



Investment Management®

Strategies for Building Real Wealth

# World-Wide Investing

Bringing Overseas Opportunities Home

- Thornburg International Value Fund
- Thornburg Investment Income Builder Fund
- Thornburg Global Opportunities Fund
- Thornburg International Growth Fund
- Thornburg Developing World Fund



# Why Invest Internationally?

## TO CAPTURE GROWTH OPPORTUNITIES OUTSIDE U.S. MARKETS

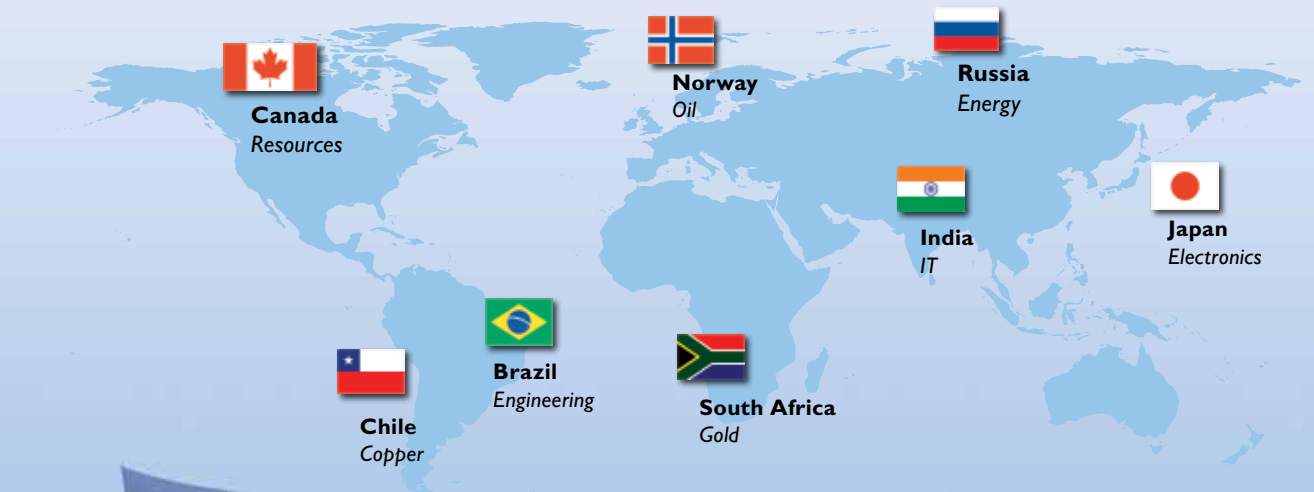
A major benefit of an interconnected global economy is the ability to tap into a country or region's comparative advantages. Some countries have abundant natural resources, while others excel at manufacturing or engineering. The ability to allocate capital across borders allows the entire globe to benefit from these advantages.

Developing capital markets are making these opportunities increasingly investable for U.S. investors. Japan, Germany, the United Kingdom, and France, with their well-established capital markets, are already home to some of the world's largest publicly traded companies. As many emerging countries move toward democracy and capitalism, they are developing their own markets where companies are publicly traded. Often, these companies are dominant in their respective industries.

U.S. investors constraining themselves to domestic equities may be limiting themselves to an increasingly smaller portion of the world's publicly traded equities. In fact, over the past few decades, foreign markets' share of world market capitalization has increased from 34% in 1970 to 58% in 2009 (source: MSCI Blue Book).

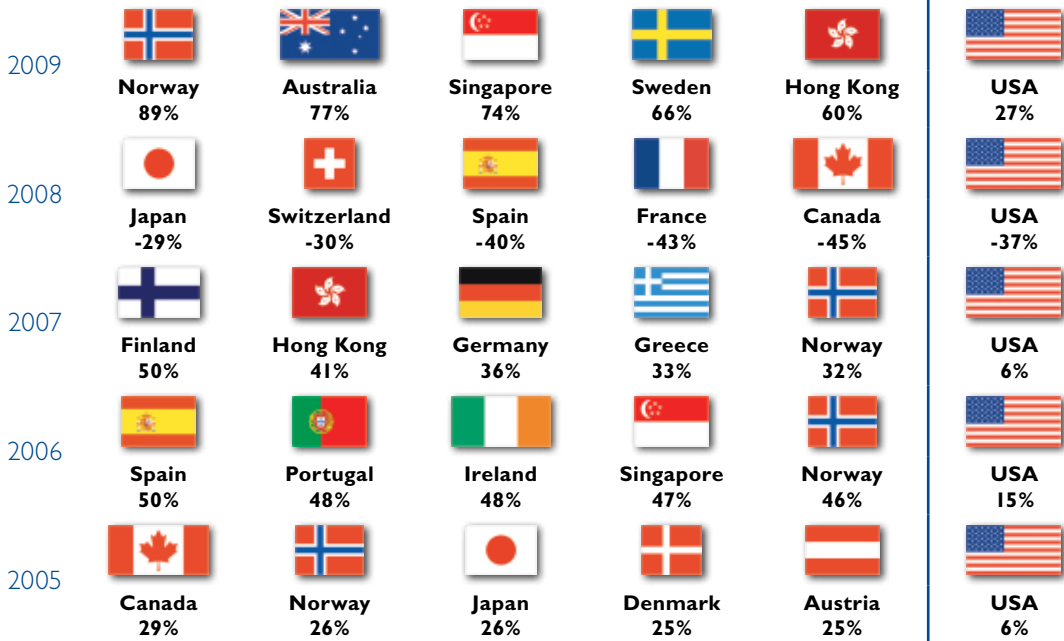
The illustration to the right shows the top five performing developed countries compared to the United States. Over the last five years, the United States was in the top five only once, in 2008.

### Comparative Advantages



## Top Performing Countries vs. United States

Gross Index Performance of Developed Markets in U.S. Dollars



Past performance is no guarantee of future results.

Source: MSCI.com

## TO REDUCE VOLATILITY AND BALANCE A PORTFOLIO

Because markets in the United States and overseas generally don't perform in perfect tandem, spreading investment holdings among companies and markets not closely correlated to those of the United States can reduce overall portfolio volatility.

The blue line in the chart below represents performance of international developed markets (in aggregate) and the green line represents the U.S. market.

## Cycles of Global Investment Performance

U.S. Market vs. International Markets, Rolling 5-Year Returns



Rolling performance in the chart represents annualized total returns over five-year periods, updated monthly, beginning in January 1970. Rolling returns are useful for examining the behavior of returns for holding periods similar to those actually experienced by investors. Past performance is no guarantee of future results.

All charts are for illustration purposes only. The performance of an index is not indicative of the performance of a particular investment. Indices do not take into account fees and expenses. Investors cannot make direct investments in an index.

There are special risk considerations associated with international investing, including fluctuating exchange rates, government regulations, and differences in liquidity, which may affect the volatility of the funds.

Diversification does not guarantee a profit or protect against a loss.

# The Thornburg Mission: Bringing Overseas Opportunities Home

**Increasing Opportunities for U.S. Investors.** The funds purchase international securities that either aren't directly available to U.S. investors (such as issues of foreign airports or those available only to qualified institutional investors) or securities that may be far more difficult for individuals to purchase (such as securities traded on the Taiwan exchange).

**Finding Bargains in Foreign Markets.** Thornburg searches the globe to find promising companies with sound business fundamentals.

## STRATEGIES FOR BUILDING REAL WEALTH

Thornburg International and Global managers invest:

- Throughout the world's markets, including both developed and emerging markets
- In focused portfolios, where each position is expected to have an effect on the fund's performance
- With the benefit of a disciplined research process that emphasizes understanding a company's financial statements as well as its business model
- With a flexible mandate, searching world wide for the most compelling values
- With the benefit of selective currency hedging when risk is perceived in the currency
- Opportunistically, seeking appreciation where the managers believe a high degree of intrinsic value exists
- Using a fundamental, bottom-up approach, where investments are made on a company-specific basis first, with sector and country considerations as secondary and tertiary factors in the decision-making process

## RISK MANAGEMENT

Thornburg International and Global Funds manage risk by:

- Examining risks at all levels, from individual stocks to the overall portfolio
- Limiting the number of holdings in the portfolio, allowing managers to have an in-depth knowledge of each company
- Diversifying the portfolios by geography, investment style, and investment characteristics
- Concentrating research on both upside potential and downside risk
- Utilizing a sell discipline that establishes price targets at the time of purchase



# Key Features

While the investment teams of Thornburg's world-wide offerings share research in a collegial atmosphere, each fund is unique in its strategy and objectives. These distinct directions provide a range of complementary investment options.

Higher	<b>Developing World Fund</b>	<ul style="list-style-type: none"> <li>■ The Developing World Fund explores the globe for companies that are either domiciled in a developing market or based in a developed country, but with significant business in a developing market.</li> <li>■ The portfolio is diversified across sectors, industries, and our own self-defined "baskets," which consist of Basic Value, Consistent Earners, Emerging Franchise stocks.</li> <li>■ The portfolio is typically focused with 40–60 holdings.</li> </ul>
	<b>International Growth Fund</b>	<ul style="list-style-type: none"> <li>■ The International Growth Fund employs a "go-anywhere" approach to international growth investing.</li> <li>■ The Fund has a multi-cap discipline with investments in small-, mid-, and large-cap international stocks.</li> <li>■ Utilizing a basket approach provides the opportunity to participate in multiple growth markets. Growth baskets consist of Growth Industry Leaders, Consistent Growers, and Emerging Growers.</li> <li>■ The portfolio is typically focused with 40–50 holdings.</li> <li>■ The team invests primarily in foreign companies.</li> </ul>
Risk/Return Potential	<b>Global Opportunities Fund</b>	<ul style="list-style-type: none"> <li>■ With a broad mandate, the Global Opportunities Fund capitalizes on research from multiple Thornburg teams.</li> <li>■ The Fund is diversified by geography, investing style, market capitalization, and sector.</li> <li>■ The portfolio is typically focused with 30–40 holdings.</li> <li>■ The team invests in both foreign and domestic companies.</li> </ul>
	<b>International Value Fund</b>	<ul style="list-style-type: none"> <li>■ The International Growth Fund employs a "go-anywhere" approach to international growth investing.</li> <li>■ The Fund has a multi-cap discipline with investments in small-, mid-, and large-cap international stocks.</li> <li>■ Utilizing a basket approach provides the opportunity to participate in multiple growth markets. Growth baskets consist of Growth Industry Leaders, Consistent Growers, and Emerging Growers.</li> <li>■ The portfolio is typically focused with 40–50 holdings.</li> <li>■ The team invests primarily in foreign companies.</li> </ul>
Lower	<b>Investment Income Builder Fund</b>	<ul style="list-style-type: none"> <li>■ The Investment Income Builder Fund is an income-oriented portfolio consisting of domestic and foreign equities with a fixed income component constructed to ease volatility.</li> <li>■ Primarily, the fund is focused on generating an attractive income stream that has the potential to grow over time, subject to periodic fluctuations. The Fund also seeks long-term capital appreciation.</li> <li>■ The team searches the globe for high-quality companies that they believe possess the ability and willingness to pay an increasing dividend.</li> </ul>

# Our History

## ABOUT THORNBURG INVESTMENT MANAGEMENT

Established in 1982, Thornburg Investment Management is located in Santa Fe, New Mexico. We offer domestic and international equity funds, as well as bond funds. Our goal is simple: to preserve and increase the real wealth of our shareholders after accounting for inflation, taxes, and investment expenses.

- Thornburg Investment Management is employee-owned with assets under management of \$56 billion, as of June 30, 2010. The firm manages seven equity funds, nine bond funds, and separate portfolios for select institutions and individuals.
- Thornburg is committed to disciplined investing and managing risk in all market environments.
- We invest side-by-side with our shareholders. Our employees have invested approximately \$188 million in Thornburg Funds, as of June 30, 2010.
- We believe in transparency. Our award-winning web site keeps investors informed of the funds' equity holdings. Visit [www.thornburg.com/funds](http://www.thornburg.com/funds) for portfolio manager commentary on our equity fund holdings.

## TO LEARN MORE

For more information on Thornburg's international and global funds, contact your financial advisor or visit our web site, [www.thornburg.com](http://www.thornburg.com).



### Thornburg International Value Fund

Co-Portfolio Managers:  
William Fries, CFA,  
Wendy Trevisani,  
and Lei Wang, CFA

Inception: 5/28/98

Class A Shares: TGVAX  
Class C Shares: THGCX  
Class I Shares: TGVIX  
Class R3 Shares: TGVRX  
Class R4 Shares: THVRX  
Class R5 Shares: TIVRX

# Portfolio Management Teams



**Back Row (L to R):**

Vinson Walden, Lei Wang,  
Alex Motola, and Brian McMahon.

**Front Row (L to R):**

Cliff Remily, Lewis Kaufman,  
Wendy Trevisani, Bill Fries,  
and Jason Brady.

Not all share classes are available to all investors. Please see the Prospectus for investment requirements.

## Thornburg Investment Income Builder Fund

Co-Portfolio Managers:  
Brian McMahon,  
Cliff Remily, CFA and  
Jason Brady, CFA

Inception: 12/24/02

Class A Shares: TIBAX  
Class C Shares: TIBCX  
Class I Shares: TIBIX  
Class R3 Shares: TIBRX  
Class R4 Shares: TIBGX  
Class R5 Shares: TIBMX

## Thornburg Global Opportunities Fund

Co-Portfolio Managers:  
Brian McMahon and  
W. Vinson Walden, CFA

Inception: 7/28/06

Class A Shares: THOAX  
Class C Shares: THOCX  
Class I Shares: THOIX  
Class R3 Shares: THORX  
Class R4 Shares: THOVX  
Class R5 Shares: THOFX

## Thornburg International Growth Fund

Portfolio Manager:  
Alexander M.V. Motola, CFA

Inception: 2/1/07

Class A Shares: TIGAX  
Class C Shares: TIGCX  
Class I Shares: TINGX  
Class R3 Shares: TIGVX  
Class R4 Shares: TINVX  
Class R5 Shares: TINFX

## Thornburg Developing World Fund

Portfolio Manager:  
Lewis Kaufman, CFA

Inception: 12/16/09

Class A Shares: THDAX  
Class C Shares: THDCX  
Class I Shares: THDIX

# Thornburg Investment Management®

Strategies for Building Real Wealth

2300 North Ridgetop Road  
Santa Fe, New Mexico 87506

[www.thornburg.com](http://www.thornburg.com)

**1.800.847.0200**

*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.*

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

Country indices are MSCI free float adjusted market capitalization indices that are designed to measure equity market performance in that specific country.

The Morgan Stanley Capital International (MSCI) Europe, Australasia, Far East Index (EAFE) is an unmanaged index. It is a generally accepted benchmark for major overseas markets. Index weightings represent the relative capitalizations of the major overseas markets included in the index on a U.S. dollar adjusted basis. The index is calculated with gross dividends reinvested in U.S. dollars.

The S&P 500 Index is an unmanaged index of common stocks generally considered to be representative of the U.S. market.

The performance of an index is not indicative of the performance of a particular investment. Indices do not take into account fees and expenses. Investors cannot make direct investments in an index.

Investments in the Funds carry risks, including possible loss of principal. Investing outside the United States, especially in emerging markets, entails special risks, such as currency fluctuations, illiquidity, and volatility. Investments in small capitalization companies may increase the risk of greater price fluctuations. Funds investing in bonds have the same interest rate, inflation, and credit risks that are associated with the underlying bonds. The principal value of bonds will fluctuate relative to changes in interest rates, decreasing when interest rates rise. Investments in the Funds are not FDIC insured, nor are they deposits of or guaranteed by a bank or any other entity.

Thornburg Funds are distributed by Thornburg Securities Corporation.®