

4th Quarter 2011 Portfolio Manager Market Commentary

Thornburg Core Growth Fund



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The fourth quarter of 2011 saw continued volatility in US markets. Following a turbulent, negative third quarter, we are very pleased to report that the Thornburg Core Growth Fund (A shares without sales charge) significantly outperformed the benchmark, returning 18.38% versus the Russell 3000 Growth Index return of 10.94% for the quarter ended December 31, 2011. For the full year of 2011 the Fund returned 1.35% vs. 2.18% for the benchmark.

While extreme market volatility keeps us up late some nights, we will always embrace the opportunity to buy or add to what we see as compelling names at lower valuations than their growth prospects suggest. The significant market volatility in the third quarter gave us an opportunity to buy and add to a number of new growth stocks and existing holdings at attractive valuations. This led to somewhat higher than normal turnover.

In terms of the quarter's investment results, the Fund experienced slightly negative allocation effect with significant outperformance driven by the portfolio's individual security selection. An overweight in the financials and underweight in consumer staples provided some positive allocation effect, yet this was not enough to offset the negative allocation effect from other sectors. On the other hand, the Fund had positive stock selection effect in five of the seven sectors held over the quarter (information technology, industrials, health care, telecom services, and energy) while information technology and industrials stood out as particularly strong performing areas. Altogether, there were forty-one names generating positive returns over the quarter and eight names showing negative returns.

Strong performers in the IT sector included SuccessFactors Inc., Fusion-IO Inc., and MecadoLibre Inc.

**CORE GROWTH FUND
PERFORMANCE**

A shares, as of December 31, 2011

	1-yr	3-yr	5-yr	10-yr	Since Incep.
Without sales charge	1.35%	17.37%	-2.45%	5.41%	2.72%
With sales charge	-3.19%	15.58%	-3.34%	4.92%	2.30%
Russell 3000 Growth Index	2.18%	18.09%	2.46%	2.74%	0.33%

Periods over one year are annualized. Inception of the A shares is 12/27/00.

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%. The Fund's A shares carry a 30-day redemption fee of 1%. The total annual fund operating expense for A shares is 1.48%.

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

SuccessFactors Inc., a provider of cloud-based software solutions held by the Fund, was acquired by SAP AG for a 50% premium and we sold the name. MercadoLibre, an eBay style e-commerce platform serving Latin America, benefits from the long-term structural trend of retail moving from physical stores to online. Following recent improvements to the firm's online platform (a number of new features added) there was a significant increase in customer transaction value on the platform. We remain invested in MercadoLibre. Fusion-IO Inc. provides solid-state drive server memory cards and software solutions to enhance server efficiency. The stock traded in a wide range over the quarter. We continue to hold Fusion-IO, having benefited from this volatility, selling toward the higher end of its trading range and adding during times of market pessimism.

Within the industrials sector, RSC Holdings, Inc., an equipment rental provider in North America was acquired by a competitor for a 58% premium and was the Fund's top contributor to performance. FedEx Corp. provided positive contribution following a rebound from earlier price pressure due to global macroeconomic fears; the company's operating results and outlook showed resiliency given the global economic uncertainties.

Fourth quarter detractors to performance included Supergroup plc, Amazon.com Inc., Vera Bradley Inc., and Hargreaves Lansdown plc.

Supergroup plc, a UK-based fashion retailer, declined as investors became increasingly concerned about the willingness and ability of UK retail consumers to continue spending in the difficult economic environment. The company also suffered from a botched implementation of a warehouse IT system upgrade that caused a disruption in store supplies. We also became increasingly concerned about deterioration in the brand. Amazon.com Inc., the world's largest online retailer, detracted from performance due to concerns about the launch of its new Kindle Fire tablet. Amazon issued fourth quarter guidance below analyst estimates, which also weighed on the stock. Vera Bradley Inc., was purchased in August and the stock contributed modestly to performance in the third quarter, yet was a moderate detractor to performance this quarter. We remain interested in the company's longer-term growth potential, via customer recognition of both its brand and the value proposition that this multi-line ladies' accessories retailer offers.

Looking forward to 2012 we expect continued volatility as the European debt crisis and its impact on global economies continues to drive uncertainty. We hope the volatility continues to bring new opportunities. As always we will continue to look for promising growth companies trading at attractive valuations. Thank you for your investment in the Core Growth Fund.

Important Information

The views expressed by the Portfolio Managers reflect their professional opinions and should not be considered buy or sell recommendations. These views are subject to change.

There is no guarantee the Fund will meet its objectives.

Securities, countries and sectors mentioned are presented for the general information of Fund shareholders. Portfolio holdings are subject to change daily. Under no circumstances does the information contained within represent a recommendation to buy or sell securities.

The Russell 3000 Growth Index is an unmanaged index comprised of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values.

The performance of any index is not indicative of the performance of any particular investment. Keep in mind that indices do not take into account any fees and expenses of the individual investments that they track. You cannot make an investment in any index.

they deposits of or guaranteed by a bank or any other entity.

TOP 10 HOLDINGS AS OF 12/31/11

Amazon.com, Inc.	3.9%
Charles Schwab Corp.	3.8%
Qualcomm, Inc.	3.7%
Google, Inc.	3.3%
Microsoft Corp.	3.3%
Covidien plc	3.3%
FedEx Corp.	3.2%
Gilead Sciences, Inc.	3.2%
Baker Hughes, Inc.	3.1%
Visa, Inc.	3.0%

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.

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