

THE WALL STREET TRANSCRIPT

Connecting Market Leaders with Investors

Bottom-Up Value Investing



CONNOR BROWNE, CFA, is a Managing Director for Thornburg Investment Management, Inc., and the Co-Portfolio Manager of the Thornburg Value Fund. His responsibilities include portfolio management, research and analyzing companies for consideration in the Thornburg equity funds. Mr. Browne is responsible for evaluating existing positions and overall portfolio performance, with a primary focus on the Value Fund. He joined Thornburg Investment Management in August of 2001 as an Associate Portfolio Manager, and in 2006 he was promoted to Co-Portfolio Manager for the Value Fund and Managing Director. Mr. Browne earned a B.A., cum laude, in economics and a certificate in finance from Princeton University.



EDWARD MARAN, CFA, is a Managing Director and Co-Portfolio Manager of the Thornburg Value Fund. His responsibilities include portfolio management, analyzing companies, evaluating existing positions and overall portfolio performance. Mr. Maran joined Thornburg Investment Management, Inc., as an Associate Portfolio Manager in 2002, and he was named Managing Director in 2004. In 2006 he was promoted to Co-Portfolio Manager of the Value Fund. Prior to joining Thornburg, Mr. Maran was the Analyst with primary responsibility for the financial services stocks at USAA Investment Management Company, Distributor. Mr. Maran also worked as a Financial Analyst at BP plc, as a Private Equity Investment Analyst at Kling, Rechter & Co., and as the Senior Analyst covering major oils at A.G. Edwards & Sons, Inc. Mr. Maran earned a B.S. from the United States Military Academy at West Point and an MBA in finance from the University of Chicago.

SECTOR — GENERAL INVESTING

TWST: Please start with a historical snapshot of Thornburg Investment Management.

Mr. Maran: Our Founder, Garrett Thornburg, was a Partner with Bear Stearns. He had a concept for tax-free money market securities, and Bear Stearns was unwilling to allow him to do that within Bear, so he chose to start his own firm. That product was a great success. He followed on with laddered municipal bond portfolios, and the laddered bonds were also a great success. Over the course of about a decade, Thornburg built up a nationwide distribution system. The company then decided to get an equity presence, so they recruited an Equity Manager, whose name was Bill Fries. Bill had experience in growth, value, aggressive

growth, international, dividend-paying stocks, everything. And so Bill set up the Thornburg Value Fund, TVAFX, with the concept of a core fund that would have the opportunity to deliver superior performance in any market environment.

And the way he did this was with what we call our “basket structure,” where we have consistent earning, basic value and emerging franchise stocks, and we don’t try to worry about how close we are to the benchmark S&P 500 in terms of industry weights. So if we are looking at a consumer staple stock, we will classify that typically as a consistent earner. And rather than just comparing it against other consumer staples, we will compare it with health care stocks that have a consistent earner nature or even technology software companies that also have a consistent earning

nature. Always keeping exposure to consistent earning stocks, basic value companies and emerging franchises allows us to maintain diversification without limiting our investment flexibility in the way that targeting industry weights would. The Thornburg Value Fund was extremely successful almost immediately after its inception.

Mr. Browne: The fund launched in 1995, so just over 15 years ago.

Mr. Maran: Right, because this fund has the potential to go anywhere, Bill Fries and the investment team found that they were investing in a significant number of international names. They decided to take advantage of the research that they were already doing in that area and opened up the Thornburg International Value Fund, TGMAX, and it also has a great track record. It has a similar basket structure. Approximately five years ago, we went to a Co-Portfolio Manager structure on both the Thornburg Value Fund and the Thornburg International Value Fund, and Connor and I became Co-Portfolio Managers along with Bill Fries.

Mr. Browne: February 1, 2006, we were named Co-Managers, and then Bill stepped down in his active management role on the Thornburg Value Fund, December 31, 2009. But he continues as a Co-Portfolio Manager of our international value strategy and is an active member of our equity team.

TWST: Would you like to add anything else to your overview of the Value Fund and its investment strategy?

Mr. Browne: I think that our investment team has a unique structure and approach to the research process. We have 19 professionals on the investment team, portfolio managers, associate portfolio managers and analysts. All 19 do individual

are set up as global generalists, so we don't have sector research analysts. All of the research team members look at many different types of companies in different geographies, and we think that helps us develop into better investors over time. We compare the positive and negative attributes of different companies in different sectors, with a focus on understanding the different business models rather than having a very myopic focus on an individual industry or sector.

Mr. Maran: Another advantage of the global generalist approach is that it allows people to work together in a way that is not possible when they are industry specialists. I've been a sector specialist in the financial area and in the energy area at other firms. You do your research individually and you make a stock pitch or almost a sales presentation to the portfolio managers. The research process here is dramatically different. I was in a meeting yesterday and we had four of us looking at a particular energy name, and it was interesting. Different people have different backgrounds and knowledge and expertise, and there everybody added value. Working as a team, we can make better decisions.

TWST: It sounds very much collaborative.

Mr. Maran: It's much, much more collaborative.

Mr. Browne: The last thing I'd mention on Thornburg Value Fund is that our strategy and approach has worked in many different

market environments over many different cycles now. We are one of the top funds in our category year-to-date. Our five-year trailing track record according to Morningstar is ninth percentile amongst our peers, and our 15-year track record is second percentile amongst our peers. So good near-term and long-term performance in the strategy.

Highlights

Connor Browne, CFA, and Edward Maran, CFA, manage the Thornburg Value Fund (TVAFX) with the core focus of creating a fund that performs in all market environments. They use a "basket structure," and they focus on consistency of earnings, basic value and emerging franchise stocks without paying too close attention to benchmarks like the S&P 500 in terms of industry weights. The team uses a bottom-up approach when selecting stocks, and the fund is overweight in energy and underweight in consumer staples. The firm as a whole uses a "global generalist approach," with analysts collaborating on individual stock research rather than having members specialize in different sectors. The team also discusses some of their top stock picks and the various metrics employed.

Companies include: [Gilead Sciences \(GILD\)](#); [Transocean Ltd. \(RIG\)](#) and [Google \(GOOG\)](#).

Mr. Maran: *It very much is company-specific driven and from the bottom up, but despite that we have found ourselves with a significant energy overweight right now. We're about 20% versus 13% for the benchmark.*

stock research. So Ed and I, even as Portfolio Managers, we're rolling up our sleeves and have primary coverage responsibility on some of the names in the portfolios. Our CEO Brian McMahon — who is also our Chief Investment Officer and Co-Portfolio Manager on two of our funds — he's also one of our best stock analysts. So a very research-centered investment team, and we

Mr. Maran: And we really believe that is due to the structure here at Thornburg. There are a significant number of different equity funds, and each of them has delivered higher returns than their benchmark since inception.

Mr. Browne: We have seven different equity mutual funds, and all of them have outperformed their benchmark since

inception, which is unique. We are proud to say that. I think very few other fund complexes are able to say that.

TWST: You said the fund has been able to deliver in any market, in any cycle. That said, how would you describe the overall environment today for large-cap value investing?

Mr. Maran: We think this is a very favorable environment for bottom-up fundamental investors. There are a lot of people that are buying stocks based on either top-down or quantitative analysis, while if you really get in and understand the companies better, there is more potential to be differentiated today than there was in the past, because much more of the market is being managed in a way that is not bottom-up fundamental. And we are seeing particular opportunities which just stand out because we approach it from a bottom-up fundamental perspective. Whether it's **Gilead (GILD)** in the health care area or **Transocean (RIG)** in the energy area, we're finding specific stocks that have unique characteristics that would appear to give them an unusually attractive risk/reward.

1-Year Daily Chart of Gilead Sciences



Chart provided by www.BigCharts.com

TWST: Are there particular sectors you are currently overweighting or underweighting, or is it solely company-specific?

Mr. Maran: It very much is company-specific driven and from the bottom up, but despite that we have found ourselves with a significant energy overweight right now. We're about 20% versus 13% for the benchmark. Although the oil price has risen quite a bit and the oil stocks have gone up quite a bit, as we look at it the price of oil does not appear too high relative to what is going on in the world, and the companies themselves appear undervalued relative to their potential to generate earnings and cash flow at the current oil price. Investors appear to be treating this situation with an unusual amount of skepticism. So as opposed to piling in and driving up the share prices, I think that it would be closer to say that investors are extremely skeptical about this rise in the price of oil and about the prospects for the oil stocks.

TWST: Are there any that you are underweighting or are generally concerned about?

Mr. Maran: Yes, the consumer staples area. We have a near-zero weighting, and that's because investors seem to have bid up this sector almost across the board as they are try-

ing to seek safety and avoid government regulation. And we appreciate why investors would want safety and why they would want to avoid government regulation, but we think that the discount on health care is too extreme relative to the consumer staples area.

TWST: What are the fund's top holdings? Perhaps you could give us a couple of examples of specific holdings and how they fit into or illustrate your investment strategy.

Mr. Browne: One of our largest holdings is **Gilead Sciences**. **Gilead** is the leader in the market for treatments for HIV. Something like two-thirds of the patients that are being treated for HIV are taking some form of a **Gilead** drug. It's really the dominant provider of treatment in this market. Treatments today for HIV are very effective. Patients that find the virus early and that take their prescribed treatment plan more often die from other causes than they do from HIV. They can live now a very normal life for many decades. Even in the U.S., a very penetrated market, we think that of the around 1.2 million or so people that are infected with HIV, only about 600,000 are being treated. So there remains a tremendous opportunity to get more patients benefiting from this really wonderful treatment.

1-Year Daily Chart of Transocean Ltd.



Chart provided by www.BigCharts.com

Gilead last year grew revenues over 15%. The earnings attributable to their main drug businesses grew over 20% year over year. We expect **Gilead** to grow earnings per share over 20% a year over the next couple of years as well. And **Gilead** is trading for about 9.5 times this year's earnings. They generate a tremendous amount of cash flow. They bought back over 10% of the outstanding shares of the company last year, so they are returning cash to shareholders through buybacks. They have a patent cliff in 2018, but we've done a lot of work and we believe that new products they are working on will address their 2018 patent cliff. We think this stock is potentially worth much, much more than where the stock is currently trading.

TWST: Earlier you also mentioned Transocean.

Mr. Maran: **Transocean** owned the rig that **BP** (BP) used when they drilled the Macondo well in the Gulf of Mexico. Immediately after the accident happened, I visited with **Cameron International, CAM**, which manufactured the blowout protector; I visited with **Halliburton, HAL**, who did the cement

job; with **Anadarko Petroleum, APC**, who is a partner in the well and was very, very familiar with what had gone on there; and I visited with a number of offshore drillers to get an understanding of what is the typical relationship between the company that leases the rig, which in this case was **BP**, and the company which owns the rig, which was **Transocean**. After doing this work, we came to the conclusion that **BP** was totally in charge of everything that was happening on that rig. They were telling **Halliburton**, “This is how you will do the cement job and these are the standards which we will hold it to.” And they had taken **Cameron International’s** blowout protector and had, at their own cost and to their own specifications, physically modified the blowout protector.

Mr. Browne: We think you can really get into trouble reinventing your investment thesis as you get bad news. We don't always sell on bad news. If there is bad news that does not challenge our investment thesis, that's not a problem. The road is always bumpy. But when we get fundamental deterioration that challenges the initial investment thesis, we sell.

With respect to the management of the operations on the rig, they were in control of the path that the drilling bit was taking underneath the ground. Their engineers were the ones who were familiar with the subsurface geology, and therefore they were totally in control of what was going on. So that was very important. We also talked with lawyers as well as drilling contractors about the typical contractual relationship, and we learned that typically the company that leases the rig indemnifies the company that owns the rig against any damage that may be caused in an accident to any third-party property or damage caused by pollution or costs associated with pollution cleanup. And we later found out that in the particular contract between **BP** and **Transocean**, that **BP** indemnified **Transocean** even in the case of negligence, including gross negligence or any other legal theory of negligence.

Mr. Browne: That's actually what it said in the contract, which we felt was pretty strong wording when we saw it.

Mr. Maran: Right. We've had people ask us, “How can you look at these kinds of issues if you are not a lawyer?” Well, the wording here seems pretty clear. We liked **Transocean** and owned **Transocean** before the accident happened. We added to it when the share price was significantly lower during the period after the accident. As it's risen in price, it's become one of the larger holdings in the fund. We're still very comfortable with it, because we believe the legal liability will be manageable, and while the drilling moratorium in the Gulf of Mexico has depressed earnings for 2011 and probably 2012, we think that the value of the franchise remains intact. We think that owning the leader in deepwater drilling is going to be a really good thing in the coming years.

TWST: What criteria do you use in selecting holdings?

Mr. Maran: It's interesting. For every company we try

to figure out what the appropriate valuation metric is, so we don't try to treat all companies the same. There are some companies where p/e is the appropriate valuation metric, and you simply look at your earnings and what you think the appropriate p/e multiple is, and that gives you a price target. But for other companies we find enterprise value to EBITDA is appropriate, or price to cash flow. And in other cases we've looked at price to sales or have done a full discounted cash flow analysis, because we didn't think that the earnings properly reflected the value of the company or the franchise.

Mr. Browne: And as that describes our valuation approach, I think I can make a broader point about our philosophy, which is that we have a tremendous amount of flexibility in the

way that we run the strategy and in the research work that we do on individual stocks. Ed mentioned our basket structure. It allows us to have in this large portfolio companies that are very deep value — energy, financials — when they are very cheap and out of favor, but also more exciting what would be considered growth companies like **Google, GOOG**. So a tremendous amount of flexibility within our basket structure, and then in the research work that we do on individual names. Also there we can apply the tools that we think make the most sense to any of the individual stocks that we are researching.

TWST: What would trigger you to sell a holding?

Mr. Browne: In terms of exit, we have a rigid sell discipline. There are three reasons that we sell a stock. Our first reason and our favorite is when a stock reaches price target. We set price targets when we initially buy or invest in a company. We can adjust those price targets over time as fundamentals develop, but when we reach our price target we sell. The second reason is that we invest in a focused way in the Thornburg Value Fund, so between 40 and 55 stocks generally within the fund, which is something like a quarter of the average number of holdings of the funds in our peer group. So in a focused portfolio, quite often when we have a new great idea we need to replace one of our existing ideas. So we'll sell when we have a better idea.

And then our third reason for selling, which is really the most important, is that when we see fundamental deterioration in a business against our initial investment thesis. This for us historically has been a great risk-control measure. When some value-based contrarian investors see bad news develop on one of their holdings, they see the stock price move down and valuation look cheaper, they may make up a new investment thesis to justify holding the stock. We think you can really get into trouble reinventing your investment thesis as you get bad news. We don't always sell on bad news. If there is bad news that does not chal-

lence our investment thesis, that's not a problem. The road is always bumpy. But when we get fundamental deterioration that challenges the initial investment thesis, we sell.

TWST: Are there any particular market trends or dynamics you are focused on right now, whether it relates to managing current holdings or keeping an eye out for potentially good value opportunities this year?

Mr. Browne: Yes, I'll mention two things. One of the things that we saw last year was that valuation as a metric for predicting future stock performance actually didn't work that well. And in some areas within the U.S. market momentum was really hot. In particular, if you think of information technology, cloud computing names, many stocks entered 2010 at high valuations and left 2010 at even higher valuations. That tends to be a tough environment for our strategy. What we've seen though recently — December 2010 and so far year to date — is that it feels like it's reversing. So it has been more of a positive environment for contrarian, valuation-focused investors. At least within our portfolio we saw a real comeback in many of the names that had trailed last year. So that's something that is positive, and tends to perpetuate for quite some time once it starts.

The other thing that I'd mention is that we had seen, for years, large significant outflows from the U.S., in particular U.S. large-cap investments moving internationally and into the emerging markets. And just for the first time recently, that trend has begun to reverse. We don't know whether that will continue, that we'll continue to see money move from emerging markets to developing markets, but as investors around the globe are giving U.S. large cap another look and are starting to send some money our way — or at least keeping money in the

market here in the U.S. — that's really good news for valuations for U.S. stocks. A lot of that is driven by the beginning stages of what looks like it could be quite a good cyclical recovery here in the U.S. economy.

TWST: Do you have any final thoughts?

Mr. Browne: To summarize, Ed and I feel really good about the positioning of the Thornburg Value Fund today, and we feel like we have a tremendous opportunity in the stocks that we own. We think that many of those stocks are drastically undervalued relative to our calculation of what they're worth, which is very exciting. And I think it's heartening to know that the Thornburg Value Fund — the strategy, the philosophy, the approach and the team that supports it — has been around a long time. I love that we have not only a good near-term track record but also a very strong long-term track record that supports the idea that the work that we are doing can, if we do it right, lead to a good performance relative to the indices.

TWST: Thank you. (MN)

CONNOR BROWNE, CFA

EDWARD MARAN, CFA

Thornburg Investment Management, Inc.

2300 N. Ridgetop Rd.

Santa Fe, NM 87506

(800) 847-0200 — TOLL FREE

www.thornburginvestments.com

e-mail: info@thornburg.com

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

The MSCI All Country (AC) World ex-U.S. Growth Index is a market capitalization weighted index that includes growth companies in developed and emerging markets throughout the world, excluding the United States.

The MSCI All Country (AC) World Index is a market capitalization weighted index that is representative of the market structure of 45 developed and emerging market countries in North and South America, Europe, Africa, and the Pacific Rim. The index is calculated with net dividends reinvested in U.S. dollars.

The MSCI EAFE (Europe, Australasia, Far East) Index is an unmanaged index. It is a generally accepted benchmark for major overseas markets. Index weightings represent the relative capitalizations of the major overseas developed markets on a U.S. dollar adjusted basis. The index is calculated with net dividends reinvested in U.S. dollars.

The Russell 3000 Growth Index is an unmanaged index consisting of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values. The stocks in this index are also members of either the Russell 1000 Growth or the Russell 2000 Growth indices.

The S&P 500 Index is an unmanaged broad measure of the U.S. stock market.

The performance of any index is not indicative of the performance of any particular investment. Unless otherwise noted, index returns reflect the reinvestment of income dividends and capital gains, if any, but do not reflect fees, brokerage commissions or other expenses of investing. Investors may not make direct investments into any index.

EBITDA — An indicator of a company's financial performance, which is calculated as follows: $EBITDA = \text{Revenues} - \text{Expenses (excluding interest, tax, depreciation and amortization)}$.

Enterprise Value to EBITDA — A ratio used to determine the value of a company. The enterprise multiple looks at a firm as a potential acquirer would, because it takes debt into account, an item which other multiples like the P/E ratio do not include.

Price/Cash Flow — The measure of the market's expectations regarding a firm's future financial health. It is calculated by dividing price per share by cash flow per share.

Price/Earnings ratio (P/E ratio) — A valuation ratio of a company's current share price compared to its per-share earnings. P/E equals a company's market value per share divided by earnings per share.

Price/Sales — A ratio for valuing a stock relative to its own past performance, other companies or the market itself. Price to sales is calculated by dividing a stock's current price by its revenue per share for the trailing 12 months.

| Fund (A Shares) | | Total Returns as of 3/31/11 (annualized) | | | | | Expense Ratios | |
|--|----------------------|--|---------|---------|----------|--------------|----------------|------------|
| | | 1 Year | 3 Years | 5 Years | 10 Years | Since Incep. | Total | Subsidized |
| Thornburg Value Fund TVAFX Inception: 10/2/95 S&P 500 Index | Without sales charge | 13.55% | 4.55% | 4.14% | 4.34% | 10.32% | | |
| | With sales charge | 8.45% | 2.96% | 3.18% | 3.86% | 10.00% | 1.31% | – |
| | | 15.65% | 2.35% | 2.62% | 3.29% | 7.37% | | |
| Thornburg International Value Fund TGVAX Inception: 5/28/98 MSCI EAFE Index | Without sales charge | 16.45% | 0.48% | 5.75% | 9.20% | 9.73% | | |
| | With sales charge | 11.22% | -1.05% | 4.78% | 8.70% | 9.33% | 1.33% | – |
| | | 10.42% | -3.01% | 1.30% | 5.39% | 4.02% | | |
| Thornburg Core Growth Fund THCGX Inception: 12/27/00 Russell 3000 Growth Index | Without sales charge | 13.26% | 0.06% | -0.20% | 6.06% | 3.26% | | |
| | With sales charge | 8.16% | -1.47% | -1.11% | 5.58% | 2.80% | 1.48% | – |
| | | 19.24% | 5.58% | 4.32% | 3.26% | 0.74% | | |
| Thornburg Investment Income Builder Fund TIBAX Inception: 12/24/02 Blended Index S&P 500 Index | Without sales charge | 13.58% | 4.92% | 7.26% | - | 12.26% | | |
| | With sales charge | 8.44% | 3.32% | 6.28% | - | 11.64% | 1.25% | – |
| | | 11.71% | 1.62% | 3.41% | - | 7.87% | | |
| Thornburg Global Opportunities Fund THOAX Inception: 7/28/06 MSCI AC World Index | Without sales charge | 12.46% | 1.22% | - | - | 9.67% | | |
| | With sales charge | 7.41% | -0.32% | - | - | 8.60% | 1.47% | – |
| | | 14.08% | 0.31% | - | - | 3.16% | | |
| Thornburg International Growth Fund TIGAX Inception: 2/1/07 MSCI AC World ex-U.S. Growth Index | Without sales charge | 24.54% | 3.12% | - | - | 5.77% | | |
| | With sales charge | 18.99% | 1.56% | - | - | 4.61% | 1.70% | 1.63% |
| | | 14.73% | -1.09% | - | - | 1.17% | | |
| Thornburg Developing World Fund THDAX Inception: 12/16/09 MSCI Emerging Markets Index | Without sales charge | 25.14% | - | - | - | 24.41% | | |
| | With sales charge | 19.47% | - | - | - | 20.06% | 3.29% | 1.83% |
| | | 18.46% | - | - | - | 17.72% | | |

Performance data shown represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate so shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than quoted. For performance current to the most recent month end, visit thornburg.com or call 800-847-0200. Thornburg Investment Management and Thornburg Securities Corporation have contractually agreed to waive fees and reimburse expenses through at least February 1, 2012, so that actual expenses do not exceed the subsidized ratios above.

Thornburg Value Fund, Class A Shares, Total Return Rank in Morningstar Large Blend Category, as of 3/31/11 (without sales charge)

| | 1-Yr | 3-Yr | 5-Yr | 10-Yr | 15-Yr |
|-----------------------------|-------|-------|-------|-------|-------|
| Percentile Rank | 66% | 12% | 13% | 23% | 3% |
| Number of Large Blend Funds | 1,983 | 1,757 | 1,471 | 816 | 330 |

Rankings in the article were as of February 28, 2011.

Top Ten Thornburg Value Fund Holdings as of 3/31/11

Inpex Corp., 4.4%; Google, Inc., 4.2%; Gilead Sciences, Inc., 4.2%; Transocean Ltd., 3.9%; Dell, Inc., 3.5%; Fiserv, Inc., 3.5%; Exxon Mobil Corp., 3.3%; ING Groep N.V., 3.2%; Baker Hughes, Inc., 3.0%; General Electric Co., 2.8%.

The views expressed by the portfolio managers reflect their professional opinions and are subject to change. The securities mentioned are for illustration purposes only. Under no circumstances does the information contained within represent a recommendation to buy or sell the securities.

Investments in the Funds carry risks, including possible loss of principal. Investing outside the United States, especially in emerging markets, entails special risks, such as currency fluctuations, illiquidity, and volatility. Investments in small capitalization companies may increase the risk of greater price fluctuations. Funds investing in bonds have the same interest rate, inflation, and credit risks that are associated with the underlying bonds. The principal value of bonds will fluctuate relative to changes in interest rates, decreasing when interest rates rise. This effect is more pronounced for longer-term bonds. Unlike bonds, bond funds have ongoing fees and expenses. Funds invested in mortgage backed securities may bear additional risk. Investments in lower rated and unrated bonds may be more sensitive to default, downgrades, and market volatility; these investments may also be less liquid than higher rated bonds. Investments in derivatives are subject to the risks associated with the securities or other assets underlying the pool of securities, including illiquidity and difficulty in valuation. Investments in the Funds are not FDIC insured, nor are they deposits of or guaranteed by a bank or any other entity.

The Global Opportunities Fund may invest in shares of companies through initial public offerings (IPOs). IPOs have the potential to produce substantial gains and there is no assurance that the Fund will have continued access to profitable IPOs. As Fund assets grow, the impact of IPO investments on performance may decline.

Before investing, carefully consider the Fund's investment goals, risks, charges, and expenses. For a prospectus containing this and other information, contact your financial advisor or visit thornburg.com. Read it carefully before investing.