

# Thornburg Global Opportunities Fund

Portfolio Manager Commentary  
30 September 2022



This Portfolio Manager Commentary on Thornburg Global Opportunities Fund is published amidst the ongoing developments associated with the global Coronavirus pandemic, the Russian invasion of Ukraine, and the highest reported inflation figures in the U.S. in more than 40 years. These ingredients led the S&P 500 TR, the Bloomberg U.S. Aggregate TR Value Index, and the MSCI ACWI NTR to report their worst first 9 months of the year returns in decades, -23.87%, -14.61%, and -25.62%, respectively. In brief, bonds repriced lower as interest rates increased, and most equities repriced lower on fears about the impact of higher interest rates on future economic growth and corporate profits.

Thornburg Global Opportunities Fund's I share return of -7.86% for the September 2022 quarter trailed its benchmark (MSCI ACWI NTR), which returned -6.82% for the quarter. For the trailing 12-month period ending 30 September 2022, your fund's I share return of -19.06% beat the -20.66% return of the MSCI All Country World Index by 1.60%. Performance comparisons of Thornburg Global Opportunities Fund to its benchmark over various periods are shown elsewhere on this web site.

We are now in the 16th year of managing Thornburg Global Opportunities Fund. From its inception on 28 July 2006 through 30 September 2022, Thornburg Global Opportunities Fund has outpaced the MSCI ACWI NTR by an average margin of more than 3.0% per year, resulting in a total cumulative return since inception of 271% (I shares) versus 134% for the MSCI ACWI NTR.

Listed in *Table 1* in descending order are the 20 largest equity holdings in the fund as of 30 September 2022, along with their year-to-date 2022 and calendar 2021 returns. Returns are shown in \$US, assuming reinvestment of dividends in shares of the firm. We also show the trailing 5-year average annual revenue growth rates for these businesses through the most recent completed fiscal year along with the latest reported

We are monitoring the abilities of your portfolio companies to manage cost inflation and maintain profit margins consistent with our expectations.

## Portfolio Managers

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

**Miguel Oleaga**  
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
<b>A Shares THOAX (Incep: 28 Jul 2006)</b>							
Without Sales Charge	-7.93	-22.00	-19.31	7.70	2.65	8.49	8.02
With Sales Charge	-12.07	-25.52	-22.94	6.06	1.71	7.99	7.71
<b>I Shares THOIX (Incep: 28 Jul 2006)</b>	-7.86	-21.82	-19.06	8.02	2.96	8.86	8.45
<b>MSCI ACWI NTR Index</b>	-6.82	-25.63	-20.66	3.75	4.44	7.28	5.39

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, 1.31%; 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, 2023, 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, please see the fund's prospectus.*

## THORNBURG GLOBAL OPPORTUNITIES FUND

Portfolio Manager Commentary  
30 September 2022



trailing 12-month revenue growth of each company. For rough comparison:

- The trailing 5 year weighted average revenue growth rate of firms included in the MSCI ACWI NTR was +4.0% through 31 December 2021, including +12.3% in calendar 2021.
- The trailing 5-year average revenue growth rate of the top 20 firms in the Thornburg Global Opportunities portfolio, weighted by % of value of these held in the fund's portfolio, was +10.6% through the most recent fiscal year end and +30.6% through the most recent trailing 12 months.

Together, these firms comprise approximately 72% of the fund's total assets, near-cash debt comprises 10% of fund assets, and 20 other equities comprise a total of approximately 18% of fund assets. Individual position sizes of the fund's top 20 positions range from 5% or more (Reliance Industries, Total Energies, OCI, and Bank of Ireland) to approximately 2.0% for those shown near the bottom of this list. U.S. Dollar appreciation averaging approximately 10% vis-à-vis foreign currencies is responsible for some of the dollar-based share price declines of your fund's foreign currency denominated holdings seen year-to-date. We hedged a significant portion the foreign currency exposure with respect to these holdings.

These are not trivial businesses. The reader will notice that revenue growth for 15 of these 20 firms over the most recently reported trailing year exceeded the prior 5 year annual average. Importantly, the revenue growth rates of these businesses compare favorably to the MSCI ACWI NTR. Most of these businesses have posted per share revenue growth exceeding global GDP growth rates in recent years. Most of these have emerged from the 2020 economic valley with their competitive positions intact or improved and ready to address the challenges and opportunities that lie ahead.

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

### Table 1 | Global Opportunities Fund—Top 20 Equity Holdings

(As of 30 Sep 2022. Together, these firms comprise approximately 72% of the fund's total assets, near-cash debt comprises 10% of fund assets, and 20 other equities comprise a total of approximately 18% of fund assets.)

Name of Company	2021 Year Returns	YTD 2022 Returns at 30 Sep 2022	Revenue Growth Rate 2016–2021* / Fiscal 2021 Growth
<b>TotalEnergies SE</b>	26.2%	-1.7%	3.2% / 73.5%
Global oil & gas producer and distributor and low carbon electricity supplier			
<b>Reliance Industries Ltd.</b>	17.3%	-7.8%	15.7% / 46.2%
India-based conglomerate: chemicals, refining, #1 mobile telco and #1 retailer in India			
<b>OCI NV</b>	36.4%	46.4%	27.0% / 103.9%
Producer & distributor of natural gas-based fertilizers and industrial chemicals			
<b>Bank of Ireland</b>	40.7%	14.7%	-0.9% / 1.4%
Diversified financial services provider serving Ireland and U.K customers			
<b>Alphabet, Inc.</b>	65.3%	-34.0%	24.2% / 28.7%
Internet-based search & advertising, content, software applications, and data centers.			
<b>Mineral Resources Ltd.</b>	53.3%	6.3%	18.4% / -8.6%
Australian mining services, iron ore, and lithium mining firm			
<b>Capital One Financial Corp.</b>	49.3%	-35.5%	6.4% / 21.9%
U.S. consumer oriented commercial bank			
<b>The TJX Companies</b>	12.8%	-17.1%	9.8% / 28.2%
Leading off-price apparel & home fashion retailer with > 4,000 stores worldwide, TJ Maxx			
<b>The Charles Schwab Corp.</b>	60.2%	-13.8%	11.7% / 11.0%
U.S. centric wealth management platform, securities brokerage, and bank			
<b>NN Group NV</b>	31.8%	-23.6%	7.7% / -2.7%
Netherlands based life and casualty insurer			
<b>CACI International, Inc.</b>	8.0%	-3.0%	8.2% / 8.1%
Command & control, communications, cyber security services to business & government			
<b>Pfizer, Inc.</b>	66.7%	-24.1%	10.8% / 82.2%
Global health care company develops and sells medicines, vaccines, biologic therapies.			
<b>I-Shares China Large Cap ETF</b>	-20.0%	-29.0%	N/A
ETF used for realized gain/loss management after tax loss sales of large cap Chinese stocks.			
<b>Roche Holding</b>	22.0%	-18.6%	4.5% / 11.9%
Global Health care company develops and sells medicines and diagnostic tools			

Table continued on following page.

\* 2021, or latest fiscal year, if completed and reported during calendar 2021

## THORNBURG GLOBAL OPPORTUNITIES FUND

Portfolio Manager Commentary

30 September 2022



Despite strong revenue production from these “digital” businesses in H1 2022, share price performances of these investments were mostly negative in the first 9 months of 2022 due to concerns that strong demand conditions will see a pause. Whether or not there is a pause in demand growth for the products and services of these firms, we have confidence in the fundamental backdrop for secular growth of digital communications, data collection and analysis, the key components of devices that make this possible, and products & services that make productive use of these.

As of 30 September 2022, the weighted average price/earnings ratio for the equity investments of Thornburg Global Opportunities Fund was 10.0x. This compares to a multiple of 14.6x for the MSCI ACWI NTR on the same date. We believe that our focus on owning a focused portfolio of firms with above

**Table 1 (continued)**

Name of Company	2021 Year Returns	YTD 2022 Returns at 30 Sep 2022	Revenue Growth Rate 2016–2021* / Fiscal 2021 Growth
<b>Citigroup, Inc.</b>	1.0%	-29.1%	7.6% / 7.7%
Multi-national banking & financial services firm			
<b>Samsung Electronics Co. Ltd.</b>	-10.0%	-43.1%	8.5% / 18.6%
Manufactures consumer & industrial electronic products; leading semiconductor producer			
<b>Taiwan Semiconductor Manufacturing Co., Ltd.</b>	21.0%	-39.2%	10.9% / 29.3%
Largest global semiconductor manufacturer			
<b>Micron Technology</b>	24.2%	-46.0%	8.2% / 11.8%
US-based semiconductor memory chip manufacturer			
<b>Shell plc</b>	28.0%	17.2%	2.5% / 65.1%
Global oil & gas producer and distributor			
<b>Vestas Wind Systems</b>	-35.6%	-38.6%	10.6% / -6.8%
Designs, manufactures, and maintains wind turbines that generate electricity			
<b>BNP Paribas</b>	37.7%	-34.0%	-0.3% / 8.0%
Multinational commercial & capital markets bank. Most operations centered in Europe.			

\* 2021, or latest fiscal year, if completed and reported during calendar 2021

**Table 2 | Global Opportunities Fund Sector Weights (% , 30 Sep 21–30 Sep 22)**

Sector	30 Sep 2021		31 Dec 2021		31 Mar 2022		30 Jun 2022		30 Sep 2022	
	Portfolio Weight	Index Weight	Portfolio Weight	Index Weight	Portfolio Weight	Index Weight	Portfolio Weight	Index Weight	Portfolio Weight	Index Weight
<b>Financials</b>	17.6	14.4	18.6	13.9	17.9	14.6	18.4	14.5	23.7	14.6
<b>Communication Services</b>	17.6	9.3	16.8	8.6	15.9	8.2	13.0	8.0	8.7	7.4
<b>Information Technology</b>	12.9	22.5	13.5	23.7	11.6	22.4	12.3	20.8	8.8	20.7
<b>Materials</b>	11.8	4.7	11.2	4.7	12.7	5.0	11.5	4.8	12.6	4.7
<b>Energy</b>	10.3	3.5	9.9	3.4	10.3	4.3	11.3	5.0	13.2	5.2
<b>Consumer Discretionary</b>	10.0	12.3	10.4	12.3	9.8	11.6	11.9	11.0	7.9	11.5
<b>Health Care</b>	7.8	11.7	9.8	11.7	7.9	11.9	8.2	13.0	6.5	13.0
<b>Industrials</b>	5.6	9.6	5.0	9.5	6.0	9.5	6.2	9.4	6.3	9.5
<b>Consumer Staples</b>	3.2	6.8	3.6	6.8	3.4	6.9	3.3	7.6	1.3	7.7
<b>Real Estate</b>	–	2.7	–	2.7	–	2.7	–	2.8	–	2.7
<b>Utilities</b>	–	2.7	–	2.7	–	2.9	–	3.2	–	3.1
<b>Cash &amp; Cash Equivalents</b>	3.2	–	1.2	–	4.1	–	3.5	–	11.1	–

May not add up to 100% due to rounding.

## THORNBURG GLOBAL OPPORTUNITIES FUND

### Portfolio Manager Commentary

30 September 2022



average revenue growth that are value priced with respect to revenue/earnings/cash flow at portfolio averages well below that of the overall market has been a key ingredient to long term outperformance by Thornburg Global Opportunities Fund.

Nine equities made positive contributions to Thornburg Global Opportunities Fund portfolio performance during Q3'2022. 4 equities contributed at least +0.25% to portfolio performance for the quarter (Mineral Resources, OCI, Charles Schwab, and TJX Companies).

17 equities subtracted more than -0.25% from Thornburg Global Opportunities Fund portfolio performance in Q3'2022. The most significant detractors were Tesco, Barratt Developments, Reliance Industries, Alibaba Group, Converge Technology, Alphabet Inc. (aka Google), Meta Platforms (aka Facebook), Samsung Electronics, Total Energies, Pfizer, Capital One Financial, Taiwan Semiconductor, and Tencent Holdings. We made various position size adjustments during the September quarter and over the course of calendar 2022 for portfolio diversification purposes and to better balance the downside risk versus upside capital appreciation potential of individual positions.

*Table 2* summarizes major sector weightings within the Global Opportunities Fund portfolio as of 30 September 2022, as well as general directional changes over the course of the September quarter. Quarterly movements in sector weightings were impacted in some cases by tax loss harvesting activities that were not fully completed at quarter end.

Incoming economic data from around the world indicate a slowing global economy, probably leading to recessions in many countries. Economic news flow today includes stories of inventory builds in some intermediate and finished goods, but still tight labor markets in most developed economies. Inflation at a 40 year high in most developed countries impedes unit demand growth, though inflation shows clear signs of peaking in the coming months in many economies, including the U.S. We are paying attention to the abilities of your portfolio companies to manage cost inflation and maintain profit margins consistent with our expectations.

### 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—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. A clear example of the need to keep a longer-term investment perspective is illustrated by comparing the trailing 30-month return of your fund as of 30 September 2022 [+46.28%] with the return from the single Covid onset quarter ending 31 March 2020 [-24.8%] that preceded this 30-month period. In general, the businesses in your portfolio have managed well through varying economic environments across business cycles. We continue to follow our core investment principles of flexibility, focus, and value, as we have since the fund's inception back in 2006.

### Top Ten Holdings (as of 31 Aug 2022)

Holding	Weight (%)
Reliance Industries Ltd.	5.8%
TotalEnergies SE	5.5%
Alphabet, Inc.	4.6%
OCI N.V.	4.5%
Bank of Ireland Group plc	4.3%
Capital One Financial Corp.	4.2%
Mineral Resources Ltd.	4.0%
Citigroup, Inc.	3.9%
Samsung Electronics Co. Ltd.	3.9%
The TJX Cos, Inc.	3.6%

## Important Information

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

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

Diversification does not assure or guarantee better performance and cannot eliminate the risk of investment losses.

The S&P 500 TR Index is an unmanaged broad measure of the U.S. stock market.

The Bloomberg U.S. Aggregate TR Value Index is composed of approximately 8,000 publicly traded bonds including U.S. government, mortgage-backed, corporate and Yankee bonds. The index is weighted by the market value of the bonds included in the index.

The MSCI ACWI NTR 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.***