

Additional Information Regarding
the Primary Fund-in Liquidation ('Fund')

New York, February 7, 2013. This Fund Update is intended to provide investors with current information regarding litigation that could affect the amount of assets available for distribution.

A consolidated class action entitled Third Avenue Institutional International Value Fund, L.P. v. Reserve Management Company, Inc. *et al.* has been pending since 2008. On January 22, 2013, Bruce Bent Sr., Bruce R. Bent, Arthur Bent, Reserve Management Company, Inc. ('RMCI'), Resrv Partners, Inc. ('Resrv') and Reserve Management Corporation ('RMC') (together the 'Defendants') filed an answer to the class action complaint and, at the same time, sued the three current Trustees of the Fund and three former Trustees (together the 'Independent Trustees'). The Bents and the three companies they control allege, among other things, that the Independent Trustees should contribute and/or indemnify them for any liability in the class action because the Independent Trustees had a "substantial, if not controlling, role" in all the conduct the Defendants are being sued for. In addition, the Defendants allege that the Independent Trustees knowingly and in bad faith misappropriated and misused Fund assets for their personal gain. Other claims are made as well.

Mr. Ronald Artinian, as spokesman for the Independent Trustees, said, "The Bent's case against the Independent Trustees is completely and utterly without merit and a fabrication from beginning to end. We intend to defend it vigorously and look forward to making the true facts known. As we see it, this is yet another attempt by the Bents to shift blame from themselves and their companies onto anyone but themselves—in this case, the Independent Trustees."

These new claims against the Independent Trustees by the Bents and the companies they control may cause the Fund to incur additional expenses, which could reduce the Fund's total assets and the amount that could be available for distribution to shareholders. As previously reported, it is not possible to predict whether the Fund will make any further distributions. There remain significant claims against the assets of the Fund, the majority of which have been asserted by the Bents and companies they control. Further, the Fund incurs on-going operating expenses, which include, among other things, legal fees, fees to a Fund servicing agent, trustee fees, custody fees and insurance. For 2012, those expenses totaled \$1.7 million, which represents a 52% reduction from 2011 Fund expenses.

It is not possible to predict whether the Court will allow or disallow claims against the Fund in whole or in part. Until the claims are resolved in a manner that results in a substantial and permanent reduction of claims against Fund assets, it is anticipated that no further distributions will be made.