

Thornburg International Growth Fund

Portfolio Manager Commentary

31 March 2025



Market Review

With headlines dominated by inflation concerns, recession fears, and tariff tensions, it is no surprise investors are feeling uneasy. Uncertainty causes doubt. Yet, it is precisely in these moments of uncertainty that opportunities emerge, especially in international markets in 2025.

For the past decade and a half, U.S. equities have taken center stage. But now, international markets—often underappreciated—are revealing compelling potential. As the U.S. contends with persistent inflation and ebbing growth, China faces deflation and plans massive stimulus, Japan moves beyond a decades-long deflationary environment, and Europe begins to assert greater economic independence, international markets offer a diverse set of investment conditions worth exploring.

While tariffs remain a topical issue for the U.S., some regions are more affected than others. It is important not to project the U.S. experience onto other economies—each operates under its own unique set of circumstances.

Market swings can be unsettling, but volatility is not inherently negative. For long-term investors, it can be a powerful ally. Volatility creates windows of opportunity—periods when patience, discipline, and a long-term mindset can pave the way for positive outcomes. During the recent bouts of market turbulence, we have been actively capitalizing on select opportunities.

Every economic cloud has a silver lining. Our team is here to help clients navigate through uncertain waters—by integrating conviction in multi-year growth themes with rigorous fundamental analysis and disciplined portfolio management.

We see compelling valuations and structural growth in select high-quality international stocks with clear competitive advantages.

Portfolio Managers

Sean Koung Sun, CFA

Portfolio Manager

Nicholas Anderson, CFA

Portfolio Manager

Supported by the entire Thornburg investment team

AVERAGE ANNUAL TOTAL RETURNS (%)

AS OF 31 MARCH 2025

	QTR	YTD	1-YR	3-YR	5-YR	10-YR	ITD
A Shares TIGAX (Incep: 1 Feb 07)							
Without sales charge	-1.27	-1.27	-7.74	0.92	5.61	4.24	5.67
With sales charge	-5.70	-5.70	-11.88	-0.62	4.64	3.76	5.40
I Shares TINGX (Incep: 1 Feb 07)	-1.18	-1.18	-7.39	1.31	5.98	4.62	6.13
MSCI ACWI ex-U.S. Growth Index	1.96	1.96	1.15	1.75	8.11	5.06	3.84

EXPENSE RATIOS (%)

GROSS	NET
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1.38	1.38
1.04	0.99

Returns for less than one year are not annualized. ITD is inception to date.

Class I shares may not be available to all investors. Minimum investments for the I share class may be higher than those for other classes.

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. Thornburg Investment Management and/or Thornburg Securities LLC have contractually agreed to waive fees and reimburse expenses through at least 1 February 2026, for some of the share classes; these are reflected in the net expense ratio. For more detailed information on fund expenses and waivers/reimbursements, please see the fund's prospectus.

THORNBURG INTERNATIONAL GROWTH FUND

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First Quarter 2025 Performance Highlights

- In 1Q25 the portfolio (I share class) returned -1.18%, -314 basis points behind the MSCI ACWI ex-U.S. Growth Index. Year to date the portfolio (I share class) returned -1.18%, -314 basis points behind the MSCI ACWI ex-U.S. Growth Index.
- The portfolio's leading contributors to first-quarter performance by sector were utilities, in which stock selection drove relative performance, as well as communication services and financials. Stock selection and overweight allocations to information technology and health care detracted from relative results.
- From a geographic perspective, stock picking and overweight allocations in Germany, Hong Kong and Singapore led contributions to relative returns. The largest detractor was an overweight allocation to the U.S., in which the benchmark has no exposure, along with selection and allocation effects in the Netherlands. Currency effects were also a net drag on relative performance.

Current Positioning and Outlook

U.S. tariff-induced market volatility reflected growing concerns about the impact on global economic growth, exacerbating recent doubts about the return on investment in the infrastructure buildout necessary for the widespread industry adoption of AI. Continued pressure on the shares of one of our top pharma holdings also undercut portfolio performance in the first quarter. We retain conviction in the long-term prospects of our holdings, which we consider well positioned to benefit from technological innovation and long-term demographic trends.

We have observed a disconnect between coincident indicators in recent corporate earnings and share price performance. March revenue at the world's top semiconductor manufacturer was up nearly 50% from March 2024 and rose just more than 40% from a year earlier in the first quarter of 2024. The world's largest hyperscalers have reaffirmed over the last three months their massive capex budgets for data center expansions. Yet this and other stocks that directly benefit from the AI buildout saw their share prices decline, as the market doubts the sustainability of growth.

Declining valuations in AI's enabling technologies, combined with robust fundamental demand as adoption expands across businesses and consumers, only reinforces our conviction in the transformative potential of this technology and the equity returns that should follow.

The other top portfolio position that weighed on performance last quarter is one of the world's premier manufacturers of GLP-1 receptor agonists, which were initially developed for type 2 diabetes. These transformative drugs exhibit durable growth potential thanks to their expanding applications and robust demand. Their proven efficacy in weight management, coupled with a growing body of evidence of benefits in cardiovascular health, heart failure, and kidney disease position them as a cornerstone therapy for tens of millions of people. Robust clinical data, label expansions and strategic investments in manufacturing should drive sustained revenue growth, outpacing short-term equity fluctuations.

We remain optimistic about the prospects for international growth stocks in 2025 across industries, well beyond those examined above. We reiterate our view that earnings growth ultimately matters more for equity performance over time than macro events and market sentiment.

TEN LARGEST HOLDINGS

AS OF 28 FEBRUARY 2025	% FUND
Taiwan Semiconductor Manufacturing Co. Ltd.	7.1
Tencent Holdings Ltd.	5.8
Novo Nordisk A/S	5.0
Mastercard, Inc.	4.8
AstraZeneca plc	4.5
Hong Kong Exchanges & Clearing Ltd.	4.1
ASML Holding N.V.	3.4
MercadoLibre, Inc.	3.4
Air Liquide S.A.	3.2
Beiersdorf AG	3.1

TOP 5 CONTRIBUTORS (%)

1Q25	AVERAGE WEIGHT	CONTRIB. TO RETURN
Tencent Holdings Ltd	5.41	0.82
E.ON SE	2.57	0.67
Deutsche Boerse AG	2.68	0.65
Sea Ltd	3.12	0.61
Hong Kong Exchanges & Clearing Ltd	3.79	0.57

BOTTOM 5 DETRACTORS (%)

1Q25	AVERAGE WEIGHT	CONTRIB. TO RETURN
Taiwan Semiconductor Manufacturing Co Ltd	7.38	-1.22
Novo Nordisk A/S	4.53	-0.89
Globant SA	1.45	-0.73
Arista Networks Inc	0.80	-0.49
BE Semiconductor Industries NV	1.60	-0.41

Source: FactSet

BASKET ALLOCATION

	% FUND
Consistent Grower	40.7
Growth Industry Leaders	36.0
Emerging Growth	21.8
Cash	1.5

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Portfolio Manager Commentary | 31 March 2025

Important Information

Unless otherwise noted, the source of all data, charts, tables and graphs is Thornburg Investment Management, Inc., as of 31 March 2025.

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.

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

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.

Consistent Growers: generally exhibit steady earnings and revenue growth, often with subscription or other recurring revenue profiles. These firms tend to buoy the portfolio in weak markets.

Emerging Growth Companies: are often addressing a new market or carving out a niche in an existing market. Companies in this basket tend to be smaller, earlier-stage companies. Successful emerging growth companies are often reclassified as their businesses mature.

Growth Industry Leaders: often have leadership positions in growing markets. These firms tend to be larger, more established, and have dominant market share.

Basis Point (bp) – A unit equal to 1/100th of 1%. 1% = 100 basis points (bps).

The MSCI ACWI ex-U.S. Growth Index (MSCI ACWI ex US Growth NTR) 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.

Not FDIC Insured. May lose value. No bank guarantee.

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.

Thornburg is a global investment firm delivering on strategy for institutions, financial professionals and investors worldwide. The privately held firm, founded in 1982, is an active, high-conviction manager of fixed income, equities, multi-asset solutions and sustainable investments with \$46.6* billion in total assets across mutual funds, institutional accounts, separate accounts and UCITS.



*Includes assets under management (\$45.5B) and assets under advisement (\$1.2B).