

Thornburg International Equity Fund

Portfolio Manager Commentary

December 31, 2025



The Thornburg International Equity Fund produced a total return of 4.45% for the three-month period ended December 30, 2025, underperforming its MSCI ACWI-ex U.S. Index benchmark, which gained 5.05%. Over the 12 months to December 31, the fund outperformed with a 34.21% gain, versus the index return of 32.39%.

Various economic and market indicators pointed to both challenges and resilience across major economies and markets in the last leg of 2025, extending the dynamic on display throughout the year. Trade tensions remained a significant theme, with continuing negotiations between the U.S. and its major trade partners, including China, which is also in contentious trade talks and tit-for-tat tariff and procurement walls with the European Union.

But technology-related industries showed strength, particularly in Northeast Asia and the U.S., where chip stocks rallied on AI optimism. The fourth quarter's macro developments impacted global equities and kept investors both optimistic about the U.S. market backdrop, but also on edge. The U.S. Federal Reserve cut its target rate 25 basis points in December. The Bank of Japan followed suit, lifting its rate a quarter point as well. But the ECB stood pat last month.

While policy rate stability in Europe, combined with fiscal stimulus, boosted investor sentiment in the region, the BOJ's incremental rate normalization came amid spikes in Japanese government 30-40 year bond yields to record highs, as re-priced global rate differentials played out in currency markets. The U.S. dollar treaded water against the euro in the fourth quarter, but strengthened vs the yen. Political risk was also prevalent as France's governing instability fueled economic uncertainty, while tensions between Japan and China intensified amid a more nationalist turn in Japan, where concern over Beijing's Taiwan policy grew. We welcomed the volatility induced by macro events.

Our active positioning has enabled us to anticipate and navigate a variety of complex environments effectively.

Portfolio Managers

Lei Wang, CFA

Portfolio Manager

Matt Burdett

Head of Equities

Supported by the entire Thornburg investment team

Average Annual Returns (% , as of December 31, 2025)

	QTR	YTD	1-YR	3-YR	5-YR	10-YR	ITD
A Shares TGVAX (Incep: 28 May 1998)							
Without Sales Charge	4.39	33.83	33.83	19.89	8.94	8.91	8.09
With Sales Charge	-0.31	27.79	27.79	18.07	7.94	8.40	7.91
I Shares TGVIX (Incep: 30 Mar 2001)*	4.45	34.21	34.21	20.22	9.26	9.25	8.52
MSCI ACWI ex-U.S. Index Index	5.05	32.39	32.39	17.33	7.91	8.41	5.61

Prior to inception of class I shares, performance is calculated from actual returns of the class A shares adjusted for the lower Institutional expenses.

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, 1.28%; I shares, 0.98%. 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. I shares, 0.90%. For more detailed information on fund expenses, please see the fund's prospectus.

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The Thornburg International Equity Fund paid an ordinary income dividend of \$0.49 per I share in December 2025 and \$0.75 in long-term capital gains in Q4 2025. The ordinary income dividends per share were lower for A and C shares, to account for varying class-specific expenses.

We are now in the 28th year of managing Thornburg International Equity Fund. From its inception on May 28, 1998, through December 31, 2025, Thornburg International Equity Fund has outpaced the MSCI ACWI ex-U.S. Index by an average margin of nearly 3% per annum, resulting in a total cumulative return since inception of 855% (net of fees) versus 351% for the MSCI ACWI ex-U.S. Index. Performance comparisons of Thornburg International Equity Fund to its benchmark over various periods are shown on page 1.

As of December 31, 2025, the trailing average price/earnings ratio for the equity investments of Thornburg International Equity Fund was 20.9x, compared to an average multiple of 18.5x for the MSCI ACWI ex-U.S. Index. We believe our focused, yet diversified portfolio of highly select, attractively priced firms with strong fundamentals and earnings power has been key to the Thornburg International Equity Fund's long-term outperformance. In Table 1, in descending order are the 10-largest

equity holdings in the fund as of December 31, 2025, along with their total returns in the fourth quarter and over the full 2025 calendar year. Returns are shown in U.S. dollars, assuming reinvestment of dividends in shares of the firm.

Together, these 10 firms comprised 28% of the fund's total assets as of December 31, 2025, while its cash position constituted 8.1% and the other 39 equities comprised a total of 63.9% of fund assets. Individual position sizes of the fund's top holdings ranged from approximately 3.2% (BNP Paribas) to around 2.7% for those near the bottom of the Top 10 list. We believe the roughly 50 businesses in the portfolio are world class. They have proven records in successfully navigating economic shocks, volatile market cycles, and ultimately strengthening their competitive positions. We consider them attractively valued relative to their earnings power. The quality of this portfolio is also reflected in the aggregate metrics shown in Table 2.

The fund has highly select exposures to firms in industrials, utilities, financials and information technology, whether overweight relative to the index, as in the case of the first two, or underweight, as with the latter two. On a regional basis, it remains over-

Table 1 | International Equity Fund—Top 10 Equity Holdings

Name of Company	Q4 25 & YTD 25 TR USD	FY 2027 Est EPS Growth	FY 2027 Est P/E
BNP Paribas	4.9%; 71.4%	10.7%	6.5x
Paris-based bank serving commercial, retail, investment, private and corporate banking services internationally			
AstraZeneca	23.1%; 44.9%	12.2%	16.4x
World-class pharmaceutical and medical products manufacturer			
Samsung Electronics	40%; 135%	16.1%	8.8x
Manufactures consumer & industrial electronic products, leading semiconductor producer			
TotalEnergies	10.8%; 28.7%	15.3%	8.4x
Global oil & gas producer and distributor and low carbon electricity supplier			
Alibaba	-17.6%; 78.2%	61%	16.6x
China's premier e-commerce, internet infrastructure and online financial services conglomerate			
Mitsubishi UFJ Financial Group	-1.6%; 40.3%	8.8%	12.6x
MUFG is the largest and most diversified Japanese financial group			
NN Group	9.7%; 89.1%	5.6%	8.8x
Premier Dutch insurer and investment management company			
Roche	26.8%; 51.8%	5.6%	15.2x
Top global pharmaceutical and diagnostic products manufacturer			
Canadian Pacific Kansas City	-0.3%; 3.9%	12.8%	16.9x
Railroads operator transporting goods across Canada, the U.S. and Mexico			
Schneider Electric	-0.7%; 13.4%	14.1%	22.1x
A global leader in electrical power equipment used in buildings and data centers			

Source: Bloomberg

Table 2 | International Equity Fund Metrics

	PE FY 2 Est	Price/ Cash Flow	Historic 3-Yr EPS Growth	Debt/ Equity	Net Debt/ EBITDA
International Equity Fund	15.4x	9.7x	33.9%	93.7%	0.84x
MSCI ACWI ex-U.S. Index	14.6x	10.1x	14.4%	110%	1.9x

Source: Factset, 12/31/2025

Past performance does not guarantee future results.

weight France, Japan and Germany based on our bottom-up, fundamental assessments of individual companies within the broader opportunity set.

In terms of contributions to relative performance, 29 equities were positive contributors in the fourth quarter, while 22 were negative and two were flat. Leading contributors to portfolio performance for the quarter included Samsung, AstraZeneca, Roche, Japanese industrial conglomerate Hitachi and German transportation and logistics provider Deutsche Post. The biggest detractors were BABA, industrial Linde, Japanese consumer electronics giant Sony, Japan's medical equipment and imaging company Fujifilm and Chinese online recruitment services firm Kanzhun.

Table 3 | International Equity Fund Sector Weights (as of December 31, 2025)

Sector	12/31/23	3/31/24	6/30/24	9/30/24	12/31/24	3/31/25	6/30/25	9/30/25	12/31/25	YoY% Change
Industrials	20.29	21.95	22.73	23.54	24.05	22.95	24.73	23.93	23.30	3.1%
Financials	16.62	16.29	16.07	13.55	14.58	16.31	14.62	15.07	16.30	12%
Information Technology	9.92	10.92	12.35	11.81	13.47	10.72	9.42	10.22	9.43	-30%
Consumer Staples	9.24	9.38	9.29	8.99	6.75	5.61	5.79	6.31	5.98	-11%
Utilities	7.90	7.63	7.62	7.97	8.41	9.01	8.61	9.15	9.23	9.8%
[Cash]	6.77	4.33	5.81	4.59	3.67	7.16	8.09	8.20	8.14	122%
Materials	6.39	5.78	5.42	5.76	5.99	6.35	6.65	5.80	6.44	7.5%
Communication Services	6.12	6.99	3.89	3.90	3.92	3.16	2.89	2.80	2.92	-26%
Health Care	5.87	5.76	6.83	5.87	6.31	6.78	8.00	6.26	7.60	20%
Energy	5.53	5.30	4.82	4.18	4.12	4.47	3.88	3.63	3.57	13%
Consumer Discretionary	5.47	5.67	5.06	9.93	8.71	7.48	7.33	8.63	7.09	-19%
Real Estate	--	--	--	--	--	--	--	--	--	--
[Unassigned]	--	--	--	--	--	--	--	--	--	--
[Currency Forward]	-0.11	--	0.11	-0.08	--	--	--	--	--	--

May not add up to 100% due to rounding.

We made various position adjustments over the course of the fourth quarter for portfolio diversification purposes and to better balance the downside risk and upside capital appreciation potential of individual positions. These changes included one new position, three eliminations, 14 increases and 32 decreases in position sizes. Table 3 shows sector weightings within the International Equity Fund portfolio as of December 31, 2025.

Global Economic Outlook

Global economic growth is projected to slow to 2.9% in 2026 from an estimated 3.2% in 2025, according to Bloomberg composite forecasts, driven by U.S. trade tariffs, policy uncertainty and regional challenges. The European Union is expected to grow a modest 1.4% this year, supported by stable monetary policy and fiscal stimulus. Japan's growth is projected to decelerate to 0.8%, amid rising rates. China's growth, on the other hand, is losing steam, despite Beijing's monetary and fiscal stimulus. While inflation in the U.S., Europe and Japan is running above target by varying degrees, inflation is generally moving lower in these regions. On the other hand, China has been fighting outright deflation and prices are seen rising modestly this in 2026.

Our Investment Framework

Thornburg International Equity Fund seeks to identify the premier foreign producers of goods and services. We aim to understand the underlying drivers of corporate earnings and strive to take advantage of market volatility, when share prices can deviate meaningfully from business fundamentals. We monitor our portfolio companies' ability to manage cost inflation and maintain

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revenue and profit margins consistent with our expectations.

Our portfolio works to provide investors with long-term capital appreciation from a focused, yet diversified portfolio of compelling international equity investments. We focus on identifying the most attractive risk-reward opportunities at the company level. Our investment approach is rooted in bottom-up analysis, consistently seeking stocks that are trading at a discount to intrinsic value.

We urge shareholders of the fund to maintain a long-term perspective. Most portfolio businesses have managed well through varying economic environments across business cycles. The fund seeks to generate superior risk-adjusted returns through a full market cycle and provide investors with differentiated access to international markets. Stock selection has historically been the key driver of portfolio returns.

Thank you for being a shareholder of Thornburg International Equity Fund. You can monitor the holdings of Thornburg International Equity Fund and obtain more information on our website, www.thornburg.com.

Important Information

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

Basic Value: Companies generally operating in mature industries and which generally exhibit more economic sensitivity and/or higher volatility in earnings and cash flow.

Consistent Earners: Companies which generally exhibit predictable growth, profitability, cash flow and/or dividends.

Emerging Franchises: Companies with the potential to grow at an above average rate because of a product or service that is establishing a new market and/or taking share from existing participants.

The MSCI ACWI ex-U.S. Index (MSCI ACWI ex US NTR) is a market capitalization weighted index representative of the market structure of 46 developed and emerging market countries in North and South America, Europe, Africa, the Middle East, and the Pacific Rim, excluding securities of United States issuers. The index returns reflect the reinvestment of dividends and other earnings, are net of withholding taxes, and do not include any trading costs, management fees or other expenses.

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.