

Thornburg International Growth Fund

Portfolio Manager Commentary

30 September 2022



Market Review

Markets attempted a rebound to start the third quarter as investors observed that the risk of runaway inflation was subsiding. During this time, the market trend of the year reversed, and growth-oriented equities outperformed value. However, the rally was short lived as global inflation prints continued to come in hotter than expected in August, and central bank rhetoric turned increasingly hawkish. Markets turned negative into quarter end. As inflation has yet to show clear evidence of reverting towards more moderate levels, the U.S. Federal Reserve, European Central Bank, and other central banks have a long road ahead towards curbing inflation, and markets continued to price in higher terminal rates, pressuring both equities and bonds.

Third Quarter Performance Highlights

- The Thornburg International Growth Fund returned negative 9.15% (I share), outperforming its benchmark, the MSCI ACWI ex US Growth NTR, which returned negative 9.37%.
- Stock selection within the consumer discretionary, information technology, and financials sectors were the primary reasons for relative outperformance. The main relative detracting sectors were materials, energy, and health care.
- Overall, developed market growth stocks outperformed emerging market growth stocks this quarter. An underallocation to emerging market growth stocks was a positive contributor for the quarter.

We expect the current market volatility to continue, and find it presents us opportunities to upgrade the portfolio and diversify sources of growth.

Portfolio Managers

Sean Koung Sun, CFA
Portfolio Manager

Emily Leveille, CFA
Portfolio Manager

Nicholas Anderson, CFA
Portfolio Manager

Supported by the entire Thornburg investment team

Average Annual Returns (% , as of 30 Sep 2022)

	QTR	YTD	1-Yr	3-Yr	5-YR	10-YR	ITD
A Shares TIGAX (INCEP: 1 FEB 2007)							
Without sales charge	-9.22	-34.77	-35.72	-2.63	-2.24	3.87	4.62
With sales charge	-13.32	-37.71	-38.62	-4.11	-3.14	3.39	4.31
I Shares TINGX (INCEP: 1 FEB 2007)	-9.15	-34.56	-35.47	-2.32	-1.92	4.25	5.09
MSCI ACWI ex US Growth NTR	-9.37	-31.84	-30.22	-1.38	0.18	3.95	2.34

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

We continue to adopt a more defensive position within the growth universe while keeping a focus on the long-term. It is difficult, if not impossible, to find stocks or investment strategies that will outperform in every phase of the market cycle. Over time, it is more productive to identify and stick with approaches geared towards generating wealth and outperformance over the long-term. Thus, we invest in quality business with durable growth prospects at reasonable valuations. We believe this is a time-tested strategy with strong logical, empirical, and real-world evidence in its favor. We are encouraged that our more defensive positioning has allowed us to modestly protect capital during another down quarter, while still participating when the market rallies. We remain focused on consistently executing our quality growth philosophy.

To enjoy the fruits of a successful long-term strategy requires avoiding capital impairments in difficult economic environments. We avoid companies that employ excessive leverage, have bad or unproven unit economics, or risk dilution at low prices. These are behaviors that can destroy value during uncertain and volatile global economic periods. The companies we own exhibit resiliency and adaptability and are well positioned to survive tough times and thrive in good times. Some numbers to back this up: the average leverage ratio (net debt/EBITDA) of our portfolio companies is below 1.0x, and in fact, roughly 30% of the portfolio is in companies with “fortress” balance sheets that have net cash positions. The vast majority of the portfolio is invested in companies that have positive net income and free cash flow this year, with the exceptions being companies which are investing in promising growth opportunities. Many companies we own are repurchasing shares at current prices, increasing the percentage ownership of ongoing shareholders like us. In addition, as leaders in their respective markets, many companies in the portfolio are poised to capture incremental market share as weaker competitors stumble.

We have taken advantage of market volatility to upgrade the portfolio. We have been able to purchase companies that meet our quality and growth criteria, but which were relatively too expensive until the market selloff. Lower valuation multiples gave us the opportunity to purchase these exceptional growth companies. Changes in multiples have a large effect on stock prices in the short-term, but we remain confident that earnings growth will be the main driver of equity returns in the long-term.

Thank for your continued support and for investing alongside us.

Top Performers (3Q22)

Name	Contrib. (%)	Avg. Weight (%)
Mercadolibre Ord	0.15	1.47
Ashtead Group Ord	0.14	1.72
Wolters Kluwer Ord	0.08	1.71
Hemnet Group Ord	0.06	1.11
Hdfc Bank Adr Rep 3 Ord	0.06	2.45

Top Detractors (3Q22)

Name	Contrib. (%)	Avg. Weight (%)
Twn Semicont Man Ord	-1.22	6.61
Tencent Ord	-1.09	4.09
Astrazeneca Ord	-0.77	5.42
Asml Holding Ord	-0.45	3.91
Adidas N Ord	-0.44	1.31

Ten Largest Holdings (as of 31 Aug 2022)

Holding	Weight (%)
Taiwan Semiconductor Manufacturing Co. Ltd.	7.0%
Nestle S.A.	6.5%
AstraZeneca plc	5.3%
Tencent Holdings Ltd.	4.4%
LVMH Moet Hennessy Louis Vuitton SE	3.8%
ASML Holding N.V.	3.8%
Activision Blizzard, Inc.	3.1%
Booking Holdings, Inc.	3.0%
CSL Ltd.	2.8%
Mastercard, Inc.	2.7%

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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 30 Sep 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.

EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortization. An approximate measure of a company's operating cash flow based on data from the company's income statement.

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.