

# 1st Quarter 2020 Portfolio Manager Commentary

## Thornburg Global Opportunities Fund

This portfolio manager commentary on Thornburg Global Opportunities Fund is published amidst the extraordinary developments associated with the global spread of COVID-19 (novel coronavirus). Government bodies around the world have taken unusual steps to control the disease and mitigate the consequences of related economic disruption in order to keep the basic structure of the global economy in place to resume normal economic activity when the pandemic passes.

Most equities in the Thornburg Global Opportunities Fund are down more than 15% in the first three months of 2020 in a widespread global equity selloff. Listed on the following page in descending order are the 20 largest equity holdings in the fund as of March 31, 2020, along with year-to-date performance and trailing five-year average annual revenue growth rates for these businesses. Together, these firms comprise approximately 78% of the fund's total assets. Near-cash debt comprises 7% of fund assets and 12 other equities comprise a total of approximately 15% of fund assets. Fifteen of these 20 largest equity investments have delivered share price declines in 2020 to date, the exceptions being health care and digital communications-centric businesses. Individual position sizes range from more than 5% (Alphabet, Facebook, Qorvo, Alibaba, Reliance Industries) to just over 2.25% for those shown near the bottom of this list.

The reader will notice a high incidence of investments in firms tied to the digital economy and to tools that facilitate digital communications.

These are not trivial businesses, and they tend to be well capitalized. We believe most of these will emerge from the pres-



**Brian McMahon**  
Chief Investment Strategist  
and Portfolio Manager



**Miguel Oleaga**  
Portfolio Manager

Supported by the entire Thornburg investment team.

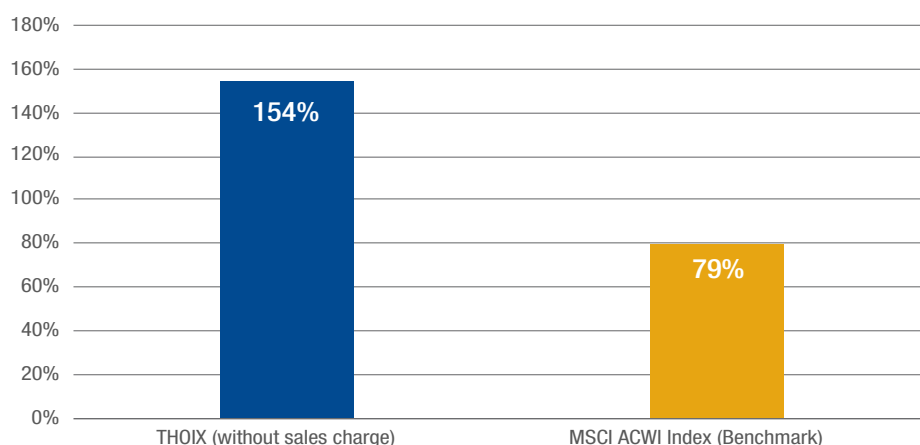
### Average Annual Total Returns (as of 3/31/20)

	YTD	1-YR	3-YR	5-YR	10-YR	SINCE INCEP.
A Shares TH0AX (Incep: 7/28/06)						
Without sales charge	-24.82%	-14.10%	-4.66%	-1.82%	5.76%	6.60%
With sales charge	-28.21%	-17.97%	-6.11%	-2.72%	5.28%	6.25%
I Shares TH0IX (Incep: 7/28/06)	-24.78%	-13.88%	-4.37%	-1.50%	6.18%	7.06%
MSCI AC World Index (Since 7/28/06)	-21.37%	-11.26%	1.50%	2.85%	5.88%	4.37%

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](http://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, 1.33%; I shares, 1.06%. Thornburg Investment Management and/or Thornburg Securities Corporation have contractually agreed to waive fees and reimburse expenses through at least February 1, 2021, for some of the share classes, resulting in net expense ratios of the following: I shares, 0.99%. For more detailed information on fund expenses and waivers/reimbursements please see the fund's prospectus.*

### Chart 1 | Cumulative Fund Performance Since Inception (7/28/06–3/31/20)



Source: Thornburg/Confluence

ent economic valley with their competitive positions essentially intact. Most have been growing faster than the global economy, and some of the slower growers over recent years appear to be advantaged in their industries at this time.

The Thornburg Global Opportunities Fund's I share return of negative 24.78% for the March 2020 quarter trailed its benchmark (MSCI All Country World Index), which returned negative 21.37% for the quarter. Most of your fund's net asset value decline, and more than all the relative underperformance vis-à-vis the benchmark, occurred during the extraordinary month of March as governments around the world ordered significant portions of private economies to shut down. We expect these economies to gradually reopen in the current quarter.

Performance comparisons of the Thornburg Global Opportunities Fund to its benchmark over various periods are shown on the previous page. In July of 2019 we marked the 13th anniversary of the fund's inception. From its inception on July 28, 2006, through March 31, 2020, the Thornburg Global Opportunities Fund has outpaced the ACWI by an average margin of over 2.6% per year, resulting in a total cumulative return since inception of 154% (I shares) versus 79% for the ACWI Index

**Table 2** summarizes major sector weightings within the Global Opportunities Fund portfolio as of March 31, as well

#### TOP 10 HOLDINGS AS OF 2/29/20

Alphabet, Inc.	5.3%
Qorvo, Inc.	5.2%
Reliance Industries, Ltd.	5.1%
Alibaba Group Holding, Ltd.	5.0%
Facebook, Inc.	5.0%
Capital One Financial Corp.	4.9%
GDS Holdings, Ltd.	4.8%
Atlantia SpA	4.5%
Samsung Electronics Co., Ltd.	4.4%
T-Mobile US, Inc.	4.4%

**Table 1 | Global Opportunities Fund—Top 20 Equity Holdings** (as of 3/31/20)

(Together, these 20 investments account for approximately 78% of fund assets as of 3/31/20. Near-cash interest bearing debt comprises 7% of assets and approximately 12 other equity investments account for around 15% of fund assets.)

Name of Company	2020 YTD Performance At 3/31/2020 (\$US)	Trailing 5-Yr Annual Revenue Growth Rate 2014–2019
Alphabet Inc "A" (Google)	-13.2%	+19.6%
Internet-based search & advertising, content, software applications, and data centers.		
Facebook	-18.7%	+41.6%
Global social networking, communications, internet-based content, and advertising		
Qorvo	-30.6%	+21.9%
U.S.-based manufacturer of integrated circuits for wireless communications devices		
Alibaba Group Holding	-8.3%	+48.3%
China-based provider of internet infrastructure, e-commerce, and content services		
Reliance Industries	-26.4%	+5.5%
India-based conglomerate: chemicals, refining, #1 mobile telco and #1 retailer in India		
Vestas Wind Systems	-17.9%	+11.9%
Manufactures, markets and services wind turbines for electricity generation, based in Denmark		
GDS Holdings	+12.9%	+54.5%
Leading developer and operator of data centers in China		
Samsung Electronics	-14.4%	+2.2%
Manufactures consumer & industrial electronic products; leading semiconductor producer		
Abbvie Inc.	-12.8%	+10.8%
Develops and sells pharmaceutical products		
T-Mobile U.S.	+7.5%	+8.8%
U.S. mobile communications services provider		
OCI NV	-41.4%	+2.5%
Producer & distributor of nitrogen fertilizers and industrial chemicals		
Citigroup	-46.7%	(per share) +8.9%
Multi-national banking & financial services firm		
Capital One Financial	-50.7%	(per share) +9.1%
U.S. commercial bank		
NN Group	-28.0%	+7.7%
Netherlands-based life and casualty insurer		
Atlantia	-45.0%	+17.8%
Multinational toll road & airport concession operator, based in Italy		
China Mobile	-12.4%	+2.6%
World's largest mobile telecommunications network operator, net cash balance sheet		
Roche Holding	+2.9%	+5.1%
Global health care company selling medicines and diagnostic tools		
Mineral Resources	-14.0%	+5.5%
Australia-based mining services and equipment provider, produces lithium and iron ore		
DaVita, Inc.	+2.7%	+4.1%
Health care services provider, specializing in kidney dialysis		
SEA, Ltd.	+13.0%	+68.3%
Offers digital entertainment content, e-commerce, and payment platforms, primarily in Asia		

as general directional changes over the course of the March quarter.

We believe the extreme dislocation caused by the COVID-19 pandemic will be temporary. As we write these words, more than one-third of the global population, from countries comprising a significant majority of global GDP, is under “shelter in place” orders that sharply reduce normal economic activity. When the COVID-19 pandemic passes, we believe people around the world will continue to buy goods and services and trade with each other. The global economy will gradually repair, albeit with some differences. In the meantime, most governments will make reasonable attempts to bridge the material dislocations we currently witness.

## Our Investment Framework

Thornburg Global Opportunities Fund seeks capital appreciation from a focused portfolio of global equity investments. We believe the structure of the fund—

**Table 2 | Global Opportunities Fund—Major Sector Weightings and Directional Changes**

Sector	Weighting as of March 31, 2020	Quarterly Movement
Communications Services	20%	higher weighting
Information Technology	15%	stable weighting
Industrials	13%	lower weighting
Financials	12%	stable weighting
Health Care	9%	higher weighting
Materials	9%	stable weighting
Consumer Discretionary	7%	lower weighting

built on our core investment principles of flexibility, focus and value—provides a durable framework for value-added investing.

We urge shareholders of the fund to maintain a long-term investment perspective rather than placing too much emphasis on return figures that are available daily, weekly, monthly and quarterly. We con-

tinue to follow our core investment principles of flexibility, focus, and value, as we have since the fund’s inception back in 2006.

Remember that you can monitor the holdings of the Thornburg Global Opportunities Fund and other information respecting your fund on [www.thornburg.com](http://www.thornburg.com). ■

## IMPORTANT INFORMATION

Unless otherwise noted, the source of all data, charts, tables and graphs is Thornburg Investment Management, Inc., as of 3/31/20.

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.

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

The MSCI All Country (AC) World Index is a market capitalization weighted index that is representative of the market structure of 47 developed and emerging market countries in North and South America, Europe, Africa, the Middle East, and the Pacific Rim. The index is calculated with net dividends reinvested in U.S. dollars.

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](http://thornburg.com). Read them carefully before investing.*