Market Review

Rising rates from central banks across the globe broadly pushed stocks lower as markets moved to price in tighter credit conditions and the possibility of slowing global growth. While equities recorded one of their worst quarters since the 2008 financial crisis, emerging markets proved defensive, outperforming their developed market counterparts by more than 500 basis points.

China, where regulatory uncertainty and strict lockdowns to contain COVID has weighed on performance over recent quarters, was the only global equity market in positive territory during the period. With COVID measures beginning to ease, investor sentiment improved on hopes that the world’s second largest economy can help boost global growth during the second half of the year. Latin America, which was broadly buoyed by surging commodities prices during the first three months of the year, were among the weakest markets during the second quarter. Fears of a global recession, coupled with a strengthening dollar, contributed to declines.

Second-Quarter 2022 Performance Highlights

- The Thornburg Emerging Markets ADR Strategy declined 13.2% (net of fees), underperforming its benchmark, the MSCI EM Index, which was down 11.5%.
- Consumer discretionary, information technology and materials detracted from the strategy’s relative performance. In each sector, stock selection was the primary driver of underperformance. An underweight allocation to materials and stock selection within financials contributed positively to the strategy’s relative performance.

Annualized Returns (% as of 30 Jun 2022)

<table>
<thead>
<tr>
<th></th>
<th>QTR</th>
<th>YTD</th>
<th>1-YR</th>
<th>ITD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emerging Markets ADR Wrap Composite (Gross)</td>
<td>-12.49</td>
<td>-18.57</td>
<td>-26.67</td>
<td>4.86</td>
</tr>
<tr>
<td>MSCI Emerging Markets NTR</td>
<td>-11.45</td>
<td>-17.63</td>
<td>-25.29</td>
<td>3.64</td>
</tr>
</tbody>
</table>

ITD = Inception to Date

Periods less than one year are not annualized.

Performance data for the Emerging Markets ADR Strategy Wrap is from the Emerging Markets ADR Wrap Composite, inception date of November 1, 2018. The Emerging Markets ADR Wrap Composite includes broker-sponsored discretionary accounts invested in the Emerging Markets ADR strategy. The composite includes broker-sponsored accounts including those that may pay transactions costs that are not included in a bundled fee. Returns are calculated using a time-weighted and asset-weighted calculation including reinvestment of dividends and income. Returns are annualized for periods greater than one year. Individual account performance will vary. The performance data quoted represents past performance; it does not guarantee future results. *Pure* Gross returns do not reflect the deduction of any expenses, including trading costs and are supplemental to net returns. Net returns reflect the deduction of the maximum total wrap fee which is currently 3% per annum. Net returns are derived from subtracting 1/12th of 3% from each account’s monthly gross return. The total wrap fee includes all charges for the trading costs, portfolio management, custody and other administrative fees. The standard fee schedule currently in effect is: 1% to 3% on all assets. Fees may be negotiated in lieu of the standard fee schedule. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. The firm’s fees are available upon request and also may be found in Part II of its Form ADV.
On a geographic basis, an overweight allocation to North America was
detractive to relative performance. Stock selection within Indonesia,
Korea, and Taiwan also negatively contributed to performance. The strat-
egy’s underweight allocation to Emerging EMEA contributed positively to
relative results.

Current Positioning and Outlook

Given the overhang of Russia/Ukraine, zero-COVID lockdowns, rising rates and
inflation, there has certainly been a lot of fear and a lack of clarity in markets during
the first half of 2022. In our opinion, emerging markets’ relative durability through the
variety of year-to-date shocks serves as a reminder that global uncertainty shouldn’t
always mean “risk-off” to EM. Whether during wars of the early 1990s, 9/11 and the
tech bubble of early 2000s, or the Global Financial Crisis, emerging economies have
often managed periods of volatility better than many expected. Emerging market
equities have also provided diversification benefits when paired with developed
market exposure and often help smooth ‘the ride’ through market cycles.

As we enter the back half of 2022, global inflation continues to dominate the
headlines, but we are optimistic that many of the catalysts driving rising prices may
soon begin rolling over. Supply chain disruptions should decline as China comes
back online, commodity prices appear to be easing, and COVID-related stimulus
measures have broadly ended. While many believe global economic growth will be
the victim of central bank efforts to slow prices and normalize supply and demand
dynamics, emerging markets again seem relatively well positioned vs many devel-
oped economies. EM central banks largely began raising rates before DM central
banks and are not behind the inflation curve to the same degree as the U.S. and
Europe. Additionally, while many EM economies are still accelerating out of COVID
(e.g. China), reopening tailwinds have broadly faded across developed markets.

While we are sanguine on the opportunity in emerging markets over the back half
of the year, we remain cognizant of the broader macro risks, and are anchoring to
bottom-up fundamentals and targeting durable businesses we believe can perform
across a variety of macro scenarios.

Top Performers (2Q22)
(Representative Account)

<table>
<thead>
<tr>
<th>Name</th>
<th>Contrib. (%)</th>
<th>Avg. Weight (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yum China Holdings, Inc.</td>
<td>0.67</td>
<td>3.82</td>
</tr>
<tr>
<td>Li Auto, Inc.</td>
<td>0.66</td>
<td>1.34</td>
</tr>
<tr>
<td>Meituans</td>
<td>0.38</td>
<td>1.62</td>
</tr>
<tr>
<td>H World Group Ltd.</td>
<td>0.36</td>
<td>1.95</td>
</tr>
<tr>
<td>Notre Dame Intermedica Participacoes SA</td>
<td>0.33</td>
<td>0.22</td>
</tr>
</tbody>
</table>

Top Detractors (2Q22)
(Representative Account)

<table>
<thead>
<tr>
<th>Name</th>
<th>Contrib. (%)</th>
<th>Avg. Weight (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taiwan Semiconductor Manufacturing Co., Ltd.</td>
<td>-2.21</td>
<td>9.74</td>
</tr>
<tr>
<td>First Quantum Minerals Ltd.</td>
<td>-2.10</td>
<td>3.77</td>
</tr>
<tr>
<td>Micron Technology, Inc.</td>
<td>-1.47</td>
<td>4.74</td>
</tr>
<tr>
<td>MercadoLibre, Inc.</td>
<td>-1.35</td>
<td>2.22</td>
</tr>
<tr>
<td>XP Inc.</td>
<td>-0.98</td>
<td>1.97</td>
</tr>
</tbody>
</table>

Past performance does not guarantee future
results. To obtain the calculation methodol-
y and a list showing the contribution of
each holding in the representative account
to the overall account’s performance during
the reporting period, please email a request
to bdg@thornburg.com. The holdings iden-
tified do not represent all of the securities
purchased, sold or recommended for advi-
sory clients.
Important Information

The performance data quoted represents past performance; it does not guarantee future results.

Unless otherwise noted, the source of all data, charts, tables and graphs is Thornburg Investment Management, Inc., as of 30 Jun 2022.

Investments in the Strategy carry risks, including possible loss of principal. Carefully consider the Strategy’s investment objectives, risks, and expenses before investing. There is no guarantee that the portfolio will meet its investment objectives.

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.

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Portfolio holdings and characteristics shown herein are from a representative account managed within the investment composite. The representative account is selected based on account characteristics that Thornburg believes accurately represent the investment strategy as a whole. Should these characteristics change materially, Thornburg may select a different representative account. Holdings may change daily and may vary among accounts, which may contribute to different investment results.

The MSCI Emerging Markets Net Total Return USD 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 24 emerging market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

Portfolio construction will have significant differences from that of a benchmark index in terms of security holdings, industry weightings, asset allocations and number of positions held, all of which may contribute to performance, characteristics and volatility differences. Investors may not make direct investments into any index.