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# Thornburg Developing World Fund

Semi-Annual Report – March 31, 2011

*Includes All Share Classes*



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## Thornburg Developing World Fund

The Fund seeks long-term capital appreciation. Under normal market conditions the Fund invests at least 80% of its assets in equity securities and debt obligations of developing country issuers. A developing country issuer is a company or sovereign entity that is domiciled or otherwise tied economically to one or more developing countries. The Fund expects that investment in the Fund's portfolio normally will be weighted in favor of equity securities. The Fund portfolio is diversified to include basic value stocks, companies with consistent earnings, and emerging franchises.

# Important Information

The information presented on the following pages was current as of March 31, 2011. The manager's views, portfolio holdings, and sector and country diversification are provided for the general information of the Fund's shareholders; they are historical and subject to change. This material should not be deemed a recommendation to buy or sell any of the securities mentioned.

Investments in the Fund carry risks, including possible loss of principal. Special risks may be associated with investments outside the United States, especially in developing countries, including currency fluctuations, illiquidity and volatility. Investments in small capitalization companies may increase the risk of greater price fluctuations. Please see the Fund's Prospectus for a discussion of the risks associated with an investment in the Fund. Investments in the Fund are not FDIC insured, nor are they deposits of or guaranteed by a bank or any other entity. There is no guarantee that the Fund will meet its investment objectives. Funds invested in a limited number of holdings may expose an investor to greater volatility.

Performance data given at net asset value (NAV) does not take into account the applicable sales charges. If the sales charges had been included, the performance would have been lower.

Minimum investments for Class I shares are higher than those for other classes. Class I shares may not be available to all investors.

From time to time, the Fund may invest in shares of companies through initial public offerings (IPOs). IPOs have the potential to produce substantial gains for the Fund. There is no assurance that the Fund will have continued access to profitable IPOs and, as the Fund's assets grow, the impact of IPO investments may decline. Therefore, investors should not rely on these past gains as an indication of future performance.

Impact to performance of IPOs, as disclosed in the following letter to shareholders, is calculated using the performance on the first day of the IPO, assuming that the acquired shares are held to the end of the first day.

Share Class	NASDAQ Symbol	Cusip
Class A	THDAX	885-216-408
Class C	THDCX	885-216-507
Class I	THDIX	885-216-606

## Glossary

**MSCI Emerging Markets Index** – 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.

**MSCI Country Indices (India and Indonesia)** – Free float-adjusted market capitalization indices that are designed to measure equity market performance in that specific country.

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.

**Consumer Price Index (CPI)** – Measures prices of a fixed basket of goods bought by a typical consumer, including food, transportation, shelter, utilities, clothing, medical care, entertainment and other items. The CPI, published by the Bureau of Labor Statistics in the Department of Labor, is based at 100 in 1982 and is released monthly. It is widely used as a cost-of-living benchmark to adjust Social Security payments and other payment schedules, union contracts and tax brackets. The CPI is also known as the cost-of-living index.

**F12 EPS (Forward 12-month Earnings Per Share)** – The total forecasted earnings divided by the number of shares outstanding.

**Leverage** – The amount of debt used to finance a firm's assets. A firm with significantly more debt than equity is considered to be highly leveraged.

**Price/Earnings Ratio (P/E)** – 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.

# 2011

Certified Semi-Annual Report

## Thornburg Developing World Fund

March 31, 2011

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This report is certified under the Sarbanes-Oxley Act of 2002, which requires that public companies, including mutual funds, affirm that the information provided in their annual and semiannual shareholder reports fully and fairly represents their financial position.

# Letter to Shareholders

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**Lewis Kaufman, CFA**  
Portfolio Manager

April 19, 2011

Dear Fellow Shareholder:

We are pleased to present the Semi-Annual Report for the Thornburg Developing World Fund for the six months ended March 31, 2011. The Class A shares of the Thornburg Developing World Fund produced a total return of 9.54% (without sales charge) for the six-month period ended March 31, 2011, compared to 9.53% for the MSCI Emerging Markets Index. Since inception of December 16, 2009, the Class A shares of the Thornburg Developing World Fund produced a total return of 32.48% (without sales charge), compared to 23.43% for the MSCI Emerging Markets Index.

As recently as January 2011, capital flows were placing upward pressure on developing country currencies and stock valuations, as ever-increasing amounts of capital (from the developed world) pursued a relatively fixed supply of assets (in the developing world). During the six-month period ended March 31, 2011, IPOs contributed 2.30% to the performance of the Fund. Food price inflation, geopolitical unrest in the Middle East and higher interest rates across the emerging world subsequently conspired to create a sharp rotation into developed markets assets. Thus, the MSCI Emerging Markets Index declined 6.6% between January 4, 2011 and February 24, 2011, during which time the S&P 500 Index increased 3.1%. Notably, the significant energy weighting in the MSCI Emerging Markets Index masks far sharper declines in individual markets exposed to some of the aforementioned inflationary pressures. For example, MSCI India Index declined 15.8% during this period and MSCI Indonesia Index declined 7.8%, in U.S. dollar (USD) terms. More recently, many emerging markets have recovered as emerging central bankers come to grips with the need to raise interest rates. However, individual markets and stocks remain out of favor.

This pronounced volatility has provided ample opportunities to improve the risk-adjusted characteristics of the Fund's portfolio. In certain cases, such opportunities took the form of an improved geopolitical tradeoff. For example, emerging market banks generally sold off together in recent months due to inflationary pressures, while only a select few of these markets (notably Egypt and Peru) face deteriorating geopolitical backdrops. Reflecting this dynamic, we sold Commercial International Bank in Egypt and Credicorp in Peru, and redeployed the proceeds in Bank Mandiri in Indonesia and Sberbank in Russia. In other cases, improved risk-adjusted opportunities took the form of lower valuations and better free-cash-flow profiles. For example, we sold Magnit, a Russian food discounter, during the March 2011 quarter due to high valuation (~28x F12 earnings per share (EPS), versus ~16x at purchase last year) and deteriorating free-cash-flow characteristics that could result in equity issuance in our investment horizon. We redeployed the proceeds in Drogasil, a Brazilian drug store chain, which enjoys comparable growth characteristics in the medium term but offers a lower valuation (~20x F12 EPS) and more attractive free-cash-flow characteristics. Reflecting such activity, as of March 31, 2011, the median P/E multiple on calendar 2011 EPS for the Developing World Fund was approximately 17.8x, compared to 20.6x as recently as December

*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](http://thornburg.com) or call 800-847-0200.*

*The maximum sales charge for Class A shares is 4.50%.*

*Class A shares are subject to a 1% 30-day redemption fee. The total annual fund operating expense of Class A shares is 3.29%, as disclosed in the most recent*

*Prospectus. 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, for Class A shares, do not exceed 1.83%.*

## Letter to Shareholders, *Continued*

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31, 2010. While lower valuations are not protective in isolation, they are indicative of an improved opportunity set in the emerging markets exiting the March 2011 quarter.

As we look forward, the short-term investment climate is uncertain. Inflation remains a concern, with food representing anywhere from 21% to 50% of the Consumer Price Index (CPI) baskets in most major emerging markets (tensions across the Middle East and North African region only underscore these pressures). The geopolitically-induced increase in oil prices only exacerbates inflationary pressures, and many emerging market central bankers have until recently been reticent to raise interest rates for fear of amplifying capital inflows. At the same time, concerns about inflation have created significant opportunities in consumer and industrial businesses with real or perceived exposure to rising input costs. Notably, the small absolute movements in the benchmark indices are not indicative of this changing opportunity set given the predominance of energy holdings in these indices. While there may be a short-term mismatch between rising input prices and pricing power, we believe that many of the companies we own have the pricing power to manage through higher input prices within our investment horizon. Moreover, the currency outlook for many emerging markets has arguably improved. Specifically, with central bankers increasingly willing to raise interest rates (thereby increasing interest rate differentials) and halt currency stabilization efforts (thereby removing an impediment to currency appreciation), currencies such as the Brazilian real and Indonesian rupiah continue their march upward. Finally, it is notable that in many cases, high inflation occurs in lockstep with sound economic fundamentals. Indeed, some of the highest inflation markets also feature large central bank reserves, current account surpluses, low consumer debt penetration, and manageable government debt levels. On balance, while global equity markets currently appear positively inclined toward low-inflation markets with accelerating cyclical outlooks, it seems reasonable to expect a shift in tenor in favor of the robust structural outlooks of many emerging markets in the coming quarters. Regardless, we will remain focused on financially sound companies that can create value over an economic cycle.

We invite you to visit our website at [www.thornburg.com](http://www.thornburg.com), where you will find additional information about the Thornburg Developing World Fund, as well as other Thornburg investment products. We thank you for your trust and confidence.

Sincerely,



Lewis Kaufman, CFA  
Portfolio Manager  
Managing Director

The matters discussed in this report may constitute forward-looking statements made pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995. These include any advisor or portfolio manager prediction, assessment, analysis or outlook for individual securities, industries, investment styles, market sectors and/or markets. These statements involve risks and uncertainties. In addition to the general risks described for each fund in its current prospectus, other factors bearing on these reports include the accuracy of the advisor's or portfolio manager's forecasts and predictions, the appropriateness of the investment strategies designed by the advisor or portfolio manager, and the ability of the advisor or portfolio manager to implement their strategies efficiently and successfully. Any one or more of these factors, as well as other risks affecting the securities markets generally, could cause the actual results of any fund to differ materially as compared to its benchmarks.

## SCHEDULE OF INVESTMENTS

Thornburg Developing World Fund

March 31, 2011 (Unaudited)

### SUMMARY OF INDUSTRY EXPOSURE As of 3/31/11

Materials	12.6%	Food, Beverage & Tobacco	5.3%
Software & Services	10.6%	Pharmaceuticals, Biotechnology & Life Sciences	5.2%
Energy	10.1%	Consumer Services	3.9%
Banks	9.1%	Transportation	2.3%
Household & Personal Products	8.4%	Diversified Financials	2.0%
Health Care Equipment & Services	8.1%	Capital Goods	1.9%
Retailing	7.7%	Consumer Durables & Apparel	1.8%
Food & Staples Retailing	7.3%	Other Assets & Cash Equivalents	3.6%

### TOP TEN HOLDINGS As of 3/31/11

OAO Gazprom ADR	3.6%	Hengan International Group Co. Ltd.	3.2%
Clicks Group Ltd.	3.6%	Cia Hering	3.1%
PT Indocement Tungal Prakarsa Tbk	3.5%	Sinopharm Group Co. H	3.1%
Colgate Palmolive Co.	3.5%	New Oriental Education & Technology Group, Inc. ADR	2.9%
Genomma Lab Internacional SA	3.2%	Asian Paints Ltd.	2.7%

### SUMMARY OF COUNTRY EXPOSURE As of 3/31/11 (percent of equity holdings)

China	24.8%	South Africa	3.8%
Brazil	11.4%	Hong Kong	3.1%
Indonesia	9.1%	Canada	2.7%
Russia	8.1%	Netherlands	2.7%
United States	8.1%	Taiwan	2.4%
India	7.5%	Czech Republic	2.1%
Turkey	5.7%	Poland	1.6%
Mexico	5.7%	Argentina	1.2%

# SCHEDULE OF INVESTMENTS, CONTINUED

Thornburg Developing World Fund

March 31, 2011 (Unaudited)

	<u>Shares/ Principal Amount</u>	<u>Value</u>
<b>COMMON STOCK — 96.40%</b>		
<b>BANKS — 9.07%</b>		
<b>COMMERCIAL BANKS — 9.07%</b>		
Komercni Banka a.s.	5,634	\$ 1,421,757
PT Bank Mandiri	2,379,000	1,857,847
Sberbank of Russia	398,200	1,496,435
Turkiye Garanti Bankasi A.S.	312,700	<u>1,462,190</u>
		<u>6,238,229</u>
<b>CAPITAL GOODS — 1.93%</b>		
<b>MACHINERY — 1.93%</b>		
Turk Traktor Ve Ziraat Makineleri AS	61,474	<u>1,325,789</u>
		<u>1,325,789</u>
<b>CONSUMER DURABLES &amp; APPAREL — 1.82%</b>		
<b>TEXTILES, APPAREL &amp; LUXURY GOODS — 1.82%</b>		
Daphne International Holding Ltd.	1,655,000	<u>1,251,056</u>
		<u>1,251,056</u>
<b>CONSUMER SERVICES — 3.93%</b>		
<b>DIVERSIFIED CONSUMER SERVICES — 2.94%</b>		
<sup>a</sup> New Oriental Education & Technology Group, Inc. ADR	20,230	2,024,416
<b>HOTELS, RESTAURANTS &amp; LEISURE — 0.99%</b>		
Wynn Macau Ltd.	243,600	<u>681,142</u>
		<u>2,705,558</u>
<b>DIVERSIFIED FINANCIALS — 1.95%</b>		
<b>DIVERSIFIED FINANCIAL SERVICES — 1.95%</b>		
Hong Kong Exchanges & Clearing Ltd.	62,000	<u>1,344,646</u>
		<u>1,344,646</u>
<b>ENERGY — 10.15%</b>		
<b>ENERGY EQUIPMENT &amp; SERVICES — 2.58%</b>		
Schlumberger Ltd.	18,991	1,771,101
<b>OIL, GAS &amp; CONSUMABLE FUELS — 7.57%</b>		
CNOOC Ltd.	597,000	1,507,361
Coal India Ltd.	156,200	1,210,160
OAO Gazprom ADR	77,100	<u>2,493,414</u>
		<u>6,982,036</u>
<b>FOOD &amp; STAPLES RETAILING — 7.32%</b>		
<b>FOOD &amp; STAPLES RETAILING — 7.32%</b>		
<sup>a</sup> Bizim Toptan Satis Magazalari AS	50,300	1,026,165
Drogasil S.A.	232,367	1,816,068
Eurocash SA	97,195	1,067,584
PriceSmart, Inc.	30,641	<u>1,122,686</u>
		<u>5,032,503</u>
<b>FOOD, BEVERAGE &amp; TOBACCO — 5.31%</b>		
<b>BEVERAGES — 2.69%</b>		
Coca Cola Co.	27,835	1,846,852

# SCHEDULE OF INVESTMENTS, CONTINUED

Thornburg Developing World Fund

March 31, 2011 (Unaudited)

	<u>Shares/ Principal Amount</u>	<u>Value</u>
<b>FOOD PRODUCTS — 2.62%</b>		
Mayora Indah	1,389,500	\$ 1,803,199
		<u>3,650,051</u>
<b>HEALTH CARE EQUIPMENT &amp; SERVICES — 8.05%</b>		
<b>HEALTH CARE EQUIPMENT &amp; SUPPLIES — 2.36%</b>		
St. Shine Optical Co. Ltd.	131,644	1,620,564
<b>HEALTH CARE PROVIDERS &amp; SERVICES — 5.69%</b>		
Diagnosticos da America SA	140,200	1,803,326
Sinopharm Group Co. H	594,600	2,113,593
		<u>5,537,483</u>
<b>HOUSEHOLD &amp; PERSONAL PRODUCTS — 8.43%</b>		
<b>HOUSEHOLD PRODUCTS — 3.46%</b>		
Colgate Palmolive Co.	29,507	2,382,985
<b>PERSONAL PRODUCTS — 4.97%</b>		
Dabur India Ltd.	557,869	1,206,559
Hengan International Group Co. Ltd.	297,500	2,208,718
		<u>5,798,262</u>
<b>MATERIALS — 12.63%</b>		
<b>CHEMICALS — 5.33%</b>		
Asian Paints Ltd.	32,918	1,871,960
Potash Corp. of Saskatchewan, Inc.	30,501	1,797,424
<b>CONSTRUCTION MATERIALS — 5.08%</b>		
PT Indocement Tungal Prakarsa Tbk	1,276,700	2,397,249
West China Cement Ltd.	2,452,000	1,093,833
<b>METALS &amp; MINING — 2.22%</b>		
Southern Copper Corp.	37,962	1,528,730
		<u>8,689,196</u>
<b>PHARMACEUTICALS, BIOTECHNOLOGY &amp; LIFE SCIENCES — 5.24%</b>		
<b>PHARMACEUTICALS — 5.24%</b>		
<sup>a</sup> Genomma Lab Internacional SA	982,800	2,222,660
<sup>a</sup> Pharmstandard GDR	49,379	1,380,143
		<u>3,602,803</u>
<b>RETAILING — 7.73%</b>		
<b>INTERNET &amp; CATALOG RETAIL — 1.02%</b>		
<sup>a</sup> Makemytrip Ltd.	24,146	707,719
<b>MULTILINE RETAIL — 3.62%</b>		
Clicks Group Ltd.	396,315	2,493,299
<b>SPECIALTY RETAIL — 3.09%</b>		
Cia Hering	115,500	2,122,316
		<u>5,323,334</u>
<b>SOFTWARE &amp; SERVICES — 10.57%</b>		
<b>INTERNET SOFTWARE &amp; SERVICES — 5.63%</b>		
Mercadolibre, Inc.	9,362	764,220
<sup>a</sup> Qihoo 360 Technology Co. Ltd. ADR	29,000	858,110
Tencent Holdings Ltd.	68,000	1,657,481
<sup>a</sup> Youku.com, Inc. ADR	12,500	593,875

## SCHEDULE OF INVESTMENTS, CONTINUED

Thornburg Developing World Fund

March 31, 2011 (Unaudited)

	<u>Shares/ Principal Amount</u>	<u>Value</u>
<b>SOFTWARE — 4.94%</b>		
Totvs SA	93,255	\$ 1,790,674
<sup>a</sup> VancelInfo Technologies ADR	51,203	<u>1,608,287</u>
		<u>7,272,647</u>
<b>TRANSPORTATION — 2.27%</b>		
<b>TRANSPORTATION INFRASTRUCTURE — 2.27%</b>		
China Merchants Holdings International Co. Ltd.	370,000	<u>1,564,945</u>
		<u>1,564,945</u>
<b>TOTAL COMMON STOCK (Cost \$59,912,463)</b>		<u>66,318,538</u>
<b>TOTAL INVESTMENTS — 96.40% (Cost \$59,912,463)</b>		\$ 66,318,538
<b>OTHER ASSETS LESS LIABILITIES — 3.60%</b>		<u>2,478,754</u>
<b>NET ASSETS — 100.00%</b>		<u>\$ 68,797,292</u>

### Footnote Legend

<sup>a</sup> Non-income producing.

### Portfolio Abbreviations

To simplify the listings of securities, abbreviations are used per the table below:

ADR American Depository Receipt

GDR Global Depository Receipt

See notes to financial statements.

# STATEMENT OF ASSETS AND LIABILITIES

Thornburg Developing World Fund

March 31, 2011 (Unaudited)

## ASSETS

Investments at value (cost \$59,912,463) (Note 2)	\$ 66,318,538
Cash	3,568,825
Cash denominated in foreign currency (cost \$622,452)	633,936
Receivable for investments sold	238,735
Receivable for fund shares sold	231,770
Dividends receivable	54,214
Prepaid expenses and other assets	32,460
<b>Total Assets</b>	<b>71,078,478</b>

## LIABILITIES

Payable for securities purchased	2,180,341
Payable for fund shares redeemed	28,089
Payable to investment advisor and other affiliates (Note 3)	58,492
Deferred tax payable	7,239
Accounts payable and accrued expenses	7,025
<b>Total Liabilities</b>	<b>2,281,186</b>

## NET ASSETS

\$ 68,797,292

### NET ASSETS CONSIST OF:

Distribution in excess of net investment income	\$ (276,343)
Net unrealized appreciation on investments	6,410,802
Accumulated net realized gain (loss)	2,030,658
Net capital paid in on shares of beneficial interest	60,632,175
	<u>\$ 68,797,292</u>

### NET ASSET VALUE:

#### Class A Shares:

Net asset value and redemption price per share (\$27,999,683 applicable to 1,772,437 shares of beneficial interest outstanding - Note 4)	\$ 15.80
Maximum sales charge, 4.50% of offering price	0.74
Maximum offering price per share	<u>\$ 16.54</u>

#### Class C Shares:

Net asset value and offering price per share * (\$8,797,642 applicable to 560,626 shares of beneficial interest outstanding - Note 4)	\$ 15.69
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#### Class I Shares:

Net asset value, offering and redemption price per share (\$31,999,967 applicable to 2,011,118 shares of beneficial interest outstanding - Note 4)	\$ 15.91
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\* Redemption price per share is equal to net asset value less any applicable contingent deferred sales charge.

See notes to financial statements.

## STATEMENT OF OPERATIONS

Thornburg Developing World Fund

Six Months Ended March 31, 2011 (Unaudited)

### INVESTMENT INCOME:

Dividend income (net of foreign taxes withheld of \$7,061)	\$ 201,706
Interest income	<u>339</u>
<b>Total Income</b>	<u>202,045</u>

### EXPENSES:

Investment advisory fees (Note 3)	264,739
Administration fees (Note 3)	
Class A Shares	14,428
Class C Shares	4,175
Class I Shares	6,135
Distribution and service fees (Note 3)	
Class A Shares	29,011
Class C Shares	33,611
Transfer agent fees	
Class A Shares	8,215
Class C Shares	3,995
Class I Shares	3,511
Registration and filing fees	
Class A Shares	10,099
Class C Shares	9,934
Class I Shares	10,145
Custodian fees (Note 3)	59,923
Professional fees	20,271
Accounting fees	436
Trustee fees	591
Other expenses	<u>7,140</u>
<b>Total Expenses</b>	486,359
Less:	
Expenses reimbursed by investment advisor (Note 3)	(28,343)
Investment advisory fees waived by investment advisor (Note 3)	(51,659)
Fees paid indirectly (Note 3)	<u>(2,118)</u>
<b>Net Expenses</b>	<u>404,239</u>
<b>Net Investment Loss</b>	<u>\$ (202,194)</u>

## STATEMENT OF OPERATIONS, CONTINUED

Thornburg Developing World Fund

Six Months Ended March 31, 2011 (Unaudited)

### REALIZED AND UNREALIZED GAIN (LOSS)

Net realized gain (loss) from:

Investments	\$ 2,385,731
Foreign currency transactions	<u>(91,293)</u>
	<u>2,294,438</u>

Net change in unrealized appreciation (depreciation) on:

Investments (net of change in deferred taxes payable of \$8,869)	1,983,892
Foreign currency translations	<u>12,231</u>
	<u>1,996,123</u>

<b>Net Realized and Unrealized Gain</b>	<u>4,290,561</u>
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<b>Net Increase in Net Assets Resulting from Operations</b>	<u><u>\$ 4,088,367</u></u>
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See notes to financial statements.

## STATEMENTS OF CHANGES IN NET ASSETS

Thornburg Developing World Fund

	Six Months Ended March 31, 2011*	Period Ended September 30, 2010**
<b>INCREASE (DECREASE) IN NET ASSETS FROM</b>		
<b>OPERATIONS:</b>		
Net investment income (loss)	\$ (202,194)	\$ 90,914
Net realized gain (loss) on investments and foreign currency transactions	2,294,438	(342,739)
Increase (Decrease) in unrealized appreciation (depreciation) on investments, foreign currency translations and deferred taxes	1,996,123	4,414,679
	<hr/>	<hr/>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	4,088,367	4,162,854
<b>DIVIDENDS TO SHAREHOLDERS:</b>		
From net investment income		
Class A Shares	(28,522)	-
Class C Shares	(6,288)	-
Class I Shares	(51,294)	-
<b>FUND SHARE TRANSACTIONS (NOTE 4):</b>		
Class A Shares	12,294,326	12,579,326
Class C Shares	5,476,080	2,603,666
Class I Shares	12,438,581	15,240,196
	<hr/>	<hr/>
<b>Net Increase in Net Assets</b>	34,211,250	34,586,042
<b>NET ASSETS:</b>		
Beginning of Period	<hr/> 34,586,042	-
End of Period	<hr/> <b>\$ 68,797,292</b>	<hr/> <b>\$ 34,586,042</b>
Undistributed net investment income	\$ -	\$ 11,955

\* Unaudited

\*\* For the period from commencement of operations on December 16, 2009 through September 30, 2010.

See notes to financial statements.

**NOTE 1 – ORGANIZATION**

Thornburg Developing World Fund, hereinafter referred to as the “Fund,” is a diversified series of Thornburg Investment Trust (the “Trust”). The Fund commenced operations on December 16, 2009. The Trust was organized as a Massachusetts business trust under a Declaration of Trust dated June 3, 1987 and is registered as a diversified, open-end management investment company under the Investment Company Act of 1940, as amended. The Fund is currently one of sixteen separate series of the Trust. Each series is considered to be a separate entity for financial reporting and tax purposes and bears expenses directly attributable to it. The Fund seeks long-term capital appreciation.

The Fund currently offers three classes of shares of beneficial interest: Class A, Class C, and Institutional Class (Class I). Each class of shares of the Fund represents an interest in the same portfolio of investments, except that (i) Class A shares are sold subject to a front-end sales charge collected at the time the shares are purchased and bear a service fee, (ii) Class C shares are sold at net asset value without a sales charge at the time of purchase, but are subject to a contingent deferred sales charge upon redemption within one year of purchase, and bear both a service fee and a distribution fee, and (iii) Class I shares are sold at net asset value without a sales charge at the time of purchase, and (iv) the respective classes may have different reinvestment privileges and conversion rights. Additionally, the Fund may allocate among its classes certain expenses, to the extent allowable to specific classes, including transfer agent fees, government registration fees, certain printing and postage costs, and administrative and legal expenses. Currently, class specific expenses of the Fund are limited to service and distribution fees, administration fees, and certain registration and transfer agent expenses.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES****Significant accounting policies of the Trust are as follows:**

Valuation of Investments: Portfolio securities listed or traded on a national securities exchange are valued on the valuation date at the last reported sale price on the exchange that is the primary market for the security. Portfolio securities traded on an exchange for which there has been no sale that day and other equity securities traded in the over-the-counter market are valued at the mean between the last reported bid and asked prices. Portfolio securities reported by NASDAQ are valued at the NASDAQ official closing price. Any foreign security traded on exchanges outside the United States is valued at the price of the security on the exchange that is normally the security’s primary market, as of the close of that exchange preceding the time of the Fund’s valuation.

Debt obligations held by the Fund have a primary market over the counter and are valued by an independent pricing service approved by the Trustees of the Trust. The pricing service ordinarily values debt obligations at quoted bid prices. When quotations are not available, debt obligations held by the Fund are valued at evaluated prices determined by the pricing service using methods which include consideration of yields or prices of debt obligations of comparable quality, type of issue, coupon, maturity and rating, and indications as to value from dealers and general market conditions. Short-term obligations having remaining maturities of 60 days or less are ordinarily valued at amortized cost, which approximates market value.

Quotations in foreign currencies for foreign portfolio investments are converted to U.S. dollar equivalents using the foreign exchange quotation in effect at the time of valuation.

In any case where the market value of an equity security held by the Fund is not readily available, the Trust’s valuation and pricing committee determines a fair value for the security using procedures approved by the Trustees, which may include the use of a price obtained from an independent pricing service. The pricing service ordinarily values equity securities in these instances using multi-factor models to adjust market prices based upon various inputs, including exchange data, depository receipt prices, futures and index data and other data. A security’s market value is deemed not readily available whenever the exchange or market on which the security is primarily traded is closed for the entire scheduled day of trading. Additionally, a security’s market value may be deemed not readily available under other circumstances identified by the Trustees, including when developments occurring after the most recent close of the security’s primary exchange or market, but before the most recent close of trading in Fund shares, create a serious question about the reliability of the security’s market value.

In any case where a pricing service fails to provide a price for a debt obligation held by the Fund, the valuation and pricing committee determines a fair value for the debt obligation using procedures approved by the Trustees. Additionally, in any case where management

## NOTES TO FINANCIAL STATEMENTS, CONTINUED

Thornburg Developing World Fund

March 31, 2011 (Unaudited)

believes that a price provided by a pricing service for a debt obligation held by the Fund may be unreliable, the valuation and pricing committee decides whether or not to use the pricing service's valuation or to determine a fair value for the debt obligation.

In determining fair value for any portfolio security or other investment, the valuation and pricing committee seeks to determine the amount that an owner of the investment might reasonably expect to receive upon a sale of the investment. However, because fair value prices are estimated prices, the valuation and pricing committee's determination of fair value for an investment may differ from the value that would be realized by the Fund upon a sale of the investment, and that difference could be material to the Fund's financial statements. The valuation and pricing committee's determination of fair value for an investment may also differ from the prices obtained by other persons (including other mutual funds) for the investment.

**Valuation Measurements:** Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three levels listed below.

Level 1: Quoted prices in active markets for identical investments.

Level 2: Other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment rates, credit risk, etc.).

Level 3: Significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

The following table displays a summary of the inputs used to value the Fund's net assets as of March 31, 2011. In any instance when valuation inputs from more than one level are used to determine the fair value of a specific investment, the investment is placed in the level of the table based upon the lowest level input that is significant in determining the fair value of the investment:

	Fair Value Measurements at March 31, 2011			
	Total	Level 1	Level 2	Level 3
<b>Assets</b>				
Investments in Securities*				
Common Stock	\$ 66,318,538	\$ 66,318,538	\$ -	\$ -
Total Investments in Securities	\$ 66,318,538	\$ 66,318,538	\$ -	\$ -
Other Financial Instruments**				
Spot Currency	\$ 324	\$ 324	\$ -	\$ -

\* See Schedule of Investments for a summary of the industry exposure as grouped according to the Global Industry Classification Standard (GICS), which is an industry taxonomy developed by MSCI Barra and Standard & Poor's (S&P).

\*\* Other Financial Instruments include investments not reflected in the Schedule of Investments, such as futures, forwards and swap contracts, which are valued at the unrealized appreciation (depreciation) on the investment.

**Other Notes:** It is the policy of the Fund to recognize significant transfers between Levels 1 and 2 and to disclose those transfers at the last date of the reporting period. The Fund recognized no significant transfers into and out of Levels 1 and 2 during the six months ended March 31, 2011.

**Foreign Currency Translation:** Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against the U.S. dollar on the date of valuation. Purchases and sales of securities and income items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the translation date. When the Fund purchases or sells foreign securities, it will customarily enter into a foreign exchange contract to minimize foreign exchange risk from the trade date to the settlement date of such transactions.

The Fund does not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments.

Reported net realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books, and the U.S. dollar equivalent of the amounts actually received or paid.

Net unrealized foreign exchange gains and losses arise from changes in the fair value of assets and liabilities, other than investments in securities at fiscal period end, resulting from changes in exchange rates.

Deferred Taxes: The Fund is subject to a tax imposed on net realized gains of securities of certain foreign countries. The Fund records an estimated deferred tax liability for net unrealized gains on these securities as reflected in the accompanying financial statements.

Federal Income Taxes: It is the policy of the Trust to comply with the provisions of the Internal Revenue Code applicable to "regulated investment companies" and to distribute to shareholders substantially all taxable income, including any net realized gain on investments of the Fund. Therefore, no provision for federal income taxes is required.

Management reviews each tax position believed to be material to the preparation of the Fund's financial statements, to assess if it is more likely than not that the position would be sustained upon examination, based upon the technical merits of the position. As of March 31, 2011, management has not identified any such position for which a liability must be reflected in the Statement of Assets and Liabilities. The Fund's tax returns remain subject to examination for three years after filing.

When-Issued and Delayed Delivery Transactions: The Fund may engage in when-issued or delayed delivery transactions. To the extent the Fund engages in such transactions, it will do so for the purpose of acquiring portfolio securities consistent with the Fund's investment objectives and not for the purpose of investment leverage or to speculate on interest rate and/or market changes. At the time the Fund makes a commitment to purchase a security on a when-issued or delayed delivery basis, the Fund will record the transaction and reflect the value in determining its net asset value. When effecting such transactions, assets of an amount sufficient to make payment for the portfolio securities to be purchased will be segregated on the Fund's records on the trade date. Securities purchased on a when-issued or delayed delivery basis do not earn interest until the settlement date.

Dividends: Dividends to shareholders, if any, are generally paid quarterly and are reinvested in additional shares of the Fund at net asset value per share at the close of business on the dividend payment date or, at the shareholder's option, paid in cash. Net realized capital gains, to the extent available, will be distributed at least annually. Distributions to shareholders are based on income tax regulations and therefore, their characteristics may differ for financial statement and tax purposes.

General: Securities transactions are accounted for on a trade date basis. Interest income is accrued as earned and dividend income is recorded on the ex-dividend date. Certain income from foreign securities is recognized as soon as information is available to the Fund. Realized gains and losses from the sale of securities are recorded on an identified cost basis. Net investment income (other than class specific expenses) and realized and unrealized gains and losses are allocated daily to each class of shares based upon the relative net asset value of outstanding shares of each class of shares at the beginning of the day (after adjusting for the current share activity of the respective class). Expenses common to all Funds are allocated among the Funds comprising the Trust based upon their relative net asset values or other appropriate allocation methods.

Guarantees and Indemnifications: Under the Trust's organizational documents, its officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Fund. Additionally, in the normal course of business the Trust enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown. However, based on experience, the Trust expects the risk of loss to be remote.

Use of Estimates: The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

**NOTE 3 – INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES**

Pursuant to an investment advisory agreement, Thornburg Investment Management, Inc. (the “Advisor”) serves as the investment advisor and performs services to the Fund for which the fees are payable at the end of each month. For the six months ended March 31, 2011, these fees were payable at annual rates ranging from .975 of 1% to .775 of 1% per annum of the average daily net assets of the Fund depending on the Fund’s asset size. For the six months ended March 31, 2011, the Advisor contractually waived investment advisory fees of \$51,659. The Trust also has entered into administrative services agreements with the Advisor, whereby the Advisor will perform certain administrative services for the shareholders of each class of the Fund’s shares, and for which fees will be payable at an annual rate of up to .125 of 1% per annum of the average daily net assets attributable to each class of shares. For the six months ended March 31, 2011, the Advisor contractually reimbursed certain class specific expenses, administrative fees, and distribution fees of \$8,552 for Class C shares, and \$19,791 for Class I shares.

The Trust has an underwriting agreement with Thornburg Securities Corporation (the “Distributor,” an affiliate of the Advisor), which acts as the distributor of the Fund’s shares. For the six months ended March 31, 2011, the Distributor has advised the Fund that it earned commissions aggregating \$14,906 from the sale of Class A shares, and collected contingent deferred sales charges aggregating \$1,088 from redemptions of Class C shares of the Fund.

Pursuant to a service plan under Rule 12b-1 of the Investment Company Act of 1940, the Fund may reimburse to the Advisor an amount not to exceed .25 of 1% per annum of the average daily net assets attributable to each class of shares of the Fund for payments made by the Advisor to securities dealers and other financial institutions to obtain various shareholder and distribution related services. For the six months ended March 31, 2011, there were no 12b-1 service plan fees charged for Class I shares. The Advisor may pay out of its own resources additional expenses for distribution of the Fund’s shares.

The Trust has also adopted distribution plans pursuant to Rule 12b-1, applicable only to the Fund’s Class C shares under which the Fund compensates the Distributor for services in promoting the sale of Class C shares of the Fund at an annual rate of up to .75 of 1% per annum of the average daily net assets attributable to Class C shares. Total fees incurred by the Distributor for each class of shares of the Fund under their respective Service and Distribution Plans for the six months ended March 31, 2011, are set forth in the Statement of Operations.

The Trust has an agreement with the custodian bank to indirectly pay a portion of the custodian’s fees through credits earned by the Fund’s cash on deposit with the bank. This deposit agreement is an alternative to overnight investments. Custodial fees have been adjusted to reflect amounts that would have been paid without this agreement, with a corresponding adjustment reflected as fees paid indirectly in the Statement of Operations. For the six months ended March 31, 2011, fees paid indirectly were \$2,118.

Certain officers and Trustees of the Trust are also officers and/or directors of the Advisor and Distributor. The compensation of independent Trustees is borne by the Trust.

**NOTE 4 – SHARES OF BENEFICIAL INTEREST**

At March 31, 2011, there were an unlimited number of shares of beneficial interest authorized. Transactions in shares of beneficial interest were as follows:

	Six Months Ended		Period Ended*	
	March 31, 2011 (Unaudited)		September 30, 2010 (Audited)	
	Shares	Amount	Shares	Amount
<b>Class A Shares</b>				
Shares sold	1,157,886	\$ 17,754,548	1,023,348	\$ 13,148,906
Shares issued to shareholders in reinvestment of dividends	1,639	25,513	-	-
Shares repurchased	(364,864)	(5,486,061)	(45,572)	(569,655)
Redemption fees received**	-	326	-	75
Net Increase (Decrease)	794,661	\$ 12,294,326	977,776	\$ 12,579,326

# NOTES TO FINANCIAL STATEMENTS, CONTINUED

Thornburg Developing World Fund

March 31, 2011 (Unaudited)

	Six Months Ended		Period Ended*	
	March 31, 2011 (Unaudited)		September 30, 2010 (Audited)	
	Shares	Amount	Shares	Amount
<b>Class C Shares</b>				
Shares sold	423,672	\$ 6,446,248	207,298	\$ 2,690,788
Shares issued to shareholders in reinvestment of dividends	359	5,563	-	-
Shares repurchased	(64,193)	(975,830)	(6,510)	(87,135)
Redemption fees received**	-	99	-	13
Net Increase (Decrease)	<u>359,838</u>	<u>\$ 5,476,080</u>	<u>200,788</u>	<u>\$ 2,603,666</u>
<b>Class I Shares</b>				
Shares sold	994,897	\$ 15,435,403	1,219,783	\$ 15,347,231
Shares issued to shareholders in reinvestment of dividends	2,829	44,295	-	-
Shares repurchased	(197,747)	(3,041,477)	(8,644)	(107,188)
Redemption fees received**	-	360	-	153
Net Increase (Decrease)	<u>799,979</u>	<u>\$ 12,438,581</u>	<u>1,211,139</u>	<u>\$ 15,240,196</u>

\* Fund commenced operations on December 16, 2009.

\*\* The Fund charges a redemption fee of 1% of the Class A and Class I shares redeemed or exchanged within 30 days of purchase. Redemption fees charged to any class are allocated to all classes upon receipt of payment based on relative net asset values of each class or other appropriate allocation methods.

## NOTE 5 – SECURITIES TRANSACTIONS

For the six months ended March 31, 2011, the Fund had purchase and sale transactions of investment securities (excluding short-term investments) of \$64,493,956 and \$33,364,978, respectively.

## NOTE 6 – INCOME TAXES

At March 31, 2011, information on the tax components of capital is as follows:

Cost of investments for tax purposes	<u>\$ 59,912,463</u>
Gross unrealized appreciation on a tax basis	\$ 7,505,527
Gross unrealized depreciation on a tax basis	<u>(1,099,452)</u>
Net unrealized appreciation (depreciation) on investments (tax basis)	<u>\$ 6,406,075</u>

At March 31, 2011, the Fund had deferred tax basis currency and capital losses occurring subsequent to inception date of December 16, 2009 of \$74,446 and \$263,709 respectively. For tax purposes, such losses will be reflected in the year ending September 30, 2011.

**NOTE 7 – DERIVATIVE FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FOREIGN INVESTMENT RISK**

The Fund may use a variety of derivative financial instruments to hedge or adjust the risks affecting its investment portfolio or to enhance investment returns. Provisions of FASB Accounting Standards Codification ASC 815-10-50 (“ASC 815”) require certain disclosures. The disclosures are intended to provide users of financial statements with an understanding of the use of derivative instruments by the Fund and how these derivatives affect the financial position, financial performance and cash flows of the Fund. The Fund does not designate any derivative instruments as hedging instruments under ASC 815. During the six months ended March 31, 2011, the Fund did not invest in any derivative financial instruments of the type addressed by ASC 815.

**OTHER NOTES**

Fund management believes no events have occurred between March 31, 2011 and May 20, 2011, the date of issuance of the financial statements, which require adjustment of, or disclosure in, the accompanying financial statements.

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# FINANCIAL HIGHLIGHTS

Thornburg Developing World Fund

## PER SHARE PERFORMANCE (for a share outstanding throughout the period)+

Unless Otherwise Noted, Periods are Fiscal Years Ended Sept. 30,	Net Asset Value Beginning of Period	Net Investment Income (Loss)	Net Realized & Unrealized Gain (Loss) on Investments	Total from Investment Operations	Dividends from Net Investment Income	Dividends from Net Realized Gains	Total Dividends	Net Asset Value End of Period
<b>Class A Shares</b>								
2011 <sup>(b)(c)</sup>	\$ 14.44	(0.07)	1.45	1.38	(0.02)	-	(0.02)	\$ 15.80
2010 <sup>(c)(e)</sup>	\$ 11.94	0.06	2.44	2.50	-	-	-	\$ 14.44
<b>Class C Shares</b>								
2011 <sup>(b)</sup>	\$ 14.39	(0.12)	1.43	1.31	(0.01)	-	(0.01)	\$ 15.69
2010 <sup>(e)</sup>	\$ 11.94	(0.01)	2.46	2.45	-	-	-	\$ 14.39
<b>Class I Shares</b>								
2011 <sup>(b)</sup>	\$ 14.52	(0.03)	1.45	1.42	(0.03)	-	(0.03)	\$ 15.91
2010 <sup>(e)</sup>	\$ 11.94	0.11	2.47	2.58	-	-	-	\$ 14.52

(a) Not annualized for periods less than one year.

(b) Unaudited Six Month Period Ended March 31.

(c) Sales loads are not reflected in computing total return.

(d) Annualized.

(e) Fund commenced operations on December 16, 2009.

+ Based on weighted average shares outstanding.

See notes to financial statements.

# FINANCIAL HIGHLIGHTS, CONTINUED

Thornburg Developing World Fund

## RATIOS TO AVERAGE NET ASSETS

Net Investment Income (Loss) (%)	Expenses, After Expense Reductions (%)	Expenses, After Expense Reductions and Net of Custody Credits (%)	Expenses, Before Expense Reductions (%)
(0.91) <sup>(d)</sup>	1.66 <sup>(d)</sup>	1.65 <sup>(d)</sup>	1.83 <sup>(d)</sup>
0.55 <sup>(d)</sup>	1.83 <sup>(d)</sup>	1.82 <sup>(d)</sup>	3.30 <sup>(d)</sup>
(1.62) <sup>(d)</sup>	2.39 <sup>(d)</sup>	2.38 <sup>(d)</sup>	2.85 <sup>(d)</sup>
(0.11) <sup>(d)</sup>	2.39 <sup>(d)</sup>	2.38 <sup>(d)</sup>	6.89 <sup>(d)</sup>
(0.35) <sup>(d)</sup>	1.10 <sup>(d)</sup>	1.09 <sup>(d)</sup>	1.46 <sup>(d)</sup>
1.09 <sup>(d)</sup>	1.10 <sup>(d)</sup>	1.09 <sup>(d)</sup>	2.63 <sup>(d)</sup>

## SUPPLEMENTAL DATA

Total Return (%) <sup>(a)</sup>	Portfolio Turnover Rate (%)	Net Assets at End of Period (Thousands)
9.54	66.22	\$ 28,000
20.94	47.37	\$ 14,116
9.13	66.22	\$ 8,797
20.52	47.37	\$ 2,889
9.82	66.22	\$ 32,000
21.61	47.37	\$ 17,581

## EXPENSE EXAMPLE

Thornburg Developing World Fund

March 31, 2011 (Unaudited)

As a shareholder of the Fund, you incur two types of costs:

(1) transaction costs, including

(a) sales charges (loads) on purchase payments for Class A shares;

(b) a deferred sales charge on redemptions of any part or all of a purchase of \$1 million of Class A shares within 12 months of purchase;

(c) a deferred sales charge on redemptions of Class C shares within 12 months of purchase;

(d) a 30-day redemption fee on Class A and Class I shares;

(2) ongoing costs, including management fees; distribution and/or service (I2b-1) fees; and other Fund expenses.

This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on a \$1,000 investment beginning on October 1, 2010, and held until March 31, 2011.

### ACTUAL EXPENSES

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

### HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

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

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transac-

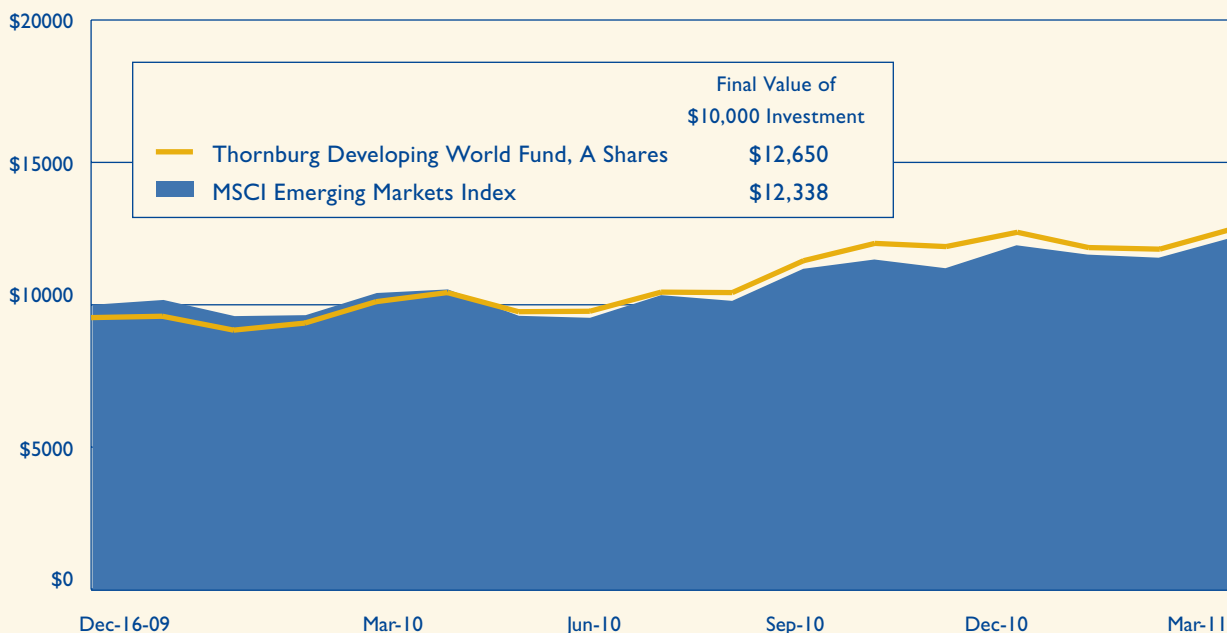
	Beginning Account Value 10/1/10	Ending Account Value 3/31/11	Expenses Paid During Period† 10/1/10–3/31/11
<b>Class A Shares</b>			
Actual	\$1,000.00	\$1,095.40	\$ 8.64
Hypothetical*	\$1,000.00	\$1,016.68	\$ 8.32
<b>Class C Shares</b>			
Actual	\$1,000.00	\$1,091.30	\$12.41
Hypothetical*	\$1,000.00	\$1,013.06	\$11.94
<b>Class I Shares</b>			
Actual	\$1,000.00	\$1,098.20	\$ 5.70
Hypothetical*	\$1,000.00	\$1,019.50	\$ 5.49

† Expenses are equal to the annualized expense ratio for each class (A: 1.65%; C: 2.38%; I: 1.09%) multiplied by the average account value over the period, multiplied by 182/365 to reflect the one-half year period.

\* Hypothetical assumes a rate of return of 5% per year before expenses.

tional costs, such as sales charges (loads), redemption fees, or exchange fees. Therefore, the second line of the table for each class of shares is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

**GROWTH OF A HYPOTHETICAL \$10,000 INVESTMENT**  
 Thornburg Developing World Fund versus MSCI Emerging Markets Index (December 16, 2009 to March 31, 2011)



**AVERAGE ANNUAL TOTAL RETURNS**  
 For periods ended March 31, 2011 (with sales charge)

	1 Yr	5 Yrs	10 Yrs	Since Inception
<b>A Shares</b> (Incep: 12/16/09)	19.47%	-	-	20.06%
<b>C Shares</b> (Incep: 12/16/09)	23.34%	-	-	23.71%
<b>I Shares</b> (Incep: 12/16/09)	25.85%	-	-	25.19%
<b>MSCI Emerging Markets Index</b> (Since 12/16/09)	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](http://thornburg.com) or call 800.847.0200. The performance data and graph do not reflect the deduction of taxes that a shareholder would pay on distributions or the redemption of Fund shares. Returns reflect the reinvestment of dividends and capital gains as well as applicable sales charges. Class A shares are sold with a maximum sales charge of 4.50%. Class C shares are subject to a 1% CDSC for the first year only. There is no up-front sales charge for Class I shares. Class A and I shares are subject to a 1% 30-day redemption fee.

**PORTFOLIO PROXY VOTING****Policies and Procedures:**

The Trust has delegated to Thornburg Investment Management, Inc. (the “Advisor”) voting decisions respecting proxies for the Fund’s voting securities. The Advisor makes voting decisions in accordance with its Proxy Voting Policy and Procedures. A description of the Policy and Procedures is available (i) without charge, upon request, by calling the Advisor toll-free at 1-800-847-0200, (ii) on the Thornburg web site at [www.thornburg.com](http://www.thornburg.com), and (iii) on the Securities and Exchange Commission’s web site at [www.sec.gov](http://www.sec.gov).

Information regarding how proxies were voted is currently available for the period from the Fund’s commencement of investment operations on December 16, 2009 through June 30, 2010, and will hereafter be available on or before August 31 of each year for the twelve months ending the preceding June 30. This information is available (i) without charge, upon request by calling the Advisor toll-free at 1-800-847-0200, (ii) on the Thornburg web site at [www.thornburg.com](http://www.thornburg.com), and (iii) on the Securities and Exchange Commission’s web site at [www.sec.gov](http://www.sec.gov).

**AVAILABILITY OF QUARTERLY PORTFOLIO SCHEDULE**

The Fund files with the Securities and Exchange Commission schedules of its portfolio holdings on Form N-Q for the first and third quarters of each fiscal year. The Fund’s Forms N-Q are available on the Commission’s web site at [www.sec.gov](http://www.sec.gov), or may be reviewed and copied at the Commission’s Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The Fund also makes this information available on its web site at [www.thornburg.com/download](http://www.thornburg.com/download) or upon request by calling 1-800-847-0200.

# Trustees' Statement to Shareholders

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*Not part of the Certified Semi-Annual Report*

February 8, 2005, as readopted September 13, 2010

The Trustees are concerned that ongoing commentaries and opinions reported in the media may confuse investors in general as to the supervisory duties of trustees of mutual funds and, in particular, leave Thornburg Investment Trust shareholders uncertain regarding how we discharge our responsibilities in supervising the Funds' investment advisor and in reviewing the advisor's contract for renewal. We decided to spell out clearly three principal guidelines that we follow in supervising the Trust's investment advisor on your behalf.

We begin with the premise that each shareholder selected his or her Fund because its investments are managed by the investment advisor identified in the prospectus and in accordance with the objective and policies described in the prospectus. We realize, as each of you do, that if you believe that your Fund's stated objective and policies no longer serve your personal investment goals, you can sell your shares and leave the Fund.

Therefore, we believe that our primary supervisory task – our principal obligation to you – is to assess the nature and quality of the advisor's services, and to confirm that the advisor actively and competently pursues the Fund's objective, in accordance with the policies set out in the prospectus. To do this, we meet regularly with management to review your Fund's portfolio and to discuss the advisor's specific actions and judgments in pursuing the Fund's objective. We do not substitute our own judgment for the advisor's decisions in selecting investments; the advisor is paid to exercise its informed judgment on investment decisions, and we seek to confirm, in reviewing the advisor's performance, that the advisor is doing just that.

Second, while we are conscious of costs and the effect that costs have on shareholders' returns, we do not seek the lowest fees or expense ratio as our sole or primary objective. We try to make sure that your Fund's fees and costs are reasonable in relationship to the services rendered and that they are generally in line with those charged by other expert investment advisors, consistent with our belief that the Fund's investors searched for and expect that expertise and attention and have decided to pay a reasonable price for it. We do not put the management contract "out to bid" as a matter of course, and we would not do so unless we had concluded that the advisor materially had failed to pursue the Fund's objectives in accordance with its policies, or for other equally important reasons. We believe that any other approach would be inconsistent with your interests and contrary to your expectations when you bought shares of the Fund in the first place.

Finally, because we believe that most Thornburg Fund shareholders have invested with a long-term perspective, we try not to focus too much on the fashions of the moment and on short-term performance. The market will not favor any specific investment objective or set of policies at all times and under all economic circumstances. A fund will experience periods of both high and low returns relative to other funds and other investments. Even if one of our Funds is not favored by the market at a particular time, we believe that the advisor is nonetheless obliged to remain true to the Fund's objective and policies, and we watch to see that it does so.

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# Retirement and Education Accounts

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Thornburg Investment Management offers retirement and education savings accounts that can help you meet a variety of planning challenges. For account applications or further information on any of the accounts below, please call 1-800-847-0200 or go to [www.thornburg.com/ira](http://www.thornburg.com/ira). Your financial advisor can help you determine which plan is right for you.

## Individual Retirement Accounts

Individual Retirement Accounts (IRAs) provide a tax-advantaged means to save money for the future. For a detailed outline of the difference between retirement accounts, see [www.thornburg.com/ira](http://www.thornburg.com/ira). Rollovers are available. Call 1-800-847-0200 for more information.

**Traditional IRAs** – Contributions to Traditional IRAs are tax deductible for eligible individuals, and withdrawals are taxed as additional ordinary income. You may contribute to an IRA if you receive compensation and are under 70½, even if you are covered by an employer retirement plan. Deductible contributions are subject to certain qualifications. Please consult your tax advisor.

**Roth IRAs** – Under a Roth IRA, there is no tax deduction for contributions, but there is no income tax on qualified withdrawals. For a more detailed comparison of Traditional and Roth IRAs, please see our web site at [www.thornburg.com/ira](http://www.thornburg.com/ira).

**SEP IRAs** – Simplified Employee Pension (SEP) IRAs are established by employers. The employer is allowed a tax deduction for contributions made to the SEP Plan and makes contributions to each eligible employee's SEP IRA on a discretionary basis.

**SIMPLE IRAs** – Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) is designed to give small business owners a simplified method to establish and contribute to a retirement plan for employees. The employer is allowed a tax deduction for contributions and makes either matching or non-elective contributions to each eligible employee's SIMPLE IRA. Employees may make salary deferral contributions.

## Coverdell Education Savings Account

These savings accounts are designed to provide a way to save money for higher education expenses. In an Education Savings Account, earnings and interest grow tax-free, and qualified withdrawals used to pay for eligible higher-education expenses are tax- and penalty-free.

## Funds Available

The following funds are available in the accounts listed above:

- Thornburg International Value Fund
- Thornburg Value Fund
- Thornburg Core Growth Fund
- Thornburg Investment Income Builder Fund
- Thornburg Global Opportunities Fund
- Thornburg International Growth Fund
- Thornburg Developing World Fund
- Thornburg Limited Term U.S. Government Fund
- Thornburg Limited Term Income Fund
- Thornburg Strategic Income Fund



## The Firm

Thornburg Investment Management® is a privately held investment management company based in Santa Fe, New Mexico with assets under management of \$80 billion. Founded in 1982, the firm manages seven equity funds, nine bond funds, and separate portfolios for select institutions and individuals.

## Investment Philosophy

We seek to preserve and increase the real wealth of the Funds' shareholders after accounting for inflation, taxes, and investment expenses. We're committed to disciplined investing and managing risk in all market environments.

## Portfolio Holdings Disclosure

We believe you should know about your portfolio. Our web site keeps investors informed of the Funds' equity holdings. Go to [www.thornburg.com/funds](http://www.thornburg.com/funds) for commentary on our equity fund holdings.

## Co-Ownership of Funds

We invest side-by-side with the Funds' shareholders. Our employees have invested \$285 million in Thornburg products.

## Thornburg Equity Funds

Thornburg's equity research uses a fundamental and comprehensive analytical approach. Thornburg equity funds focus on a limited number of securities so that each holding can impact performance. The equity team searches for firms believed to have a promising future and seeks to buy shares of those companies at a discount to their intrinsic value.

- Thornburg Value Fund
- Thornburg International Value Fund
- Thornburg Core Growth Fund
- Thornburg Investment Income Builder Fund
- Thornburg Global Opportunities Fund
- Thornburg International Growth Fund
- Thornburg Developing World Fund

## Thornburg Bond Funds

Thornburg Investment Management applies a disciplined philosophy to fixed-income management. Since the launch of our first fixed-income fund over 25 years ago, we have been conducting fundamental, bottom-up research in an effort to identify bonds which we believe provide the best return for a given level of risk. We are very organic in our approach, avoiding leverage or complex strategies which could backfire in periods of market uncertainty.

- Thornburg Limited Term Municipal Fund
- Thornburg Intermediate Municipal Fund
- Thornburg California Limited Term Municipal Fund
- Thornburg New Mexico Intermediate Municipal Fund
- Thornburg New York Intermediate Municipal Fund
- Thornburg Strategic Municipal Income Fund
- Thornburg Limited Term U.S. Government Fund
- Thornburg Limited Term Income Fund
- Thornburg Strategic Income Fund

*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](http://thornburg.com). Read it carefully before investing.*

For additional information, please visit [www.thornburg.com](http://www.thornburg.com)

Thornburg Investment Management, Inc. 2300 North Ridgetop Road, Santa Fe, NM 87506



This Semi-Annual Report is submitted for the general information of shareholders of the Fund. It is not authorized for distribution to prospective investors in the Fund unless preceded or accompanied by an effective prospectus.

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