

CATEGORY

Domestic Equity	✓
Domestic Taxable Fixed Income	
Domestic Tax-Exempt Fixed Income	
Money Market	
International Equity	
International Fixed Income	

STYLE

	Growth	Blend	Value
Large Cap		✓	
Mid Cap			
Small Cap			
Style Drift	Low		
Style Index	S&P 500 Composite Index		

RECENT TRADING DATA

NAV (2/27/04)	\$29.97
Total Net Assets (Mil.)	\$1,189.85
SEC Yield	NA

MODERN PORTFOLIO THEORY STATISTICS (2/27/04)

	<u>Fund</u>	<u>Peers</u>
Beta	0.93	0.96
Alpha	0.05	NA
R²	0.91	NA
Standard Deviation	17.08	17.24
Sharpe Ratio	-0.15	NA

OTHER KEY STATISTICS

	<u>Fund</u>	<u>Peers</u>
Average P/E	20.58	NA
Average P/B	3.21	NA
Avg. Market Cap (Mil.)	42,296	NA
Dividend Yield	0.13	NA
Portfolio Turnover	82.89%	63.01%
No. of Holdings	55	NA

INVESTMENT MINIMUM

Initial	\$5,000
IRA	\$2,000
Subsequent	\$100

FEES & EXPENSES (%)

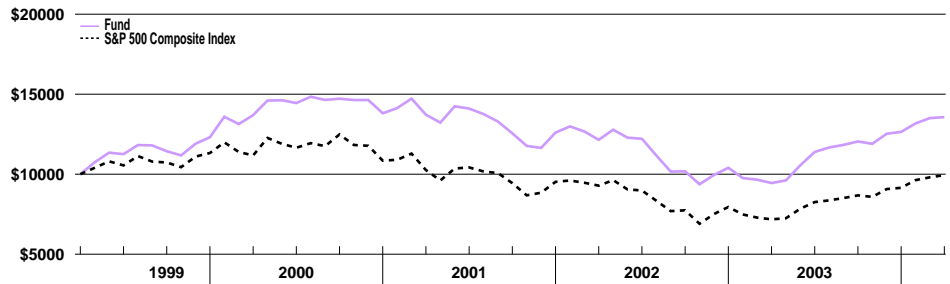
Maximum Front End Sales Load	4.50
1st Year Red. Fee	0.00
Management Fee	0.80
12b-1 Fee	0.25
Fund Expense Ratio:	1.43
Peers Expense Ratio:	1.14

HIGHLIGHTS

- Since April 2002, Standard & Poor's has ranked Thornburg Value/A 3 STARS.
- Within the broader category of Domestic Equity funds, Standard & Poor's has ranked Thornburg Value/A 3 STARS since March 2002.

Thornburg Value/A is ranked among 732 Large-Cap Blend funds by S&P's three-year and overall rank of this fund. Funds are ranked on three year Sharpe Ratio. A Star ranking of 5 is assigned to the top 10% that also outperform their benchmark over 3 years. Approximately, the next 20% are ranked 4; 40% are ranked 3; 20% are ranked 2; 10% are ranked 1. For a fund to be ranked higher than 3 Stars, it must also outperform the three-month Treasury bill over 3 years.

Performance of \$10,000 Investment



OVERALL S&P RANKING ★★★

Overall Style Ranking

Large-Cap Blend	
1-Year Rank	★★★★
3-Year Rank	★★★★
5-Year Rank	★★★★★
10-Year Rank	--

Overall Category Ranking

Domestic Equity	★★★★
3-Year Risk Rank	Moderate
Initial Investment at 2/27/1999:	\$10,000
Value at 2/27/04 of	
Fund:	\$13,566
S&P 500 Composite Index:	\$9,942

TOTAL RETURN OVERVIEW & TAX ANALYSIS (%) (2/27/04)

	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Fund	2.99	43.62	-0.37	6.29	--	14.29
Style Peers	3.13	37.04	-1.99	-0.16	9.70	NM
S&P 500 Composite Index	3.25	38.50	-1.04	-0.12	11.35	NM
Load Adjusted as of 12/31/03	NM	28.92	-3.80	4.93	--	14.18
Return After Taxes on Distributions	-1.64	37.08	-1.96	4.85	--	12.77
Return After Taxes on Distr. & Sale	-1.07	24.15	-1.64	4.32	--	11.63
Tax-Efficiency Ratio on Distributions	NM	99.80	NM	90.42	--	90.15
Tax-Efficiency Ratio on Distr. & Sale	NM	64.98	NM	79.72	--	78.60

TOTAL RETURN RANK (2/27/04)

	1 Yr	3 Yr	5 Yr	10 Yr
Fund Rank in Style	119	156	15	--
Funds in Style	1153	732	557	--
Fund Rank in Category	2890	3194	1417	--
Funds in Category	7768	6095	4379	--

CALENDAR YEAR HISTORY

1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Feb '04	
--	11.83	15.59	19.24	23.36	31.37	31.40	28.73	21.59	29.10	29.97	NAV
--	--	37.82	33.70	22.25	37.44	3.96	-8.11	-24.85	34.99	2.99	Total Return %
--	--	22.95	33.35	28.58	21.04	-9.10	-11.88	-22.09	28.67	3.25	Total Return % (Category)
--	--	97	92	72	79	63	58	35	69	63	Total Return % Rank (Category)
--	--	97	92	90	88	86	86	28	93	90	Total Return % Rank (Style)
--	--	--	--	--	--	--	--	--	--	--	SEC Dividend Yield
--	0.05	0.28	0.18	0.15	0.24	1.01	0.13	--	0.04	--	Dividends
--	--	0.37	1.35	--	0.39	0.25	--	--	--	--	Capital Gains
--	7	25	80	182	506	950	1,233	796	1,108	1,190	Total Net Assets (Mil. \$)
--	--	2,696	3,672	4,050	4,850	5,435	6,256	6,680	7,601	7,768	Total Funds in Category
--	--	355	682	493	937	1,013	1,099	1,148	1,117	1,153	Total Funds in Style

QUARTERLY PERFORMANCE (%)

	1stQ	2ndQ	3rdQ	4thQ	Total
2004	--	--	--	--	--
2003	-1.48	21.39	1.98	10.69	34.99
2002	-1.57	-12.62	-16.11	4.15	-24.85
2001	-6.41	4.03	-14.45	10.33	-8.11
2000	7.44	1.63	-1.38	-3.45	3.96
1999	8.67	10.01	-5.48	21.63	37.44

MARKET CYCLE PERFORMANCE (%)

Market Type	Dates	Fund	Style Index	Category Index
Bull	10/02-present	44.8	44.0	44.0
Bear	3/00-10/02	-35.8	-43.7	-43.7

PERFORMANCE REVIEW

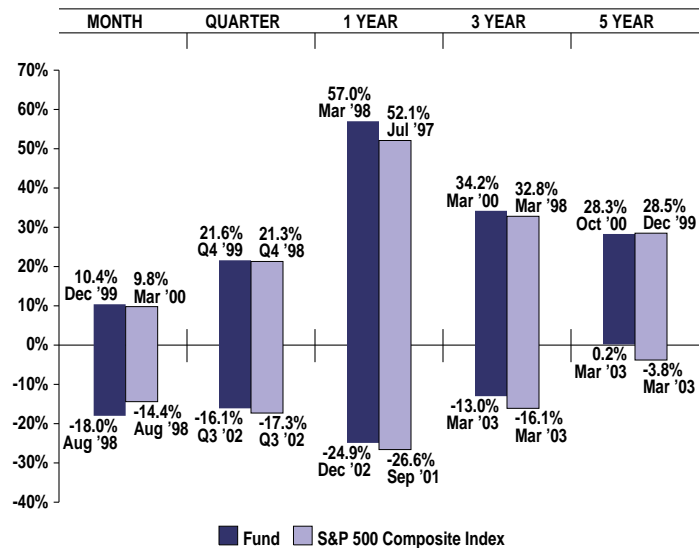
Market Comparison

For the five-year period ended February 27, 2004, Thornburg Value/A had an average annualized total return of 6.3%, versus a total return of -0.1% for the S&P 500 Composite Index. On a total return basis, this fund ranked 1,417 within the entire universe of 4,379 funds in the Domestic Equity category. On a one-year total return basis, this fund ranked 2,890 within the entire universe of 7,768 funds in the Domestic Equity category. The fund has outperformed the S&P 500 Composite Index in 4 of the last 5 years.

Peer Comparison

For the five-year period ended February 27, 2004, Thornburg Value/A had an average annualized total return of 6.3% compared with a total return of -0.2% for all Large-Cap Blend funds. This fund ranked 15 within the entire universe of 557 funds in this peer group. The fund has outperformed its peer group index (S&P 500 Composite Index) in 4 of the last 5 years.

BEST/WORST HISTORICAL PERFORMANCE DURING PAST 10 YEARS (%)



Investment Objective

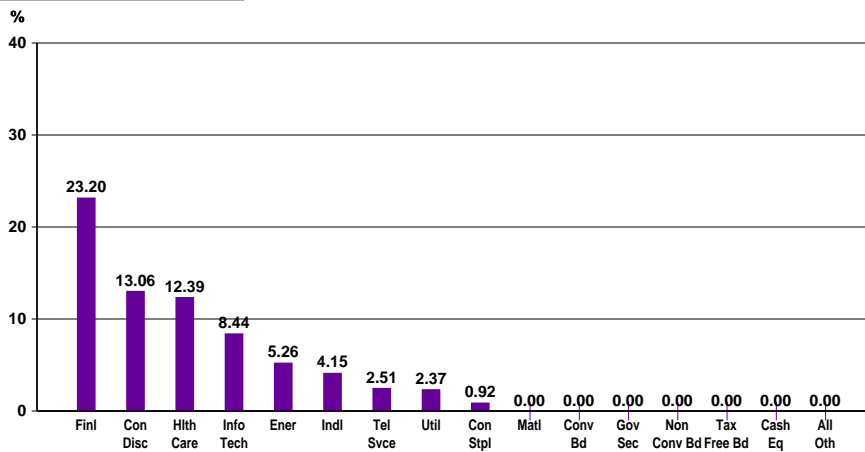
Part of the Thornburg Funds family, Thornburg Value/A has been managed since October, 1995 by William Fries. Based on an evaluation of the fund's risk and return characteristics displayed over the past 36 months, Standard & Poor's classifies Thornburg Value/A as a Large-Cap Blend fund. Large-Cap Blend Funds seek capital appreciation by investing primarily in stocks of large, well-established companies with market capitalizations of \$10 billion or more. The resulting portfolio is typically a blend of both "growth" and "value" stocks. Large-cap funds tend to be less volatile than those that invest in smaller companies. Dividend income may be a secondary investment objective.

Asset under management as of February 27, 2004, totaled \$1.2 billion, up from \$1.1 billion as of December 31, 2003. As of December 31, 2003, the fund's top holding(s) as a percent of the total portfolio were E Trade Finl Corp Com (3.3%), Citigroup Inc Com (3.1%) and Pfizer Inc Com (3.0%). The portfolio breakdown by asset type as of December 31, 2003, was: common stock (92.9%), corporate bonds (3.1%), cash and equivalents (3.3%) and convertible securities (0.7%).

Based on the last thirty-six months, Standard & Poor's has assigned the fund a Ranking of 3 STARS (5 Highest; 1 Lowest). Additionally, an evaluation of the consistency of the fund's investment style indicates that it has exhibited low style drift over the past three years.

PORTFOLIO COMPOSITION

Sector Strategy (12/31/03)



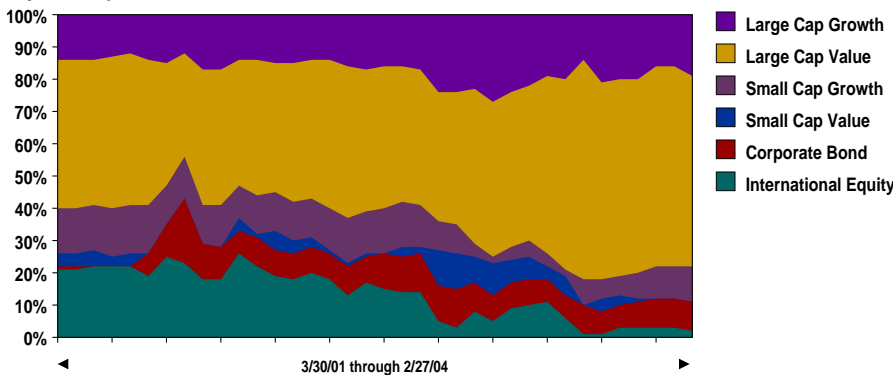
Top 10 Holdings (12/31/03)

Company	Percentage (%)
E Trade Finl Corp Com	3.35
Citigroup Inc Com	3.09
Pfizer Inc Com	3.00
St Paul Cos Inc Com	2.79
Unocal Corp Com	2.72
Comcast Corp Cl A Spl	2.70
Amerada Hess Corp Com	2.54
Federal Natl Mtg Assn Com	2.53
Wells Fargo & Co New Com	2.45
Hughes Electronics Corp Com	2.40
Total	27.57

Asset Type (12/31/03)

Asset Type	Percentage (%)
U.S. Stocks	79.02
U.S. Corporate Bonds	3.11
U.S. Cash	3.35
U.S. Converts	0.66
U.S. Total	86.14
Foreign Stocks	13.86
Foreign Total	13.86

Style Composition



Mix of investment styles that best explains the fund's behavior over the last 3 years. May be representative, but not indicative of actual holdings.

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BEST/WORST PERFORMANCE: This table shows the best and worst performance of the fund and its respective style benchmark.

CATEGORY: This graphical representation shows which of the following six broad categories the fund most closely fits: Domestic Equity, Domestic Taxable Fixed Income, Domestic Tax-Exempt Fixed Income, International Equity, International Fixed Income or Money Market.

INDICES:

Indices	Description:
S&P 500 Composite Index	Representative sample of large companies in leading industries.
S&P 500 BARRA Growth and S&P 500 BARRA Value	Standard & Poor's and BARRA cooperate to employ a P/B calculation, whereby the market capitalization of S&P 500 is divided between growth and value.
S&P 400 BARRA Mid Cap Growth and S&P BARRA Mid Cap Value	Standard & Poor's and BARRA cooperate to employ a Price to Book value calculation, whereby the market capitalization of S&P MidCap 400 is divided between growth and value.
Russell 2000 Growth	The Russell 2000 Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.
Russell 2000 Value	The Russell 2000 Value Index measures the performance of Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.
Merrill Lynch 3 Month Treasury Bill	Consists of US Treasury Bills maturing in 90 days.
Merrill Lynch 15 Year Treasury	Market index made up of longer-term US Treasury issues.
Merrill Lynch Corporate Government Master Index	Indicator of the performance of investment-grade domestic bonds.
Merrill Lynch 5-7 Year Treasury	Index made up of US Treasury issues with maturities from five to seven years.
Lehman Brothers High Yield	An index that includes all fixed income securities having a maximum quality rating of Ba1 (including defaulted issues), a minimum amount outstanding of \$100 million, and at least 1 year to maturity.
Merrill Lynch Global Bond	Tracks the performance of bonds denominated in the issuer's local currency.
Lehman Brothers Municipal Bond	Total return performance benchmark for the long-term, investment-grade tax-exempt bond market.
Merrill Lynch Asset Backed Securities	Tracks the performance of US dollar-denominated asset backed securities.
Merrill Lynch 1-3 Year Treasury	Index made up of US Treasury issues with maturities from one to three years.
Merrill Lynch Corporate Master	Measures the performance of investment-grade corporate bonds.
FTSE World Index (Excluding U.S.)	Covers 49 different countries and over 2400 stocks and captures 90-95% of the investible market capitalization. This version excludes the U.S.
FTSE World Index (Including U.S.)	This version includes the U.S.
S&P IFCI Composite Index	Screen stocks for foreign ownership restrictions, factoring in minimum market capitalization and liquidity parameters.
Balanced (Domestic) Index	60% S&P 500 Index and 40% Merrill Lynch Corp & Gov Masters Index.
Balanced (International) Index	60% FTSE World (excluding US) Index and 40% Merrill Lynch Global Bond Index.

MARKET CYCLE PERFORMANCE: Performance of a fund relative to its style and its category index (as defined by S&P) during bull and bear markets.

A **bull market in stocks** is defined as a 20% rise in the S&P 500 Index from its previous trough, ending when the index reaches its peak and subsequently declines by 20%. A **bear market in stocks** is defined as a 20% decline in the S&P 500 Index from its previous peak, and ends when the index reaches its trough and subsequently rises by 20%.

A **bull market in bonds** is defined as a 100 basis-point decline in the yield on 10-year Treasuries from its previous interest rate cycle peak, ending when the yield reaches its trough and subsequently rises by 100 basis points. A **bear market in bonds** is defined as a 100 basis-point rise in the yield on 10-year Treasuries from its previous interest rate cycle trough, and ends when the yield reaches its peak and subsequently declines by 100 basis points.

MODERN PORTFOLIO THEORY STATISTICS: This table shows widely followed performance statistics for the fund and its peers (as defined by S&P), based on the latest data available.

Alpha: An annualized return measure of how much better or worse a fund's performance is relative to an index for funds in the same category, after allowing for differences in risk. It is calculated using a linear regression over the most recent 36 months of data.

Beta: Measurement of a fund's sensitivity to changes in the market, for example, a beta of 2.00 means the fund has moved twice as much as the market.

R²: Measures the degree to which a fund's behavior is related to its category benchmark. Consider an equity fund with an R² of .86 relative to its benchmark index (e.g., S&P 500 Index).

Sharpe Ratio: A measure of a fund's historical returns adjusted for risk, or volatility. Calculated as:

$$\frac{(\text{Fund Return} - \text{Return on 3-Month Treasury Bills})}{\text{Fund Standard Deviation}}$$

When the fund is a municipal bond fund, the 3-Month Treasury bill return is adjusted to reflect the tax treatment of the municipal bond fund. This measure is used to develop the **S&P Ranking**.

Standard Deviation: A historical measure of the variability of a fund's returns. If a fund has a high standard deviation annualized, its returns have been volatile; a low standard deviation indicates returns have been less volatile.

OTHER KEY STATISTICS:

Avg. Credit Quality: Fixed income securities of the portfolio are allocated among S&P bond rating categories, then weighted by their relative market value.

Average Coupon: Each fixed income security's coupon is weighted by its relative market value.

Average P/E: P/E is the price of a stock divided by its earnings per share. Average P/E is the market cap weighted average of all the P/E ratios for all the stocks in the fund.

Average P/B: P/B is a ratio of a stock's price to its book value per share. Current market price per share of common stock is divided by the calculated book value per individual equity security. Average P/B is the market cap weighted average.

Avg. Market Cap.: The avg. market cap. is calculated per individual equity security within the portfolio (current market price per share of common stock multiplied by total number of shares outstanding) and then weighted by market value.

Dividend Yield: A calculation representing the average dividend yield of the fund's underlying holdings. Calculated by taking a weighted average of each holding's annual dividend divided by its current market price.

Duration: A measure of the price responsiveness of interest-sensitive assets to changes in the interest rate, as reported by the fund, stated in years.

No. of Holdings: The number of individual securities in the portfolio.

Portfolio Turnover: The frequency at which the portfolio is changed during a year, as reported by the fund.

RECENT TRADING DATA:

SEC Yield: The SEC Yield, reported by the fund, is based on a 30-day period ending on the last day of the previous month.

Total Net Assets: Total net assets of the fund as of the most recent available data, as reported by the fund.

SELECT FUND REPORTS:

Select Fund Designations are awarded to funds that have demonstrated above-average absolute and volatility-adjusted returns relative to funds with the same investment style. This calculation is based on a six-month moving average of three years of absolute and volatility-adjusted performance. The quantitative score is composed of two equally weighted measures of these historical returns relative to the peer group for each of the last three years: (1) a weighted decile of the absolute return rankings and (2) a weighted decile of the volatility-adjusted return rankings (Sharpe Ratio). The funds are ranked from 0 (worst) to 100 (best). Standard & Poor's will attempt to interview the management of funds that pass the quantitative screen. To achieve the designation, funds must also exhibit qualitative attributes (e.g., level of management skill), which are used to determine if a fund should be disqualified. The designation does not address market, credit, or counter party risks of a fund, nor does it comment on a fund's suitability as a counter-party or obligor.

S&P RANKING: A graphical representation of the fund's perform-

ance relative to other funds in the same style, including account loads and any other sales charges. The overall S&P Ranking, using Stars is based on the fund's Sharpe Ratio using the most recent 36 months of operating history. All funds with at least 36 months of operating history are ranked by Sharpe Ratio as follows:

Fund's Rank		S&P Ranking
Top	10%	★★★★★
Next	20%	★★★★
Middle	40%	★★★
Next	20%	★★
Bottom	10%	★

For a fund to be rated higher than 3 Stars, it must also outperform the three-month Treasury bill over 3 years. A Star ranking of 5 is assigned to the top 10% that also outperform their benchmark over 3 years.

A fund's one, three, five and 10-year Style Ranks (e.g., Large Cap Value Ranks) are shown for purposes of comparison. Also shown in the **S&P Ranking** section is the fund's Category Rank, (e.g., Domestic Equity Rank). This is also based on the fund's three-year Sharpe Ratio, but it differs from the overall S&P Ranking and Style Ranking because it compares a fund to its category peers. S&P's Risk Rank (under Category Ranking) is based on the fund's standard deviation. All funds in the category are ranked according to the same rules that are used in the **S&P Ranking**. Thus funds with standard deviations in the top 10% carry a Risk Rank of "High"; the next 20% are "Moderately High"; the middle 40% are "Moderate"; the next 20% are "Moderately Low"; and the lowest 10% carry a Risk Rank of "Low."

STYLE: This matrix depicts the investment style of the fund as determined by S&P. Each fund is classified into one of 42 investment styles based on the fund's historical return pattern. Standard & Poor's uses Returns Based Style Analysis (RBSA), developed by William Sharpe, to relate the fund's pattern of historical returns to a series of benchmarks for classification.

Style Drift: Style Drift measures the tendency of a fund to deviate from its specified investment style over time.

Style Index: The benchmark index (as defined by S&P) that most closely matches the fund's historical performance, based on risk (volatility) and return.

TAX ANALYSIS:

Return After Taxes on Distributions: An annualized total return that takes into account the effect of taxes upon the reinvestment of distributions and dividends into a fund. All fees and loads are deducted. The highest tax rate applicable at the time and for the type of distribution is used. This return assumes the investor does not liquidate at the end of the measurement period. This is in accordance with SEC documentation (File No. S7-09-00).

Return After Taxes on Distributions and Sale: An annualized total return identical to the return after taxes on distributions, except the investor is assumed to sell the holding at the end of the measurement period, incurring any applicable capital gains taxes on the initial investment. The holding periods for both initial investment and subsequent reinvestments are used to determine applicable capital gains rates. This is in accordance with SEC documentation (File No. S7-09-00).

Tax Efficiency Ratio on Distributions: Dividing the cumulative return after taxes on distributions by the cumulative pre-tax returns derives this statistic. The highest possible score would be 100%, which would imply that a fund had no taxable distributions. It excludes additional gains, taxes, or tax losses incurred upon selling the fund, since it utilizes the return after taxes on distributions in the numerator. Funds with negative returns are reported as NM, or not meaningful.

Tax Efficiency Ratio on Distributions and Sale: Dividing the cumulative return after taxes on distributions and sale by the cumulative pre-tax returns derives this statistic. It includes additional gains, taxes, or tax losses incurred upon selling the fund, since it utilizes the return after taxes on distributions and sale in the numerator. Funds with negative returns are reported as NM, or not meaningful.

TOTAL RETURN OVERVIEW: This table shows the year-to-date return and average annualized returns of various periods for both the fund, its peers and benchmark, as defined by S&P.

TOTAL RETURN RANK: This table shows the fund's relative ranking. The number of funds in the style and category is determined by S&P.

Wtd. Avg. Maturity: Length of time until the fund's aggregate holdings will mature or be redeemed.

Yield: The annual rate of income return of the fund, expressed as a percentage and reported by the fund.