

4th Quarter 2009 Portfolio Manager Market Commentary

Thornburg Global Opportunities Fund



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For the fourth quarter of 2009, the Thornburg Global Opportunities Fund produced a total return of 3.14% (A shares without sales charge) versus 4.63% for the benchmark MSCI All Country World Index (ACWI). This caps a strong calendar year 2009 in which the Fund returned 45.98% versus 34.63% for the index. The Fund's longer-term performance, shown on the right, is also materially ahead of the index. Note that during the year, the Fund paid income dividends of 37.6 cents per A share; total returns assume the reinvestment of such distributions.

In 2009 global stock markets performed remarkably well. Yet for the world economy, 2009 represents one of the toughest years on record. We believe the reason for this contrast has to do with expectations and depressed asset valuations reached at the depths of the financial crisis. For many investments in the Thornburg Global Opportunities Fund, we attribute the recent price appreciation to the survival of the issuing company, rather than to particularly strong operating results during the year. The performance drivers in the fourth quarter were a diverse group, while the full-year results benefited particularly from our investments in credit-related businesses as well as the telecommunications industry.

The following table shows five of the main contributors to recent results, by country of domicile:

Company	Country
Crown Castle International Corp. (CCI)	USA
Google Inc. (GOOG)	USA
Prospect Capital Corp. (PSEC)	USA
Swiss Reinsurance (87089AAA6)	Switzerland
Teva Pharmaceutical Industries (TEVA)	Israel

Rising debt prices were a key driver of Fund performance for the quarter and the year. This was helpful for businesses in general – corporate borrowing costs declined throughout the year – and several of our holdings were direct beneficiaries of this trend: Apollo Investment Corp. (AINV), Prospect Capital, and Level 3 Communications (LVT) in the US; as well as Babcock & Brown Air (FLY) and Swiss Re in Europe. Just recently the credit rating agency Moody's reported that the default rate on high yield bonds declined in

GLOBAL OPPORTUNITIES FUND PERFORMANCE

A shares, as of December 31, 2009

	1YR	3YR	Since Incep.
Without sales charge	45.98%	-0.06%	6.86%
With sales charge	39.38%	-1.59%	5.44%
MSCI AC World Index	34.63%	-4.57%	-0.50%

Periods over one year are annualized. Inception of the A shares is 7/28/06.

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.

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 1.67%. Thornburg Investment Management intends to waive fees and reimburse expenses so that actual expenses do not exceed 1.63%. The subsidized expense ratio reflects the annual operating expenses of the Fund minus any fee waivers or expense

December 2009 for the first time in 23 months, and forecast that the rate would drop more sharply by the end of 2010.

As discussed in previous reports, the Fund benefited significantly over the year from our long-held overweight position in the telecommunications industry. Notable among these were Crown Castle International, Global Crossing Ltd. (GLBC), and Millicom International Cellular (MICC). The share price of Crown Castle appreciated by more than 100% during the year, while both Global Crossing and Millicom rose over 70%. As a result of this price appreciation we have reduced our exposure to these companies.

The Fund has evolved significantly versus its positioning one year ago. Broadly, we have reduced our exposure to telecommunications companies as well as debt securities. We do not anticipate that bonds will be a large weight in the portfolio on an ongoing basis, but the prices at which we were able to buy certain bonds in 2009 were extraordinarily low. At the end of the year the portfolio included 33 stocks and two bond positions. The Fund continues to have an overweight position in financial services and telecommunications; we remain underweight in consumer discretionary companies and utilities.

In the fourth quarter we made a new investment in ING Groep (INGA NA), a global banking and insurance group based in the Netherlands. The share price of ING declined dramatically in 2008 and 2009, as the financial crisis revealed material flaws in the Group strategy and balance sheet. In the fourth quarter of 2009 management announced plans to shrink the company, simplify its operations by disposing of all non-banking assets, and sell new shares in order to redeem quasi-equity previously issued to the Dutch government. After this “back to basics” restructuring, ING Groep should become a bank (rather than a financial conglomerate) with strong market positions in the Benelux region, Eastern Europe, and India.

As of year-end 2009, our top industry groups were:

Banks	16%
Insurance	15%
Telecom Services	13%
Diversified Financials	12%
Pharma, Biotech & Life Sciences	9%

For the past several months there has been a stream of relatively encouraging macroeconomic data from around the world. These suggest that a global economic recovery, led by emerging economies, has begun. In turn, investor expectations and financial asset prices are materially higher versus a year ago. There are plain downside risks related to the withdrawal of monetary stimulus and the state of public finances in several developed countries, so we expect periods of turbulence in the financial markets. We continue to focus our research on asset prices and asset quality, reflecting our belief in value-oriented, bottom-up analysis.

Remember that you can review descriptive comments about the portfolio holdings under the “Holdings Commentary” section of our web site at www.thornburg.com/commentary.

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.

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.

reimbursements. The fee waivers and expense reimbursements are voluntary and may be terminated at any time.

The Thornburg Global Opportunities 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.

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.

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 Morgan Stanley Capital International All Country World Index (MSCI AC World Index) is a market capitalization weighted index composed of over 2,000 companies, and is representative of the market structure of 45 developed and emerging market countries in North and South America, Europe, Africa, and the Pacific Rim. The index is calculated with net dividends reinvested in U.S. dollars.

The performance of any index is not indicative of the performance of any particular investment. 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.

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