

*4th Quarter 2011 Portfolio Manager Market Commentary*  
Thornburg Global Opportunities Fund



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For the fourth quarter of 2011, the Thornburg Global Opportunities Fund produced a total return of 6.71% (A shares without sales charge) versus 7.19% for the benchmark MSCI All-Country World Index (ACWI). This caps the calendar year 2011 in which the Fund returned -7.79% (A shares without sales charge) versus -7.34% for the index. Note that in 2011 the Fund paid income distributions of 25 cents per share; total returns assume the reinvestment of such distributions.

Although our 2011 performance result was not satisfying, we continue to focus on the long term and believe that our approach to global value investing has fundamental strengths. July 28, 2011 marked the five-year anniversary of the Thornburg Global Opportunities Fund. For the five-year period ended July 31, 2011, Morningstar rated the Fund's Class A shares five stars (based on risk adjusted returns among 493 World Stock funds). Over this five-year period, the Fund performed in the top 4% of its Morningstar category (based on total returns without sales charge, among 493 funds). The Fund has been "battle tested" through some of the most challenging market conditions of the past century; 2009 was an exceptionally strong year for global equities, while 2008 was plainly a calamity.

The Fund's cumulative performance since inception in 2006 is shown below:

Cumulative Total Returns from 7/28/06 to 12/31/11	
Thornburg Global Opportunities Fund, A without sales charge	33.50%
Thornburg Global Opportunities Fund, A with maximum sales charge of 4.5%	27.52%
MSCI AC World Index	2.63%
S&P 500 Index	10.50%

**GLOBAL OPPORTUNITIES FUND PERFORMANCE**

A shares, as of December 31, 2011

	1-Yr	3-Yr	5-Yr	Since Incep.
Without sales charge	-7.79%	15.79%	1.20%	5.47%
With sales charge	-11.94%	14.02%	0.27%	4.58%
MSCI AC World Index	-7.34%	12.01%	-1.93%	0.48%

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 1.47%.*

**PERCENTILE RANKS IN MORNINGSTAR WORLD STOCK CATEGORY AS OF 12/31/11**

	1 yr	3 yr	5 yr
Rank	49%	21%	12%
# of Funds	893	697	490

Based on total return without sales charge.

★★★ Overall Morningstar Rating™  
Overall rating, among 697 funds, based on risk-adjusted returns, uses the fund's three- and five-year ratings: 3 stars and 3 stars among 697 and 490 World Stock funds, as of 12/31/11.

For global investors 2011 was a difficult year, overshadowed by sovereign credit concerns in the developed world and slowing growth in emerging economies. Major companies from industries such as banking and retailing that looked “cheap” a year ago only became cheaper as the year unfolded. In the U.S. only one in six equity portfolio managers outperformed the S&P 500 in 2011 – this was the worst result for active managers since 1997. In Europe, after a poor showing in 2010, some investors believed the weak outlook was “priced in”. But 2011 proved a tougher year still, with the EURO STOXX 50 index of European blue chips declining 15.77% in USD. Lastly, growth in emerging markets proved no safe haven: the MSCI Emerging Markets index fell 18.42% for the year.

In assessing the performance of the Thornburg Global Opportunities Fund, it is constructive to consider the performance in USD of the sector components of the MSCI All Country World Index over the year ending December 31, 2011. Two points are notable:

1. Three of ten Index sectors (consumer staples, health care, and telecommunications) showed positive total returns, ranging from approximately +0.2% (telecom) to approximately +9% (health care). The other seven Index sectors (financials, industrials, materials, information technology, consumer discretionary, utilities, and energy) delivered negative 2011 returns, ranging from negative 2.68% (energy) to negative 21.2% (materials).
2. In general, sectors that exhibit the highest degree of volatility with economic cycles were down the most: materials, financials, and industrials. Investor anxiety about slowing global economic growth set in during the late spring of 2011, and this has not lifted. The financial sector, down negative 18.9% for 2011, also delivered sluggish relative performance in 2010.

Much of the 2011 performance of the Thornburg Global Opportunities Fund can be attributed to security selection rather than country or sector allocation. Our largest positive contributor was long-time holding Global Crossing in the telecommunications sector. In the second quarter Global Crossing announced its sale to Level (3) Communications in an all-stock transaction. Level (3) appears to be a good strategic fit with Global Crossing, and we now hold shares in the combined company. We also benefitted from favorable security selection in emerging markets, as evidenced by the strong contribution from Brasil Foods in both 2010 and 2011. Brasil Foods continued to report rising profitability and volume growth that leads the global food industry. The company still faces an interesting opportunity to gain worldwide market share in the years to come.

In addition to those cited above, the Fund enjoyed solid contributions to portfolio performance from restaurateur Arcos Dorados, telecommunications provider Telstra Corp. and insurance brokerage firm Willis Group Ltd.

As of December 31, 2011, the Fund’s overall Morningstar Rating was 3 stars among 697 World Stock Funds (rated 3 stars for 3 years among 697 funds and 3 stars for 5 years among 490 funds). The Fund ranked in the top 49% for the year ended December 31, 2011 and in the 12 percentile for the five-year period (among 697 and 490 World Stock funds, respectively).

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.

#### **TOP 10 HOLDINGS AS OF 11/30/11**

Google, Inc.	5.7%
Microsoft Corp.	4.7%
BRF-Brasil Foods SA	4.5%
Swiss Re Ltd.	4.4%
SPDR Gold Trust	4.4%
Kabel Deutschland Holding AG	4.0%
KKR Financial Holdings LLC	3.9%
Willis Group Holdings plc	3.8%
Ensign Energy Services, Inc.	3.8%
Fifth Third Bancorp Pfd	3.6%

However these positive contributions were more than offset by disappointing results from a number of investments, particularly in the banking and energy sectors. This is evident in the list below, which shows five of the main detractors from 2011 results:

<b>Company</b>	<b>Industry Group</b>
Bank of America Corp.	Diversified Financials
Bankers Petroleum Ltd.	Energy
Cable & Wireless Worldwide	Telecommunications
Liechtenstein Landesbank	Banks
Transocean Ltd.	Energy

The banking industry in developed economies continued to wrestle with a host of challenges in 2011. Principal among these are sovereign credit concerns, low interest rates, slow customer activity, and a cloudy regulatory backdrop. So bank stocks performed even worse than the broader financial sector. For the Fund, the largest detractor from results in this area was Bank of America (BAC). BAC in particular is also subject to concerns about potential off-balance sheet liabilities related to underwriting of residential mortgages prior to the financial crisis, as well as additional costs the bank may incur related to its mortgage foreclosure practices after the crisis. We continue to hold Bank of America, which appears to have sufficient scale and profits to absorb these potential costs. In fact the Fund has benefitted in early 2012 as BAC has led a modest recovery in U.S. bank stocks thus far in January.

In the energy sector, offshore driller Transocean Ltd. was a notable underperformer. Since the April 2010 tragedy at BP's Macondo well in the Gulf of Mexico, in which Transocean's Deepwater Horizon rig sank, the company has faced new challenges. There is uncertainty surrounding the litigation regarding the Macondo accident. Moreover, in the current regulatory and safety environment the company has had to spend more resources on inspections, certifications and retrofits of its existing assets. Transocean's challenges weighed heavily on the shares in 2011, but some resolution is plausible in 2012. Transocean shares currently trade well below the market value of the company's tangible assets.

The Thornburg Global Opportunities Fund portfolio does not resemble a global equity index portfolio, as it is concentrated in fewer securities and does not match industry or geographic weightings that are typical in an index. In 2011 we reduced our exposure to financials and telecommunications businesses, while we increased our exposure to information technology and industrial businesses. Relative to our benchmark, the Fund has an overweight position in financial services and industrial companies; we remain underweight in utilities and health care businesses. Companies based in emerging markets currently constitute about 10.7% of the Fund.

The following table illustrates the Fund's largest geographic weightings, based on the country of domicile:

<b>Country</b>	<b>Fund Weighting</b>
USA	43%
Switzerland	11%
UK	9%
Brazil	9%
Australia	7%

As we begin 2012 there is a great debate regarding the prospects for global economic growth in the year ahead. Conflicting macroeconomic forces will affect business conditions and investor sentiment. Leverage in most developed market economies cannot expand at the rates seen in prior years, and may need to contract in certain countries. We have seen clear evidence that global markets are unwilling to finance significant further borrowing by certain European governments at acceptable rates. This may serve as a warning to other countries that limits on borrowing will constrain the ability of elected officials to formulate new programs and fully deliver on prior commitments. For instance in both Italy and Spain newly elected governments recently

announced plans to raise taxes and reduce public spending in 2012. On the other hand some large emerging market economies appear to have room to increase private borrowing, government borrowing, or both, and aggregate demand in these countries is expanding. An election year United States could increase or restrict aggregate global demand. Recently U.S. housing and employment are at last showing signs of life – strong positives for private sector health.

In many markets equity valuations now convey a deep pessimism about the prospects for future growth. Commenting on the U.S. market in its December, 2011 “Market Attributes” publication, Standard & Poor’s states the following:

“Balance sheets and income statements for the S&P 500 are in excellent condition. Earnings (for the S&P 500 Index) best quarter was Q3’11, its second best was in Q2’11, and Q4’11 is estimated to be in third. Cash reserves are also at an all time high. Forward price-to-earnings ratios (P/Es) are historically low and yields are relatively high (compared to alternative investments or U.S. Treasuries).....Large-cap issues have found a way to cope with a slow economy and still improve earnings.”

Summary data on the global equity portfolio indicate that most balance sheet metrics outside the United States have also improved in the last two years, even as declining price-to-earnings ratios show that investor desire to own equities is muted. In brief, firm values are below recent historical averages and overall operating results are coming in reasonably well. A lack of optimism about future business conditions keeps many investors on the sidelines, but this environment could reward those with a long-term view.

As bottom-up value investors, we continue to focus on “promising companies at a discount”, or good businesses at low prices. This is the framework that has served us well over many years.

Remember that you can review descriptive comments about the portfolio holdings in the “Holdings Commentary” section of our web site at [www.thornburg.com/funds](http://www.thornburg.com/funds).

### **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.

Price-to-Book Value (P/B) Ratio – A ratio used to compare a stock’s market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter’s book value per share.

To determine a fund’s Morningstar Rating™, funds with at least a three-year history are ranked in their categories by their Morningstar Risk-Adjusted Return scores. The top 10% receive 5 stars; the next 22.5%, 4 stars; the middle 35%, 3 stars; the next 22.5%, 2 stars; and the bottom 10% receive 1 star. The Risk-Adjusted Return accounts for variation in a fund’s performance (including the effects of all sales charges), placing more emphasis on downward variations and rewarding consistent performance. Other share classes may have different performance characteristics. © 2011 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

Morningstar World Stock Category consists of world-stock portfolios that have few geographical limitations. It is common for these portfolios to invest the majority of their assets in the United States, Europe, and Japan, with the remainder divided among the globe’s smaller markets. These portfolios typically have 20%-60% of assets in U.S. stocks.

The MSCI All Country (AC) World Index is a market capitalization weighted index that 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 EURO STOXX 50 Index, Europe’s leading Blue-chip index for the Eurozone, provides a Blue-chip representation of supersector leaders in the Eurozone. The index covers 50 stocks from 12 countries: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists 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.

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.

Funds invested in a limited number of holdings may expose an investor to greater volatility.

*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.*

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