# THOMAS WHITE FUNDS

CAPTURING VALUE WORLDWIDE℠

## THOMAS WHITE AMERICAN OPPORTUNITIES FUND

March 31, 2009

### FUND FACTS

| | | |
|---|---|---|
| Ticker Symbol: | TWAOX | |
| CUSIP: | 543917306 | |
| Benchmark: | Russell Midcap Index | |
| Incept Date: | 3/4/99 | |
| Minimum Initial Investment: | Non-Retirement Plan | $2,500 |
| | Retirement Plan | $1,000 |
| Redemption Fee: | 2% within first 60 calendar days | |

### FIRST QUARTER COMMENTARY

The revival in market sentiment towards the end of the first quarter could not fully erase the decline in equity values during the review period. For the quarter ending March 31, 2009, the American Opportunities Fund declined -10.63%, underperforming the Russell Midcap Index which fell by -8.98%. The Fund returned -14.57%, -4.21%, and +2.64% for the trailing three, five, and ten year periods, respectively, as compared to the Fund's benchmark, which returned -15.53%, -3.54% and +2.27% for the same periods.

The Obama administration's initial efforts to stabilize the financial sector and revive the American economy were greeted with a fair degree of skepticism from the markets and reputed economists. Critics felt that the American Recovery and Reconstruction Act and the administration's new budget significantly expanded government influence over the economy. The lack of details in the Treasury's Financial Stability Plan, when much was expected, alarmed the markets. Though the Public-Private Investment Program for Legacy Assets received market approval at the time of its announcement, its success will depend on the transparency of the pricing mechanism and the willingness of banks to sell distressed assets at those prices. With its ambitious agenda for financial regulatory reform, the new administration is entering uncharted territory.

On its part, the Federal Reserve brought down its target rate close to zero and stepped up its liquidity support programs for the financial sector. The Fed has also initiated the unprecedented step of buying treasury securities from the market in addition to expanding its purchase of agency-backed securities. These aggressive measures have more than doubled the Fed's balance sheet since last year, which is likely to expand even further in the near future.

Needless to say, the huge increase in government spending will likely push up the fiscal deficit very high. If some of the tax proposals, such as the new tax on fuel emissions, are less successful than projections, a high fiscal deficit will remain well into the future. The Fed's programs add to these risks by expanding money supply, which may seed future inflation when the economy recovers.

Nonetheless, these heightened uncertainties and risks reflect the enormity of the challenges facing the U.S. economy. To a certain degree, they are to be expected considering the unconventional policy initiatives taken by the Obama administration and the Fed, many of which are without historic parallels or detailed rulebooks. If implemented with diligence and alacrity, some of these policy measures may prevent further financial turmoil and support an early economic recovery.

Consumer spending has held up in recent months, despite the subdued trend permeating the rest of the economy. This was confirmed by the better than expected retail sales data for the first two months of this year, particularly pronounced in the lower end of the retail market. Reflecting this trend, retail stocks in the Fund's portfolio outperformed during the quarter, including The TJX Companies (+24.6%) and Autozone (+16.6%).

Though aggregate industrial production continues to decline, durables orders showed modest improvement in February. The improvement in capital goods orders was notable, possibly in anticipation of higher stimulus spending by the government. Until consumer spending recovers, increased public spending will be one of the main drivers of demand and will benefit sectors such as materials. Freeport McMoran Copper & Gold (+55.9%) and Potash Corporation of Saskatchewan (+10.4%) were among the Fund's holdings in this sector that performed well this quarter. The administration's emphasis on healthcare reform and the increased budget allocation helped healthcare holdings in the Fund's portfolio, such as Watson Pharmaceuticals (+17.1%) and Edwards Lifesciences (+10.3%), gain value.

Considering their stressed capital position and the risk of regulatory overreach, financial stocks in the portfolio led by Torchmark Corp (-41.3%) and Hudson City Bancorp (-26.8%), underperformed during the quarter. Though regulatory changes like the recent FASB decision to ease fair value accounting rules may help, financials continue to face significant challenges.

Attractive asset prices, lower mortgage rates, and tax breaks have helped the housing market show some signs of stability recently. Housing permits increased and sales of both existing and new homes were higher in February. Average home prices also showed a modest recovery in January from the previous month. However, this trend needs to be sustained over many months and home prices have to firm up for a broad housing recovery. Despite these positive trends, some of the REIT holdings in the Fund, including HCP Inc (-35.7%) and Ventas Inc (-32.6%), lost substantial value during the quarter.

We must underline that these small green shoots of positive data are as yet insufficient to signal an economic revival. Overall economic growth during the fourth quarter of 2008 was considerably weak, and the trend is likely to continue for much of this year as well. Job losses have worsened and federal agencies expect unemployment to rise even further in 2009. Among long-term risks, the dramatic fiscal and monetary expansion in the U.S. and the fiscal deficit, which will likely remain high for many years, have made the dollar's status as the world's reserve currency more vulnerable in our view.

In line with this outlook, we remain cautious and highly disciplined in our investment strategy. We have been emphasizing sectors which have historically performed relatively better during economic downturns. We continue to focus on firms that have strong balance sheets, earnings power, and sustainable cash flows.

Historically, equities have delivered the best returns during periods that immediately follow severe economic downturns because the most difficult environments often offer the most exceptional buying opportunities. As it is nearly impossible to accurately forecast the precise turning point for the economy, we feel the prudent approach is to remain invested with a long-term view in stocks of mature companies with good earnings power.

We appreciate and respect your patience as investors during this turbulent period and assure you we will make every effort to retain the confidence you have held in us through the years.

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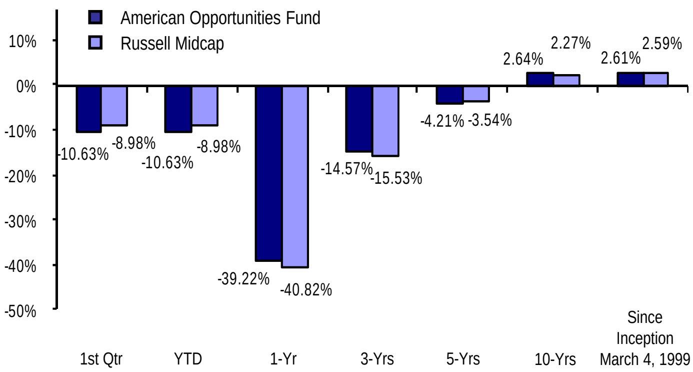
### PORTFOLIO MANAGER

THOMAS S. WHITE, JR.
The Funds' President and Portfolio Manager

Mr. White is the founder and Chairman of Thomas White International, Ltd., and the President and Portfolio Manager of the Thomas White Funds. Tom's interests have always been global. As a boy he grew up around the world, living and traveling throughout Europe, North America and the Far East before graduating from Duke University with an Economics degree in 1965. His forty-two years in the investment management industry have been focused on research-driven, global investing. He has been a speaker on this subject at meetings of the CFA Institute and Securities Industry Association.

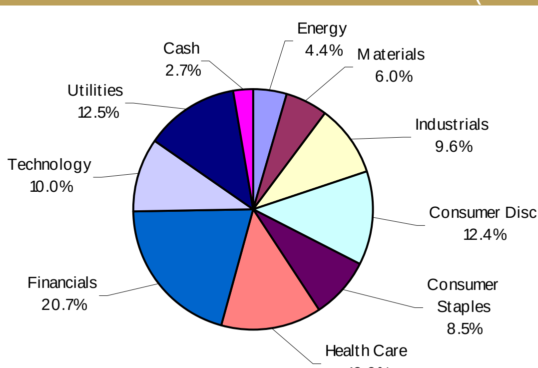
Tom left Morgan Stanley in June of 1992 to form Thomas White International, Ltd. Previously, he had been the Managing Director and Chief Investment Officer of The Chicago Group of Morgan Stanley Asset Management. Tom founded that organization in 1979 and developed its characteristic valuation-oriented style that he brought with him to Thomas White.

### AVERAGE ANNUAL RETURNS[1,2] (As of 3/31/09)




*Performance data is based upon past performance, which is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data quoted. Please call 1-800-811-0535 to obtain performance data as of the most recent month-end.*

### PORTFOLIO WEIGHTINGS (As of 3/31/09)




### TOP TEN HOLDINGS (As of 3/31/09)

| Company | Industry | Weight |
|---|---|---|
| Wisconsin Energy | Utilities | 3.09% |
| Sempra Energy | Utilities | 2.89% |
| Northern Trust | Banking | 2.54% |
| Commerce Bancshares Inc | Banking | 2.48% |
| Nike Inc Cl B | Consumer Retail | 2.34% |
| CACI International Inc | Technology | 2.17% |
| Church & Dwight Co Inc | Consumer Staple | 2.06% |
| Nstar | Utilities | 2.03% |
| CSX Corp | Transportation | 2.01% |
| Reynolds American Inc | Consumer Staple | 1.90% |

Top 10 Holdings Weight: 23.51%
Total Number of Holdings: 71

### YEARLY PERFORMANCE[1,2] (Total Returns)

| Year | TWAOX | Russell Midcap Index |
|---|---|---|
| 2009 Q1 | -10.63% | -8.98% |
| 2008 | -36.55% | -41.46% |
| 2007 | 5.04% | 5.60% |
| 2006 | 10.49% | 15.26% |
| 2005 | 8.76% | 12.65% |
| 2004 | 20.11% | 20.22% |
| 2003 | 34.55% | 40.05% |
| 2002 | -9.89% | -16.19% |
| 2001 | 6.12% | -5.62% |
| 2000 | 5.24% | 8.25% |

### MARKET CAP EXPOSURE

| | | | | |
|---|---|---|---|---|
| Large Cap | (over $15 billion) | 8.46% | Weighted Mean: | $6.81B |
| Mid Cap | ($1.75-$15 billion) | 82.02% | Weighted Median: | $4.53B |
| Small Cap | (under $1.75 billion) | 9.52% | | |

### DISTRIBUTED BY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**Fees & Expenses[3]**

| | |
|---|---|
| Advisory Fee | 1.00% |
| Other Expenses | 0.51% |
| Less reimbursement | (0.16%) |
| Net Expenses | 1.35% |

1. Total return includes reinvestment of dividends and capital gains and reflects fee waivers/reimbursements, in the absence of which total returns would have been lower. You should consider the investment objectives, risks, charges and expenses of the Fund before investing. For a prospectus containing this and other information, please call 1-800-811-0535 or visit the Fund's website at www.thomaswhite.com.
2. The Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which measure the performance of the 1,000 largest US companies based on total market capitalization. The index is unmanaged and returns assume the reinvestment of dividends. It is not possible to invest directly in an index.
3. The Advisor has agreed to reimburse the American Opportunities Fund to the extent that the Fund's total operating expenses exceed 1.35% of the Fund's average daily net assets during the current fiscal year.