

Quarterly Review December 31, 2011

Thornburg Developing World Fund

INVESTMENT STRATEGY

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 portfolio is diversified to include basic value stocks, companies with consistent earnings, and emerging franchises.

FUND INVESTMENT OBJECTIVE

The Fund seeks long-term capital appreciation. There is no guarantee that the Fund will meet its objectives.

PORTFOLIO MANAGER

Lewis Kaufman, CFA

PORTFOLIO BASKETS

Basic Value	47.1%
Consistent Earners	24.8%
Emerging Franchises	25.3%
Cash	2.8%

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*	19.4x
Portfolio Price to Cash Flow*	16.4x
Portfolio Price to Book Value*	4.9x
Median Market Cap*	\$6.5 B
Holdings	40
Fund Assets	\$62 M
Cash	2.8%

* Source: FactSet

AVERAGE ANNUAL TOTAL RETURNS (as of December 31, 2011)

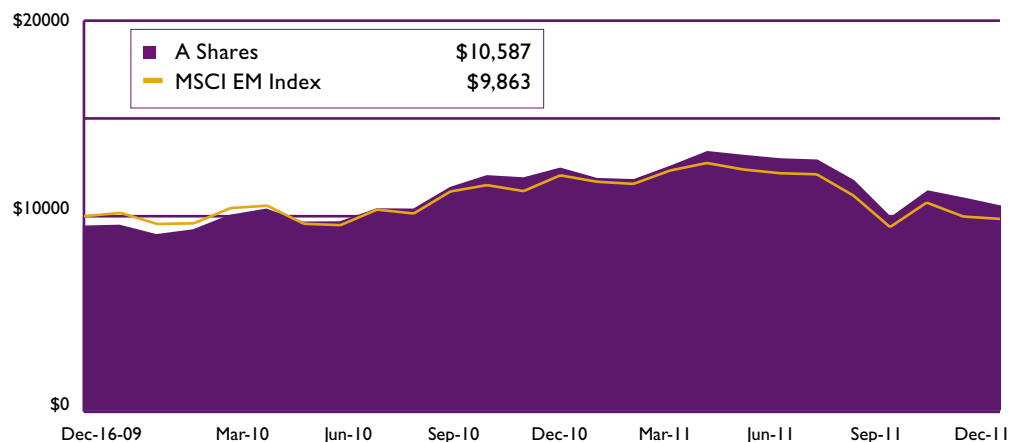
	YTD	1 Yr	Since Inception
A Shares (Incep: 12/16/09)			
Without sales charge	-15.63%	-15.63%	5.17%
With sales charge	-19.44%	-19.44%	2.84%
C Shares (Incep: 12/16/09)			
Without sales charge	-16.22%	-16.22%	4.57%
With sales charge	-17.06%	-17.06%	4.57%
I Shares (Incep: 12/16/09)	-15.10%	-15.10%	5.85%
MSCI Emerging Markets Index (Since: 12/16/09)			
	-18.42%	-18.42%	-0.68%

Returns for less than one year are not annualized.

The 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.

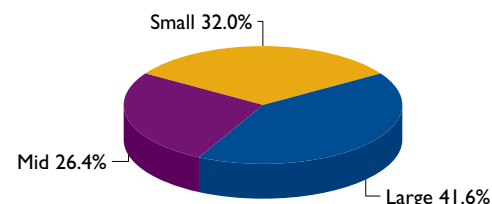
HYPOTHETICAL GROWTH OF \$10,000

(Thornburg Developing World Fund vs. MSCI Emerging Markets 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.

CAPITALIZATION EXPOSURE



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

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 877-215-1330. The maximum sales charge for the Fund's A shares is 4.50%. C shares include a 1% contingent deferred sales charge (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, 1.89%; C shares, 2.89%; I shares, 1.47%. Thornburg Investment Management and Thornburg Securities Corporation have contractually agreed to waive fees and reimburse expenses through at least February 1, 2013, so that actual expenses do not exceed the following: A shares, 1.83%; C shares, 2.38%; I shares, 1.09%.

SYMBOLS AND CUSIPS

A Shares THDAX 885-216-408

C Shares THDCX 885-216-507

I Shares THDIX 885-216-606

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. Read it carefully before investing.

The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. As of May 27, 2010 the MSCI Emerging Markets Index consisted 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. Indices do not take into account fees and expenses. Investors cannot make direct investments in an index.

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Thornburg Developing World Fund

TOP TEN POSITIONS

1. Trinity Ltd.	3.4%	6. Tencent Holdings Ltd.	3.1%
Trinity is a small-box retailer of high-end men's clothing in mainland China, Hong Kong, and Taiwan. Trinity owns the Kent & Curwen and Cerruti 1881 brands, and has long-term exclusive regional licenses for Gieves & Hawkes and D'urban. Fabric is sourced from Italy, cut in China, and assembled into finished products in Hong Kong.		Tencent Holdings provides Internet, mobile, and telecommunication value-added services in China. The Company has an instant messaging community in China. Tencent also provides online advertising services.	
2. Genomma Lab Internacional SA	3.4%	7. Mayora Indah Tbk PT	3.0%
Genomma Lab is a Mexican distributor of personal care products, over-the-counter drugs and branded generic pharmaceuticals. Genomma generally does little R&D, instead pursuing off-patent drugs as the basis for its products.		Mayora Indah manufactures candies and cookies. Through its subsidiaries, the Company also manufactures food, coffee powder, instant coffee, and cocoa beans.	
3. Colgate-Palmolive Co.	3.2%	8. Credicorp Ltd.	3.0%
Colgate-Palmolive Company is a consumer products company that markets its products throughout the world. The Company's products include toothpaste, toothbrushes, shampoos, deodorants, bar and liquid soaps, dishwashing liquid, and laundry products, as well as pet nutrition products for cats and dogs. Brands include Colgate, Palmolive, Tom's of Maine, Ajax, Softsoap, Speed Stick, and Science Diet.		Credicorp is a financial services holding company. Credicorp is engaged principally in banking, insurance, pension funds, and brokerage.	
4. Potash Corp. of Saskatchewan, Inc.	3.1%	9. Clicks Group Ltd.	2.9%
Potash Corp. of Saskatchewan is the world's largest fertilizer company by capacity producing potash, nitrogen, and phosphate to the agricultural and industrial industries. The Company conducts operations in Canada, Chile, the United States, Brazil, and Trinidad.		Clicks Group, formerly New Clicks Holdings Limited, is a health and beauty focused retail and supply company in South Africa. The company, through its retail brands Clicks, Musica, and The Body Shop, has 540 stores across southern Africa. It has a retail pharmacy chain with 207 in-store dispensaries, as well as a direct-to-patient courier pharmacy service.	
5. Yandex NV	3.1%	10. Cia. Hering	2.9%
Yandex operates an Internet website in Russia. The Company's website offers an Internet search engine, news, shopping information, blogs, photographs and videos. Yandex earns its revenues from online advertising.		Cia. Hering is a Brazil-based clothing company. The company produces basic clothing products, including jeans, blouses, shirts, and other accessories. The company sells its products under four brand names: Hering, PUC, dzarm., and Hering Kids. Cia.	

TOP TEN INDUSTRIES

Software & Services	16.4%
Banks	14.8%
Food & Staples Retailing	13.8%
Materials	10.5%
Energy	10.2%
Food, Beverage & Tobacco	5.2%
Household & Personal Products	5.1%
Retailing	4.6%
Consumer Services	4.4%
Health Care Equipment & Services	4.3%

TOP TEN COUNTRIES

China	12.9%
Indonesia	10.5%
Brazil	9.9%
Russia	9.5%
India	8.0%
Hong Kong	6.4%
Mexico	6.3%
USA	5.6%
Canada	5.1%
Turkey	4.0%

Emerging Markets Exposure 80.3%

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.