

Thornburg International Growth Fund

Portfolio Manager Commentary
31 December 2022



Market Review

Global markets staged a rally into the end of the calendar year as central bank actions to tighten financial conditions earlier this year have resulted in signs of disinflation in more recent readings. This led investors to reduce expectations of continued overly hawkish monetary policy, particularly from the US Federal Reserve. This shift in expectations was also reflected in currency markets as the dollar weakened relative to major developed and emerging market currencies. This in turn enhanced returns for US-based investors in international equities and we saw major international indices outperform domestic indices during the fourth quarter. China stood out for its strong rebound during the last two months of the year as investors digested a strikingly rapid policy shift away from “zero-COVID” and towards reopening and economic normalization. Markets were also encouraged by the warmer than expected winter in Europe and the region’s avoidance of a major energy crisis.

Whether global equity markets have fully discounted a major recession, or a softer landing scenario remains to be seen. However, this portfolio should be well placed in either environment through its unique three basket structure that diversifies business and growth style risk.

Fourth Quarter Performance Highlights

- The Thornburg International Growth Fund returned 13.02% (I share), outperforming its benchmark, the MSCI ACWI ex US Growth NTR Index, which returned 12.89%.
- Primary contributors to performance from a sector standpoint were Consumer Discretionary, Energy and Materials, due predominantly to stock selection. The largest detractors were Communication Services, Consumer Staples and Healthcare.
- Leading contributors to performance from a regional standpoint were India, the UK and Canada. The principal detractors were Argentina, Japan and Germany.

Portfolio Managers

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Portfolio Manager

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Supported by the entire Thornburg investment team

Average Annual Returns (% , as of 31 Dec 2022)

	QTR	YTD	1-Yr	3-Yr	5-YR	10-YR	ITD
A Shares TIGAX (INCEP: 1 FEB 2007)							
Without sales charge	12.94	-26.33	-26.33	-1.95	-0.30	4.78	5.35
With sales charge	7.85	-29.65	-29.65	-3.44	-1.22	4.30	5.04
I Shares TINGX (INCEP: 1 FEB 2007)	13.02	-26.04	-26.04	-1.63	0.02	5.16	5.82
MSCI ACWI ex US Growth NTR Index	12.89	-23.05	-23.05	-0.40	1.49	4.68	3.09

ITD = Inception to Date

Periods less than one year are not annualized.

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%. There is no up-front sales charge for class I shares. The total annual fund operating expenses are as follows: A shares, 1.26%; I shares, 0.99%.

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Current Positioning and Outlook

Over the past year markets and investors grappled with a multitude of unforeseen and unprecedented headwinds, including elevated inflation leading to aggressive monetary policy measures, still-disrupted supply chains and the first major land war in Europe in decades. While some of these pressures may ease in 2023, the lagged effect of tighter financial conditions is expected to result in weaker labor markets and slower economic growth. Economists forecast real global GDP growth of about 2.1% this year, the lowest rate of growth since before the financial crisis.

In a period of slower and scarcer global growth, we expect to see a wider dispersion of investing outcomes and for companies with resilient growth prospects that can transcend the economic environment to outperform. We believe this backdrop favors bottom-up stock selection and our process, which focuses on high quality growth companies with secular growth opportunities that can sustainably compound value over the long term through idiosyncratic factors such as expanding market share, deepening economic moats, superior technology and best in class execution.

The Chinese economy heavily influences global trade and consumption and its policy of strict quarantine measures over the past few years has limited its economic potential. As the country reopens and recovers to a more normal pace of growth, it stands to be an intriguing area for investors this upcoming year. While the pace and shape of recovery is still uncertain, optimism is rising, and we note that China could be on a different monetary policy and economic trajectory than much of the global economy. We expect policymakers there to utilize various tools to focus on stabilizing and reviving the economy. Furthermore, Chinese households have accumulated nearly 6TN RMB of excess savings estimates Bank of America Research.

We see idiosyncratic opportunities in 2023 in select international markets (such as China) and among stocks driven by longer term structural themes such as green technology, nearshoring, digital transformation, cloud computing, digital payments, cell and gene therapy, factory automation, and artificial intelligence, all of which are represented in this portfolio.

Whether global equity markets have fully discounted a major recession, or a softer landing scenario remains to be seen. However, this portfolio should be well placed in either environment through its unique three basket structure that diversifies business and growth style risk. Our process emphasizes businesses with high levels of resiliency, but also allows us to own companies with unpriced optionality to idiosyncratic growth drivers and themes. We are excited about the prospects for every company in our portfolio. Through a repeatable process that relies on deep fundamental research, we are continuing to find opportunities to deploy capital into businesses with franchise characteristics and durable growth prospects that can deliver compelling risk adjusted returns over time.

Thank you for your continued confidence and for investing alongside us in Thornburg International Growth Fund.

Top Performers (4Q22)

Name	Contrib. (%)	Avg. Weight (%)
AstraZeneca plc	1.27	5.90
Asml Holding Ord	1.14	4.40
Lvmh Ord	0.88	3.91
Totalenergies Ord	0.71	2.23
Kone Ord	0.65	2.13

Top Detractors (4Q22)

Name	Contrib. (%)	Avg. Weight (%)
Moutai Ord A	-0.25	1.91
Globant Ord	-0.15	1.37
Olympus Corp Ord	-0.14	1.96
Adidas N Ord	-0.12	0.27
Nomura Research Ord	-0.12	1.88

Ten Largest Holdings (as of 30 Nov 2022)

Holding	Weight (%)
Taiwan Semiconductor Manufacturing Co. Ltd.	6.4%
AstraZeneca plc	6.3%
Nestle S.A.	6.2%
ASML Holding N.V.	4.9%
LVMH Moet Hennessy Louis Vuitton SE	4.2%
CSL Ltd.	3.0%
HDFC Bank Ltd.	3.0%
Keyence Corp.	2.9%
Booking Holdings, Inc.	2.9%
Lonza Group AG	2.9%

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Important Information

Unless otherwise noted, the source of all data, charts, tables and graphs is Thornburg Investment Management, Inc., as of 31 Dec 2022.

Investments carry risks, including possible loss of principal. Additional risks may be associated with investments outside the United States, especially in emerging markets, including currency fluctuations, illiquidity, volatility, and political and economic risks. Investments in small- and mid-capitalization companies may increase the risk of greater price fluctuations. Investments in the Fund are not FDIC insured, nor are they bank deposits or guaranteed by a bank or any other entity.

The views expressed are subject to change and do not necessarily reflect the views of Thornburg Investment Management, Inc. This information should not be relied upon as a recommendation or investment advice and is not intended to predict the performance of any investment or market.

There is no guarantee that the Fund will meet its investment objectives.

Any securities, sectors, or countries mentioned are for illustration purposes only. Holdings are subject to change. Under no circumstances does the information contained within represent a recommendation to buy or sell any security.

The MSCI ACWI ex US Growth NTR Index is a market capitalization weighted index that includes growth companies in developed and emerging markets throughout the world, excluding the United States.

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.

Before investing, carefully consider the Fund's investment goals, risks, charges, and expenses. For a prospectus or summary prospectus containing this and other information, contact your financial advisor or visit thornburg.com. Read them carefully before investing.