,610,637 shares outstanding)	<u>\$8,487,490,802</u>
<b>NET ASSET VALUE PER SHARE</b>	<u>\$49.46</u>

Notes:

ADR: American Depository Receipt.

EUR: Euro.

GBP: Great British Pound.

PIK: Payment-in-kind.

(a) Non-income producing security.

(b) Fair-valued security.

(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) Repurchase agreement collateralized by U.S. Treasury Inflation Indexed Note, par value \$89,995,000, due 1/15/14, value \$109,765,575.

(f) Security is subject to restrictions on resale.

(g) A portion of this security is segregated for future fund commitments.

(h) Variable rate security.

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

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

‡ Annualized yield at date of purchase.

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

<sup>2</sup> Bermuda exempted limited partnership.

Country Concentration

	% of Net Assets
United States	30.16%
Hong Kong	28.69
Japan	13.05
Canada	7.63
United Kingdom	7.56
South Korea	5.23
Bermuda	4.34
Sweden	2.63
Belgium	0.61
Switzerland	0.44
Total	<u>100.34%</u>

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust**  
**Third Avenue Small-Cap Value Fund**  
**Portfolio of Investments**  
**at July 31, 2008**  
**(Unaudited)**

Principal Amount (\$)	Value (Note 1)	Shares	Value (Note 1)
<b>Corporate Bonds - 1.12%</b>			
	<b>Financial Insurance/ Credit Enhancement - 1.12%</b>		
38,500,000	MBIA Insurance Corp., 14.000%, due 1/15/33 (f) (g)		\$ 21,192,094
	<b>Total Corporate Bonds</b> (Cost \$35,210,642)		21,192,094
<b>Consumer Products - 2.96%</b>			
		782,071	JAKKS Pacific, Inc. (a)
		1,956,733	K-Swiss, Inc., Class A (c)
		901,300	Russ Berrie & Co., Inc. (a)
			56,192,636
<b>Diversified Media - 0.38%</b>			
		1,515,751	Journal Communications, Inc., Class A
			7,199,817
<b>Electronics Components - 3.25%</b>			
		766,242	Bel Fuse, Inc., Class B (c)
		1,428,824	Electronics for Imaging, Inc. (a)
		794,563	Park Electrochemical Corp.
			61,882,673
<b>Energy/Coal - 0.47%</b>			
		100,000	Fording Canadian Coal Trust (Canada)
			8,879,000
<b>Energy/Services - 8.71%</b>			
		811,926	Bristow Group, Inc. (a)
		2,189,832	Bronco Drilling Co., Inc. (a) (c)
		2,530,543	Pioneer Drilling Co. (a) (c)
		437,400	Precision Drilling Trust (Canada)
		677,900	Tidewater, Inc.
			165,544,513
<b>Financial Insurance/ Credit Enhancement - 0.01%</b>			
		802,697	ACA Capital Holdings, Inc. (a) (b) (e)
			202,280
<b>Forest Products &amp; Paper - 8.75%</b>			
		4,165,700	Canfor Corp. (Canada) (a)
		21,530,352	Catalyst Paper Corp. (Canada) (a) (b) (c) (e)
		540,583	Deltic Timber Corp.
		2,196,177	Glatfelter
		3,415,400	TimberWest Forest Corp. (Canada)
			48,031,408
			166,267,441
<b>Chemicals &amp; Allied Products - 6.54%</b>			
1,645,383	Lanxess AG (Germany)		63,666,464
3,462,010	Westlake Chemical Corp. (c)		60,619,795
			124,286,259
<b>Computer Peripherals - 3.39%</b>			
982,392	Imation Corp.		18,724,392
1,301,781	Lexmark International, Inc., Class A (a)		45,666,477
			64,390,869
<b>Auto Parts - 0.42%</b>			
471,173	Superior Industries International, Inc.		7,958,112
<b>Banking - 0.52%</b>			
769,761	NewAlliance Bancshares, Inc.		9,991,498
<b>Aerospace &amp; Defense - 1.17%</b>			
1,400,537	Herley Industries, Inc. (a) (c)		22,212,517
<b>Agriculture - 2.36%</b>			
3,799,687	Viterra, Inc. (Canada) (a)		44,900,838
<b>Shares</b>			
<b>Common Stocks - 93.14%</b>			

*See accompanying notes to the Portfolios of Investments.*





**Third Avenue Trust**  
**Third Avenue Small-Cap Value Fund**  
**Portfolio of Investments (continued)**  
**at July 31, 2008**  
**(Unaudited)**

Shares		Value (Note 1)	Notional Amount (\$)	Value (Note 1)
<b>Common Stocks (continued)</b>			<b>Purchased Options - 0.08%</b>	
	<b>Telecommunications Equipment - 1.99%</b>			<b>Foreign Currency Put Options - 0.08%</b>
3,858,740	Sycamore Networks, Inc. (a)	\$ 13,428,415	100,000,000	Euro Currency, strike 1.435 EUR, expires 7/15/09
4,761,223	Tellabs, Inc. (a)	24,472,686		\$ 1,588,700
		37,901,101		<b>Total Purchased Options</b>
				(Cost \$1,732,500)
	<b>Transportation - 0.92%</b>			1,588,700
431,790	Genesee & Wyoming, Inc., Class A (a)	17,474,541		
	<b>U.S. Real Estate Operating Companies - 8.18%</b>		<b>Principal Amount (\$)</b>	
1,001,943	Alexander & Baldwin, Inc.	43,474,307		<b>Short Term Investments - 4.80%</b>
279,531	Alico, Inc.	11,860,500	91,311,885	<b>Repurchase Agreement - 4.80%</b>
1,028,842	Forest City Enterprises, Inc., Class A	26,821,911		Bear Stearns, 2.00%, dated 7/31/08, due 8/1/08 (d)
115,350	St. Joe Co. (The) (a)	4,040,711		91,311,885
322,646	Tejon Ranch Co. (a)	9,792,306		<b>Total Short Term Investments</b>
1,472,875	Vail Resorts, Inc. (a)	59,474,692		(Cost \$91,311,885)
		155,464,427		91,311,885
	<b>Total Common Stocks</b>			<b>Total Investment</b>
	(Cost \$1,568,546,853)	1,770,538,732		(Cost \$1,716,801,880)
				1,895,071,911
				<b>Total Investment Portfolio - 99.69%</b>
				(Cost \$1,716,801,880)
				8,505,214
				<b>Other Assets less Liabilities - 0.31%</b>
				5,805,214
				<b>NET ASSETS - 100.00%</b>
				(Applicable to 82,327,960 shares outstanding)
				\$ 1,900,877,125
				<b>NET ASSET VALUE PER SHARE</b>
				\$23.09
	<b>Investment Amount (\$)</b>			
	<b>Limited Partnerships - 0.55%</b>			
	<b>Holding Companies - 0.55%</b>			
1,000,000	AP Alternative Assets, L.P. (Guernsey) (b)	10,440,500		
	<b>Total Limited Partnerships</b>			
	(Cost \$20,000,000)	10,440,500		

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust**  
**Third Avenue Small-Cap Value Fund**  
**Portfolio of Investments (continued)**  
**at July 31, 2008**  
**(Unaudited)**

Notes:

EUR: Euro.

- (a) Non-income producing security.
- (b) Fair-valued security.
- (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. Treasury Inflation Indexed Note, par value \$77,030,000, due 1/15/14, value \$93,952,356.
- (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.
- (g) Variable rate security.

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

Country Concentration

	% of Net Assets
United States	67.92%
Canada	14.05
Japan	7.00
Germany	4.66
United Kingdom	1.82
Belgium	1.74
Bermuda	1.18
Guernsey	0.91
Hong Kong	0.41
Total	<u>99.69%</u>

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust**  
**Third Avenue Real Estate Value Fund**  
**Portfolio of Investments**  
**at July 31, 2008**  
**(Unaudited)**

Principal Amount (\$)	Value (Note 1)	Shares	Value (Note 1)
<b>Corporate Debt Instruments - 0.66%</b>			
	<b>Land Development - 0.66%</b>		
19,822,829	Landsource Communities Development Term Loan B, 6.100%, due 2/19/13	\$	13,244,128
	<b>Total Corporate Debt Instruments</b> (Cost \$13,799,154)		13,244,128
<b>Non-U.S. Real Estate Investment Trusts (continued)</b>			
	Hammerson PLC (United Kingdom)	\$	87,620,238
	Liberty International PLC (United Kingdom)		35,155,550
			300,463,869
<b>Non-U.S. Real Estate Operating Companies - 36.65%</b>			
	Brookfield Asset Management, Inc., Class A (Canada)		164,632,097
	Brookfield Properties Corp. (Canada)		60,715,248
	Daibiru Corp. (Japan)		32,105,008
	Hang Lung Properties, Ltd. (Hong Kong)		68,769,515
	Henderson Land Development Co., Ltd. (Hong Kong)		82,882,669
	Killam Properties, Inc. (Canada) (c)		12,793,799
	Mitsubishi Estate Co., Ltd. (Japan)		64,521,751
	Mitsui Fudosan Co., Ltd. (Japan)		59,953,856
	Parco Co., Ltd. (Japan)		48,696,418
	Quintain Estates & Development PLC (United Kingdom)		18,545,020
	Sapporo Holdings, Ltd. (Japan)		19,898,276
	Unite Group PLC (United Kingdom)		5,630,965
	Wheelock & Co., Ltd. (Hong Kong)		86,739,251
	Wheelock Properties, Ltd. (Hong Kong)		12,139,711
			738,023,584
<b>U.S. Real Estate Investment Trusts - 16.94%</b>			
	Acadia Realty Trust		7,312,306
	Associated Estates Realty Corp. (c)		19,075,615
	Cousins Properties, Inc.		41,262,977
	Crystal River Capital, Inc. (c)		4,555,892
	EastGroup Properties, Inc.		46,716,494
<b>U.S. Real Estate Operating Companies - 0.41%</b>			
383,500	Forest City Enterprises, Inc., \$25 par, 7.375%, due 2/1/34 †		8,320,033
	<b>Total Preferred Stocks</b> (Cost \$18,962,500)		12,941,283
<b>Common Stocks - 88.35%</b>			
	<b>Homebuilders - 0.64%</b>		
408,775	Avatar Holdings, Inc. (a)		12,937,729
	<b>Non-U.S. Real Estate Consulting/Management - 0.08%</b>		
385,141	Savills PLC (United Kingdom)		1,650,678
	<b>Non-U.S. Real Estate Investment Trusts - 14.92%</b>		
7,330,622	British Land Co. PLC (United Kingdom)		101,402,147
3,520,168	Derwent London PLC (United Kingdom)		76,285,934

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust**  
**Third Avenue Real Estate Value Fund**  
**Portfolio of Investments (continued)**  
**at July 31, 2008**  
**(Unaudited)**

<b>Shares</b>		<b>Value (Note 1)</b>		<b>Value (Note 1)</b>
<b>Common Stocks (continued)</b>				<b>Total Investment</b>
	<b>U.S. Real Estate</b>			<b>Portfolio - 99.63%</b>
	<b>Investment Trusts (continued)</b>			(Cost \$1,859,034,034) \$2,006,346,621
91,657	First Potomac Realty Trust	\$ 1,455,513		<b>Other Assets less</b>
2,251,800	JER Investors Trust, Inc. (c)	13,555,836		<b>Liabilities - 0.37%</b>
128,331	One Liberty Properties, Inc.	2,181,627		<u>7,431,555</u>
1,766,792	ProLogis	86,360,793		<b>NET ASSETS - 100.00%</b>
510,524	PS Business Parks, Inc.	26,853,562		(Applicable to 85,073,651
2,614,014	RAIT Financial Trust	17,383,193		shares outstanding) <u>\$2,013,778,176</u>
782,782	Vornado Realty Trust	74,419,085		<b>NET ASSET VALUE PER SHARE</b>
		<u>341,132,893</u>		<u>\$23.67</u>
	<b>U.S. Real Estate</b>			
	<b>Operating Companies - 19.12%</b>			
500,500	Consolidated-Tomoka Land Co. (c)	19,814,795		
12,982,327	FNC Realty Corp. (a) (b)	7,607,644		
6,514,964	Forest City Enterprises, Inc., Class A (c)	169,845,111		
4,108,851	St. Joe Co. (The) (a)	143,933,051		
785,584	Tejon Ranch Co. (a)	23,842,474		
2,411,373	Thomas Properties Group, Inc. (c)	19,942,055		
		<u>384,985,130</u>		
	<b>Total Common Stocks</b>			
	(Cost \$1,625,305,053)	<u>1,779,193,883</u>		
<b>Principal Amount (\$)</b>				
<b>Short Term Investments - 9.98%</b>				
	<b>Repurchase Agreement - 9.98%</b>			
200,967,327	Bear Stearns, 2.00%, dated 7/31/08, due 8/1/08 (d)	<u>200,967,327</u>		
	<b>Total Short Term Investments</b>			
	(Cost \$200,967,327)	<u>200,967,327</u>		

**Notes:**

- (a) Non-income producing security.
- (b) Fair-valued security.
- (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. Treasury Inflation Indexed Notes, par value \$173,495,000, due 4/15/13-1/15/14, value \$206,778,314.
- † Security represents investment in Forest City Enterprises, Inc., Senior Notes, 7.375%, due 2/1/34.

**Country Concentration**

	% of Net Assets
United States	47.98%
United Kingdom	16.20
Hong Kong	12.44
Canada	11.83
Japan	11.18
Total	<u>99.63%</u>

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust**  
**Third Avenue International Value Fund**  
**Portfolio of Investments**  
**at July 31, 2008**  
**(Unaudited)**

Shares	Value (Note 1)	Shares	Value (Note 1)
<b>Common Stocks and Warrants - 83.83%</b>		<b>Forest Products &amp; Paper - 7.26%</b>	
		3,817,500	Canfor Corp. (Canada) (a) \$ 28,110,699
1,312,400	<b>Advertising - 1.97%</b>	71,271,095	Catalyst Paper Corp. (Canada) (a) (b) (c) (e) 75,033,195
	Asatsu-DK, Inc. (Japan) \$ 35,769,086	44,893,185	Rubicon, Ltd. (New Zealand) (a) (c) 28,378,575
	<b>Agriculture - 10.13%</b>		131,522,469
11,725,749	ABB Grain, Ltd. (Australia) (c) 87,803,065		<b>Holding Companies - 8.47%</b>
155,356	United International Enterprises, Ltd. (Denmark) <sup>1</sup> 16,354,502	761,561	Compagnie Nationale a Portefeuille (Belgium) 59,667,153
6,713,664	Viterra, Inc. (Canada) (a) 79,335,255	4,811,400	Guoco Group, Ltd. (Hong Kong) <sup>2</sup> 50,367,498
	183,492,822	680,000	LG Corp. (South Korea) 43,428,726
	<b>Building &amp; Construction Products/Services - 4.04%</b>		153,463,377
330,387	Imerys SA (France) 19,773,997		<b>Insurance - 9.22%</b>
13,146,300	Nippon Sheet Glass Co., Ltd. (Japan) 53,532,538	214,713	Allianz SE (Germany) 36,408,115
	73,306,535	11,135,515	BRIT Insurance Holdings PLC (United Kingdom) 33,660,377
	<b>Corporate Services - 0.56%</b>	1,798,724	Montpelier Re Holdings, Ltd. (Bermuda) 28,239,967
22,522,784	Boardroom, Ltd. (Singapore) (c) 10,212,174	198,155	Munich Re (Germany) 32,892,543
	<b>Diversified Operations - 6.76%</b>	7,828	Norton Holdings, Ltd. (Bermuda) (a) (b) 44,104
2,070,626	Antarchile S.A. (Chile) 35,068,212	2,520,050	Sompo Japan Insurance, Inc. (Japan) 24,936,885
12,414,517	CSR, Ltd. (Australia) 24,540,131	288,700	Tokio Marine Holdings, Inc. (Japan) 10,831,849
5,058,200	Hutchison Whampoa, Ltd. (Hong Kong) 47,317,917		167,013,840
301,500	Lundbergforetagen AB, Class B (Sweden) 15,564,800		<b>Metals &amp; Mining - 3.84%</b>
	122,491,060	3,792,832	Dundee Precious Metals, Inc. (Canada) (a) (c) 21,965,422
	<b>Electronics Components - 4.04%</b>	1,025,000	Dundee Precious Metals, Inc. (Canada) (a) (c) (f) 5,936,081
19,359,300	WBL Corp., Ltd. (Singapore) (c) 73,270,675	512,500	Dundee Precious Metals, Inc. Warrants, expires 6/29/12 (Canada) (a) (e) 655,672
	<b>Food &amp; Beverage - 0.68%</b>	853,742	Newmont Mining Corp. 40,945,466
24,238,000	Vitasoy International Holdings, Ltd. (Hong Kong) 12,302,994		69,502,641

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust**  
**Third Avenue International Value Fund**  
**Portfolio of Investments (continued)**  
**at July 31, 2008**  
**(Unaudited)**

Shares	Value (Note 1)	Shares	Value (Note 1)
<b>Common Stocks and Warrants (continued)</b>		<b>Technology - Hardware - 2.86%</b>	
		25,128,000	Gigabyte Technology Co., Ltd. (Taiwan) \$ 18,117,405
		72,950,000	United Microelectronics Corp. (Taiwan) 33,747,404
			51,864,809
			<b>Telecommunications - 2.48%</b>
		30,050,529	Netia S.A. (Poland) (a) (c) 44,965,209
			<b>Transportation - 5.12%</b>
		4,928,600	BW Gas, Ltd. (Bermuda) (a) 52,906,745
		6,733,000	Seino Holdings Co., Ltd. (Japan) 39,860,601
			92,767,346
			<b>Total Common Stocks and Warrants</b> (Cost \$1,570,725,051) <u>1,519,131,436</u>
		<b>Notional Amount (\$)</b>	
		<b>Purchased Options - 0.02%</b>	
			<b>Foreign Currency Put Options - 0.02%</b>
		150,000,000	Euro Currency, strike 1.379 EUR, expires 2/9/09 <u>414,750</u>
			<b>Total Purchased Options</b> (Cost \$3,427,500) <u>414,750</u>
		<b>Principal Amount (\$)</b>	
		<b>Short Term Investments - 16.15%</b>	
			<b>Repurchase Agreement - 3.48%</b>
		63,104,237	Bear Stearns, 2.00%, dated 7/31/08, due 8/1/08 (d) <u>63,104,237</u>
			<b>U.S. Government Obligations - 12.67%</b>
		230,000,000	U.S. Treasury Bills, 1.30%-1.79%†, due 8/14/08-10/16/08 <u>229,521,820</u>

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust**  
**Third Avenue International Value Fund**  
**Portfolio of Investments (continued)**  
**at July 31, 2008**  
**(Unaudited)**

	Value (Note 1)		Country Concentration % of Net Assets
<b>Total Short Term Investments</b> (Cost \$292,687,770)	\$ 292,626,057		
<b>Total Investment Portfolio - 100.00%</b> (Cost \$1,866,840,321)	1,812,172,243	United States *	18.43%
<b>Liabilities in excess of Other Assets - (0.00%)</b> (35,828)	(35,828)	Japan	12.56
<b>NET ASSETS - 100.00%</b> (Applicable to 104,903,994 shares outstanding)	\$ 1,812,136,415	Canada	11.65
<b>NET ASSET VALUE PER SHARE</b>	<u>\$17.27</u>	Taiwan	8.48
		Singapore	7.53
		Hong Kong	7.17
		Australia	6.20
		Bermuda	4.48
		Germany	3.82
		Belgium	3.29
		France	2.89
		United Kingdom	2.85
		Poland	2.48
		South Korea	2.40
		Chile	1.94
		New Zealand	1.57
		Denmark	0.90
		Sweden	0.86
		Thailand	0.50
		<b>Total</b>	<u><b>100.00%</b></u>

\* Includes cash equivalents.

Notes:

EUR: Euro.

NVDR: Non-Voting Depository Receipt.

(a) Non-income producing security.

(b) Fair-valued security.

(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. Treasury Inflation Indexed Note, par value \$53,235,000, due 1/15/14, value \$64,929,945.

(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.

† Annualized yield at date of purchase.

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

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

*See accompanying notes to the Portfolios of Investments.*



**Third Avenue Trust**  
**Notes to Portfolios of Investments**  
**July 31, 2008**  
**(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 in the preparation of their financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The preparation of financial statements in accordance with U.S. GAAP 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 “Board”), 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.

Each Fund 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 the Funds, under procedures established by the Board. At July 31, 2008, such securities had a total fair value of \$29,636,322 or 0.35% of net assets of Third Avenue Value Fund, \$33,309,628 or 1.75% of net assets of Third Avenue Small-Cap Value Fund, \$7,607,644 or 0.38% of net assets of Third Avenue Real Estate Value Fund and \$75,077,299 or 4.14% of net assets of Third Avenue International Value Fund. Among the factors considered by the Funds’ 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



**Third Avenue Trust**  
**Notes to Portfolios of Investments (continued)**  
**July 31, 2008**  
**(Unaudited)**

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 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 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.

**Security transactions:**

Security transactions are accounted for on a trade date basis.



**Third Avenue Trust**  
**Notes to Schedules of Investments (continued)**  
**July 31, 2008**  
**(Unaudited)**

**2. INVESTMENTS**

The following information is based upon the book basis of investment securities as of July 31, 2008:

	<u>Value Fund</u>	<u>Small-Cap Value Fund</u>	<u>Real Estate Value Fund</u>	<u>International Value Fund</u>
Gross unrealized appreciation	\$ 2,042,084,416	\$ 377,352,635	\$ 338,942,196	\$ 180,252,229
Gross unrealized depreciation	(1,390,932,443)	(199,082,604)	(191,629,609)	(234,920,307)
Net unrealized appreciation/ (depreciation)	<u>\$ 651,151,973</u>	<u>\$ 178,270,031</u>	<u>\$ 147,312,587</u>	<u>\$ (54,668,078)</u>
Aggregate book cost	<u>\$ 7,865,368,467</u>	<u>\$ 1,716,801,880</u>	<u>\$ 1,859,034,034</u>	<u>\$ 1,866,840,321</u>

**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, 2008. Under certain circumstances this commitment may be payable to RS Holdings, although the Adviser believes that this commitment is no longer enforceable.

Accordingly, Third Avenue Value Fund has segregated securities valued at \$3,902,792 to meet this contingency.

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).



## **Board of Trustees**

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## **Transfer Agent**

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