

## Quarterly Review March 31, 2012

# Thornburg International Value Fund

### INVESTMENT STRATEGY

The Fund is invested in a limited number of foreign common stocks selected on a value basis using fundamental research. The portfolio is diversified to include *basic value* stocks, but also includes stocks of companies with *consistent earnings* characteristics and those of *emerging franchises*, when these issues are value priced.

### FUND INVESTMENT OBJECTIVE

The Fund seeks long-term capital appreciation by investing in equity and debt securities of all types. As a secondary consideration, the Fund also seeks some current income. There is no guarantee that the Fund will meet its objectives.

### PORTFOLIO MANAGERS

Bill Fries, CFA  
Wendy Trevisani  
Lei Wang, CFA

### PORTFOLIO BASKETS

Basic Value	42.5%
Consistent Earners	42.1%
Emerging Franchises	11.0%
Cash	4.4%

**Basic Value:** financially sound companies with well-established businesses

**Consistent Earners:** companies with steady earnings growth, cashflow characteristics and/or dividend growth

**Emerging Franchises:** companies in the process of establishing a leading position in a product, service or market

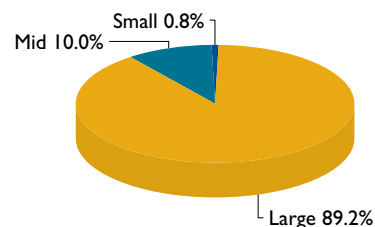
Charts may not add up to 100% due to rounding.

### KEY PORTFOLIO ATTRIBUTES

Portfolio P/E Trailing 12 months*	14.0x
Portfolio Price to Cash Flow*	5.4x
Portfolio Price to Book Value*	2.1x
Median Market Cap*	\$35.7 B
7-Year Beta (A shares vs. MSCI EAFE)*	0.91
Holdings	66
Fund Assets	\$28.1 B
Cash	4.4%

\* Source: FactSet

### CAPITALIZATION EXPOSURE



Small Cap (< \$2.5 B); Mid Cap (\$2.5–12 B); Large Cap (> \$12 B)

### AVERAGE ANNUAL TOTAL RETURNS (as of March 31, 2012)

	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception
<b>A Shares</b> (Incep: 5/28/98)						
Without sales charge	11.08%	-7.60%	17.23%	0.72%	8.13%	8.37%
With sales charge	6.10%	-11.77%	15.45%	-0.20%	7.63%	8.01%
<b>C Shares</b> (Incep: 5/28/98)						
Without sales charge	10.90%	-8.27%	16.38%	0.00%	7.32%	7.51%
With sales charge	9.90%	-9.18%	16.38%	0.00%	7.32%	7.51%
<b>I Shares</b> (Incep: 3/30/01)**	11.21%	-7.23%	17.70%	1.13%	8.60%	8.94%
<b>MSCI EAFE Index</b>						
(Since 5/28/98)	10.86%	-5.77%	17.13%	-3.51%	5.70%	3.28%
<b>MSCI AC World ex-U.S. Index</b>						
(Since 5/28/98)	11.35%	-6.74%	19.65%	-1.11%	7.74%	4.95%

Returns for less than one year are not annualized.

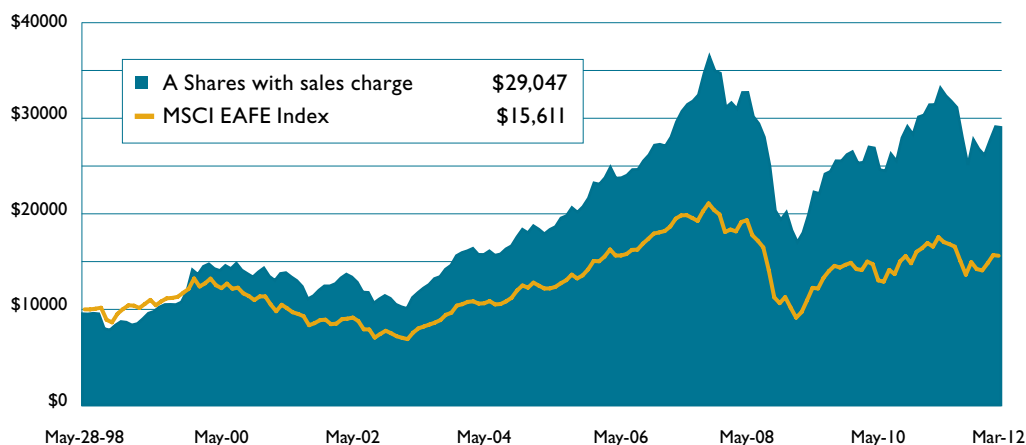
\*\* Prior to inception of class I shares (3/30/01), performance is calculated from actual returns of the class A shares adjusted for the lower Institutional expenses.

The maximum sales charge for the Fund's A shares is 4.50%. C shares include a 1% CDSC for the first year only. There is no up-front sales charge for class I shares. The total annual fund operating expenses are as follows: A shares, 1.25%; C shares, 1.99%; I shares, 0.88%.

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 877-215-1330.

### HYPOTHETICAL GROWTH OF \$10,000

(Thornburg International Value Fund vs. MSCI EAFE Index)



The **Hypothetical Growth of \$10,000** graph compares a hypothetical \$10,000 investment in the Fund to the performance of the Index for the stated time period. Returns reflect reinvestment of dividends and capital gains, if any, as well as all fees and expenses.

## SYMBOLS AND CUSIPS

A Shares	TGVAX	885-215-657
C Shares	THGCX	885-215-640
I Shares	TGVIX	885-215-566

## IMPORTANT INFORMATION

Investments in the Fund carry risks, including possible loss of principal. Special risks may be associated with investments outside the United States, especially in emerging markets, including currency fluctuations, illiquidity and volatility. Investments in small capitalization companies may increase the risk of greater price fluctuations. Investments in the Fund are not FDIC insured, nor are they deposits of or guaranteed by a bank or any other entity.

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

*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.*

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 **MSCI All Country (AC) World ex-US Index** is a market capitalization weighted index representative of the market structure of 44 developed and emerging market countries in North and South America, Europe, Africa, and the Pacific Rim, excluding securities of United States' issuers. The index is calculated with gross dividends reinvested in U.S. dollars.

Indices do not take into account fees and expenses. Investors cannot make direct investments in an index.

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# Thornburg International Value Fund

## TOP TEN POSITIONS

<b>1. SAP AG</b>	<b>2.9%</b>	<b>7. Standard Chartered plc</b>	<b>2.4%</b>
SAP's business software is used by large corporations worldwide to manage core business functions such as accounting and human resources. SAP's applications franchise is widely recognized as one of the strongest globally, and is often cited by corporations as evidence of sound business processes and strong financial controls.		Standard Chartered is an international bank operating predominantly in emerging markets across Asia, the Middle East, and Africa. The Greater China region and India are the bank's two largest operations.	
<b>2. Novo Nordisk A/S</b>	<b>2.8%</b>	<b>8. Reckitt Benckiser plc</b>	<b>2.4%</b>
Novo Nordisk is a Danish specialty pharmaceutical company focusing on the treatment of diabetes through insulin production and unique delivery systems, as well as biopharmaceutical therapies, specifically hemostasis (bleeding management), and growth hormone therapy.		Reckitt Benckiser is a leading manufacturer of household cleaning products, including popular brands such as Airwick, Lysol, and Woolite. Through the acquisition of Boots Healthcare International (BHI), Reckitt is now a formidable competitor in the over-the-counter pharmaceutical market as well.	
<b>3. British American Tobacco plc</b>	<b>2.5%</b>	<b>9. Toyota Motor Corp.</b>	<b>2.3%</b>
British American Tobacco is the holding company for a group of companies that manufacture, market and sell cigarettes and other tobacco products including cigars and roll-your-own tobacco. Its brand portfolio includes Dunhill, Kent, Lucky Strike, and Pall Mall.		Toyota Motor Corp. is a Japan-based company mainly engaged in the automobile and financial business. The company operates through three business segments. The automobile segment is engaged in the design, manufacture and sale of car products. The finance segment is involved in the provision of financial services related to the sale of the company's products. The others segment is involved in the design, manufacture and sale of housing, as well as information and communication business.	
<b>4. Nestlé SA</b>	<b>2.4%</b>	<b>10. Teva Pharmaceutical Industries Ltd.</b>	<b>2.1%</b>
Nestlé is a Switzerland-based global food and beverage company. The largest food and beverage company in the world, Nestlé products principally include chocolate, infant nutrition, pet care and frozen foods. Some familiar Nestlé brands include Nescafé, Stouffers, Purina, Powerbar, and Nespresso.		Teva is the world's largest manufacturer of generic drugs, with particular strength in the United States. The firm has the largest pipeline of generic products, many of which are "first to file" opportunities. Teva also manufactures active pharmaceutical ingredients, providing the company with a cost advantage.	
<b>5. adidas AG</b>	<b>2.4%</b>		
Germany-based adidas AG is a global leader in athletic shoes and apparel. Second to Nike, adidas has notable strength in high performance sectors such as soccer, running, basketball, and baseball.			
<b>6. LVMH Moët Hennessy Louis Vuitton SA</b>	<b>2.4%</b>		
LVMH is one of the leading luxury goods companies worldwide, with a strong portfolio of brands including Louis Vuitton, Pucci, Fendi, and Tag Heuer. Also included are champagne brands Krug, Dom Pérignon, and Veuve Clicquot, and cosmetics retailer Sephora.			

## TOP TEN INDUSTRIES

Banks	9.6%
Energy	8.8%
Capital Goods	7.0%
Pharmaceuticals, Biotechnology & Life Sciences	6.7%
Automobiles & Components	6.3%
Food, Beverage & Tobacco	6.2%
Software & Services	5.8%
Consumer Durables & Apparel	5.6%
Materials	5.4%
Diversified Financials	4.1%

## TOP TEN COUNTRIES

UK	22.5%
Germany	13.1%
Japan	11.4%
Switzerland	7.8%
France	7.6%
China	7.1%
Canada	5.6%
Israel	3.6%
Brazil	3.3%
Denmark	3.0%
<i>Emerging Markets Exposure</i>	15.5%

Portfolio characteristics are derived using currently available data that is believed to be accurate. Portfolio attributes and holdings can and do vary. The information above should not be considered buy or sell recommendations. For more detailed commentary on equity holdings see [www.thornburg.com/funds](http://www.thornburg.com/funds).