

# Thornburg Global Opportunities Fund

Portfolio Manager Commentary

31 March 2022



This portfolio manager commentary on Thornburg Global Opportunities Fund is published amidst the ongoing developments associated with the global spread of variants of the novel coronavirus, COVID-19, and the Russian invasion of Ukraine. Government bodies around the world have taken unusual steps to control the spread of the disease and related economic disruptions in order to keep the basic structure of the global economy in place.

Thornburg Global Opportunities Fund's I share return of -1.95% for the March 2022 quarter exceeded its benchmark (MSCI All Country World Net Total Return Index), which returned -5.36% for the quarter. For the trailing 12-month period ending 31 March 2022 your Fund's I share return of +4.11% trailed the +7.28% return of the MSCI All Country World Index by 3.17%. Performance comparisons of Thornburg Global Opportunities Fund to its benchmark over various periods are shown in the table below.

We are now in the 10th year of managing Thornburg Global Opportunities Fund. From its inception on 30 March 2012 through 31 March 2022, Thornburg Global Opportunities Fund has outpaced the MSCI All Country World Net Index by an average margin of more than 1.0% per year, resulting in a total cumulative return since inception of 186% (I shares) versus 159% for the ACWI Net Total Return index.

Most equities in Thornburg Global Opportunities Fund recovered strongly in the last 24 months from their March 2020 price troughs. Listed in *Table 1* descending order are the 20 largest equity holdings in the fund as of 31 March 2022, along with Q1'2022 and calendar 2021 returns. Returns are shown in \$US. We also show the trailing 5-year average annual revenue growth rates for these businesses through year end 2020 along with the latest reported trailing 12-month revenue growth of each company. Together, these firms comprise approximately 71% of the fund's

We are monitoring companies' ability to cope with inflation and margin pressure but expect global trade to continue with a strong consumption environment for Global Opportunities.

## 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 31 Mar 2022)

Net of Fees	QTR	YTD	1-YR	3-YR	5-YR	10-YR	ITD
<b>Class A ACC Shares</b> (Incep: 30 Mar 2012)	-2.17	-2.17	3.19	15.22	7.76	10.10	10.10
<b>Class I ACC Shares</b> (Incep: 30 Mar 2012)	-1.95	-1.95	4.11	16.27	8.74	11.10	11.09
<b>MSCI ACWI NTR</b>	-5.36	-5.36	7.28	13.75	11.64	10.00	9.99

ITD = Inception to Date

## Annual Return Performance Summary (%)

	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Class A ACC Shares</b>	28.15	18.84	-1.47	4.41	17.79	-23.13	27.53	21.84	13.11
<b>Class I ACC Shares</b>	29.35	19.97	-0.60	5.34	18.80	-22.40	28.68	22.96	14.10
<b>MSCI ACWI NTR</b>	22.80	4.17	-2.37	7.86	23.97	-9.42	26.60	16.25	18.54

Source: Confluence.

**In US\$ terms. Returns may increase or decrease as a result of currency fluctuations.**

Share classes are accumulating and denominated in USD. See prospectus for additional share class listings.

*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 <http://www.thornburgglobal.com>.*

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total assets, near-cash debt comprises 1% of fund assets, and 19 other equities comprise a total of approximately 28% of fund assets. Individual position sizes of the fund's top 20 positions range from 5% or more (Reliance Industries, Alphabet) to approximately 2.5% for those shown near the bottom of this list.

The reader will notice that revenue growth for a large majority of these firms last year exceeded the prior 5 year annual average. These businesses tend to be doing well, most posting per share revenues exceeding global GDP growth rates in recent years. 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. Despite strong revenue production from these "digital" businesses in early 2022, share price performances of these investments were mostly negative in Q1'22 due to concerns that strong demand conditions will not persist. We have more confidence in the fundamental backdrop for secular growth of digital communications and the key components of devices that make this possible.

These are not trivial businesses. They tend to be well capitalized, and revenue growth of most of these improved recently vs the trailing 5 years. (Tesco spun off its Asian business last year, so its revenue picture is brighter than the headline revenues suggest). Most of these have emerged from the 2020 economic valley with their competitive positions intact or improved. As of 31 March 2022, the weighted average price/earnings ratio for the equity investments of Thornburg Global Opportunities Fund was 12.6x. This compares to a multiple of 18.2x for the MSCI All World Equity Index on the same date.

Top contributors to portfolio performance during Q1'2022 included agricultural fertilizer manufacturers OCI NV and CF Industries, pharmaceuticals firm AbbVie, China Telecom, India conglomerate Reliance Industries, Bank of Ireland, defense firm L3Harris Technologies, and metals miner Lundin. 8 equities contributed at least +0.25% to portfolio performance for the quarter.

9 equities subtracted more than -0.25% from portfolio performance in Q1'2022. The most significant detractors were Barratt Developments, Meta Platforms (aka Facebook), TJX Companies, Samsung Electronics, Qorvo, Micron Technology, Capital One, and Citigroup. We

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

(As of 31 Mar 2022. Together, these firms comprise approximately 71% of the fund's total assets, near-cash debt comprises 1% of fund assets, and 19 other equities comprise a total of approximately 28% of fund assets.)

Name of Company	2021 Year Returns	YTD 2022 Returns at 31 Mar 2022	Revenue Growth Rate 2015–2020* / Trailing 12-mo. Revenue Growth
<b>Reliance Industries Ltd.</b>	17.3%	9.2%	9.5% / 41.2%
India-based conglomerate: chemicals, refining, #1 mobile telco and #1 retailer in India			
<b>OCI NV</b>	38.1%	35.6%	9.7% / 81.7%
Producer & distributor of natural gas-based fertilizers and industrial chemicals			
<b>Alphabet, Inc.</b>	65.3%	-4.0%	19.6% / 41.1%
Internet-based search & advertising, content, software applications, and data centers			
<b>Samsung Electronics Co. Ltd.</b>	-10.4%	-12.8%	5.0% / 18.1% (per share)
Manufactures consumer & industrial electronic products; leading semiconductor producer			
<b>TotalEnergies SE</b>	26.2%	0.4%	-3.6% / 33.6%
Global oil & gas producer and distributor and low carbon electricity supplier			
<b>The Charles Schwab Corp.</b>	60.2%	0.5%	11.1% / 18.9% (per share)
U.S. centric wealth management platform, securities brokerage, and bank			
<b>Capital One Financial Corp.</b>	49.3%	-9.2%	7.6% / 10.7% (per share)
U.S. consumer oriented commercial bank			
<b>NN Group NV</b>	31.8%	-6.2%	8.0% / 7.9%
Netherlands-based life and casualty insurer			
<b>L3Harris Technologies, Inc.</b>	15.0%	17.0%	29.1% / 24.4%
Aerospace and defense technology company			
<b>The TJX Companies</b>	12.8%	-19.9%	3.1% / 51.1% (per share)
Leading off-price apparel & home fashion retailer with > 4,000 stores worldwide, TJ Maxx			
<b>Bank of Ireland</b>	40.7%	13.4%	-4.3% / 13.4%
Diversified financial services provider serving Ireland and U.K customers			
<b>Taiwan Semiconductor Manufacturing Co., Ltd.</b>	19.9%	-5.7%	9.7% / 18.5%
Largest global semiconductor manufacturer			

Table continued on following page.

\* 2020, or latest fiscal year, if completed and reported during calendar 2021

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made various position size adjustments during the March quarter and over the course of calendar 2021 for portfolio diversification purposes and to better balance the downside risk vs upside capital appreciation potential of individual positions.

Aggregate demand across the global economy is strong, though accelerating price inflation is a significant concern. Economic news flow today is dominated by stories of shortages of labor, energy, semiconductors, other materials, and tight conditions in global shipping and logistics. We are paying attention to the abilities of your portfolio companies to manage cost inflation and maintain profit margins consistent with our expectations. Through it all, people around the world continue to trade with each other. We expect global trade and consumption to remain strong in the coming quarters.

Table 1 (continued)

Name of Company	2021 Year Returns	YTD 2022 Returns at 31 Mar 2022	Revenue Growth Rate 2015–2020* / Trailing 12-mo. Revenue Growth
<b>Micron Technology</b>	24.2%	-16.4%	11.0% / 17.4%
American producer of computer memory and computer data storage			
<b>Tesco</b>	28.7%	-7.6%	1.4% / -7.5%
UK-based food & general merchandise retailer with > 4,000 stores & online presence			
<b>Mineral Resources Ltd.</b>	53.3%	-3.0%	25.7% / 33.2%
Australian mining services, iron ore, and lithium mining firm			
<b>Citigroup, Inc.</b>	1.0%	-10.9%	7.0% / -0.7% (per share)
Multi-national banking & financial services firm			
<b>Barratt Developments plc</b>	15.4%	-32.2%	2.2% / 25.1%
UK-based homebuilder with large land bank and no net debt			
<b>China Telecom Corp. Ltd.</b>	25.9%	18.7%	3.5% / 12.7%
China's 2nd largest mobile & fixed line telecom and largest data center operator			
<b>Roche Holding AG</b>	18.5%	-4.2%	3.9% / 4.4%
Global health care company develops and sells medicines and diagnostic tools			
<b>Abbvie, Inc.</b>	32.4%	21.0%	14.3% / 23.5%
Develops and sells pharmaceutical products			

\* 2020, or latest fiscal year, if completed and reported during calendar 2021

Table 2 | Global Opportunities Fund Sector Weights (% , 31 Mar 21–31 Mar 22)

Sector	31 Mar 2021		30 Jun 2021		30 Sep 2021		31 Dec 2021		31 Mar 2022	
	Portfolio Weight	Index Weight	Portfolio Weight	Index Weight	Portfolio Weight	Index Weight	Portfolio Weight	Index Weight	Portfolio Weight	Index Weight
<b>Financials</b>	19.58	14.32	17.49	14.10	18.24	14.38	18.11	13.86	17.26	14.59
<b>Communication Services</b>	16.16	9.36	17.80	9.37	16.57	9.25	15.55	8.58	16.10	8.13
<b>Information Technology</b>	17.28	21.29	17.05	21.98	13.91	22.40	14.85	23.65	13.26	22.37
<b>Materials</b>	9.91	5.00	11.45	4.92	11.93	4.66	10.93	4.67	12.96	5.04
<b>Consumer Discretionary</b>	13.98	12.74	12.67	12.69	11.55	12.40	12.11	12.40	12.15	11.67
<b>Energy</b>	6.29	3.37	6.94	3.39	8.93	3.52	8.76	3.40	9.52	4.33
<b>Health Care</b>	6.48	11.35	6.86	11.55	8.74	11.68	9.90	11.68	8.12	11.86
<b>Industrials</b>	6.64	9.99	6.51	9.75	6.68	9.62	5.88	9.56	6.55	9.52
<b>Consumer Staples</b>	3.68	7.02	3.20	6.91	3.31	6.79	3.91	6.80	3.70	6.89
<b>Real Estate</b>	–	2.69	–	2.69	–	2.65	–	2.70	–	2.72
<b>Utilities</b>	–	2.88	–	2.64	–	2.64	–	2.70	–	2.87

May not add up to 100% due to rounding.

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**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. Clear examples of the need to keep a longer-term investment perspective are illustrated by comparing the trailing 12-month return of your fund, Class I Accumulating shares as of 31 March 2021 [+76.3%] with the return from the single quarter ending 31 March 2020 [-25.1%]. In general, the businesses in your portfolio have managed well through the Covid-19 impacted quarters despite the initial impact of the pandemic on their share prices. We continue to follow our core investment principles of flexibility, focus, and value, as we have since the fund's inception back in 2012.

**Top Ten Holdings** (as of 28 Feb 2022)

Holding	Weight (%)
Reliance Industries Ltd.	5.0
Alphabet, Inc.	4.7
Samsung Electronics Co. Ltd.	4.5
AbbVie, Inc.	4.2
Capital One Financial Corp.	4.2
OCI N.V.	3.8
TotalEnergies SE	3.7
The Charles Schwab Corp.	3.6
L3Harris Technologies, Inc.	3.5
The TJX Cos, Inc.	3.5

**Important Information**

Source of data: Factset, State Street Fund Services (Ireland) Ltd., Confluence, Bloomberg—unless otherwise stated

Date of data: 31 March 2022—unless otherwise stated

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