

## Quarterly Review March 31, 2012

# Thornburg Value Fund

### INVESTMENT STRATEGY

The Fund is invested in a limited number of 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

Connor Browne, CFA  
Edward Maran, CFA

### PORTFOLIO BASKETS

Basic Value	40.8%
Consistent Earners	37.8%
Emerging Franchises	17.7%
Cash	3.7%

**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

### PORTFOLIO COMPOSITION

Domestic Equity	80.7%
Foreign Equity	14.9%
Cash	3.7%
Fixed Income	0.6%

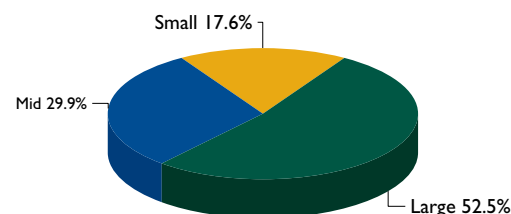
Charts may not add up to 100% due to rounding.

### KEY PORTFOLIO ATTRIBUTES

Portfolio P/E Trailing 12 months*	13.9x
Portfolio Price to Cash Flow*	5.2x
Portfolio Price to Book Value*	1.2x
Median Market Cap*	\$10.4 B
7-Year Beta (A shares vs. S&P 500)*	1.12
Holdings	43
Fund Assets	\$3.3 B
Cash	3.7%

\* 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: 10/2/95)						
Without sales charge	16.11%	-7.83%	20.22%	-0.79%	3.85%	9.13%
With sales charge	10.89%	-11.98%	18.40%	-1.70%	3.37%	8.82%
<b>C Shares</b> (Incep: 10/2/95)						
Without sales charge	15.89%	-8.54%	19.30%	-1.54%	3.06%	8.29%
With sales charge	14.89%	-9.45%	19.30%	-1.54%	3.06%	8.29%
<b>I Shares</b> (Incep: 11/2/98)**	16.23%	-7.48%	20.65%	-0.42%	4.26%	9.59%
<b>S&amp;P 500 Index</b> (Since 10/2/95)	12.59%	8.54%	23.42%	2.01%	4.12%	7.44%

Returns for less than one year are not annualized.

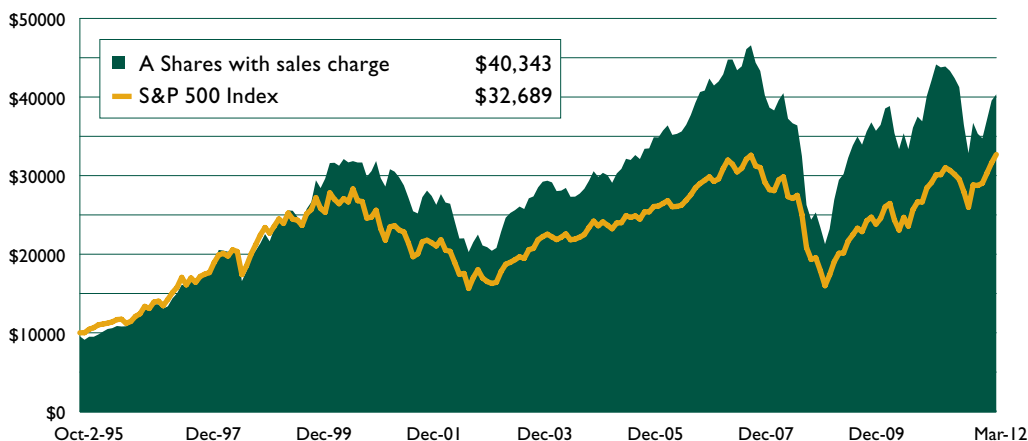
\*\* Prior to inception of class I shares (11/2/98), performance is calculated from actual returns of the class A shares adjusted for the lower Institutional expenses.

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, 1.28%; C shares, 2.03%; I shares, 0.91%.

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 Value Fund vs. S&P 500 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	TVAFX	885-215-731
C Shares	TVCFX	885-215-715
I Shares	TVIFX	885-215-632

## 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 **S&P 500 Index**, an unmanaged broad measure of the U.S. stock market, does not reflect sales charges. Investors cannot invest directly in an index.

# Thornburg Value Fund

## TOP TEN EQUITY POSITIONS

<b>1. Gilead Sciences, Inc.</b>	<b>4.4%</b>	<b>7. United States Steel Corp.</b>	<b>3.4%</b>
<p>Gilead Sciences is a biopharmaceutical company that focuses primarily on antivirals, cardiovascular conditions, and respiratory diseases. Gilead has grown rapidly since its 1987 founding, with results driven in recent years by the company's strong HIV treatment franchise.</p>		<p>United States Steel Corporation is an integrated steel producer with an annual raw steel production capability of about 32 million net tons within North America and Europe. The company operates through three main segments: Flat-rolled Products, Tubular Products, and U.S. Steel Europe.</p>	
<b>2. Google, Inc.</b>	<b>4.3%</b>	<b>8. Hartford Financial Services Group, Inc.</b>	<b>3.2%</b>
<p>Google is the leading search engine on the Internet. By recent measures, Google commands an impressive lead over Yahoo! Search, its closest competitor. The company has created and now maintains this lead by using technology to provide relevant, unbiased search results quickly to its users.</p>		<p>Hartford Financial Services Group is an insurance and financial services company providing investment products, individual life, group life and group disability insurance products, and property and casualty insurance products, in the United States.</p>	
<b>3. Inpex Corp.</b>	<b>4.1%</b>	<b>9. Yahoo!, Inc.</b>	<b>3.0%</b>
<p>Based in Japan, Inpex engages in the research, exploration, development, production, and sale of oil, natural gas, and other mineral resources. The company also provides real estate rental and management, and insurance agency services.</p>		<p>Yahoo! is an online media company. The company's display business provides online advertising services to customers on both Yahoo and other affiliated websites.</p>	
<b>4. Thermo Fisher Scientific, Inc.</b>	<b>3.9%</b>	<b>10. Metlife, Inc.</b>	<b>3.0%</b>
<p>Thermo Fisher Scientific manufactures and distributes consumables, lab equipment, analytical instruments, software, and services that are used in health care and life sciences research and diagnostics.</p>		<p>MetLife is a provider of individual insurance, employee benefits, and financial services with operations throughout the United States and the regions of Latin America, Europe, and Asia Pacific.</p>	
<b>5. Staples, Inc.</b>	<b>3.8%</b>		
<p>Staples retails office supplies, furniture, and technology. The company's customers include consumers and businesses in the United States, Canada, the United Kingdom, and Germany.</p>			
<b>6. Charles Schwab Corp.</b>	<b>3.6%</b>		
<p>The Charles Schwab Corporation provides a variety of financial services to individual investors, independent investment managers, retirement plans, and institutions. The company provides its clients with securities brokerage, banking, and related financial services, as well as research and analytic tools and educational information.</p>			

## TOP TEN INDUSTRIES

Energy	11.8%
Software & Services	11.4%
Retailing	11.1%
Diversified Financials	10.4%
Insurance	8.8%
Pharmaceuticals, Biotechnology & Life Sciences	8.3%
Telecommunication Services	7.4%
Health Care Equipment & Services	6.6%
Materials	6.4%
Technology Hardware & Equipment	5.1%

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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).