



THOMAS WHITE FUNDS

CAPTURING VALUE WORLDWIDESM

THOMAS WHITE INTERNATIONAL FUND

March 31, 2009

FUND FACTS

| | |
|-----------------------------|--|
| Ticker Symbol: | TWWDX |
| CUSIP: | 543917108 |
| Benchmark: | MSCI All Country World ex US Index |
| Incept Date: | 6/28/94 |
| Minimum Initial Investment: | Non-Retirement Plan \$2,500 Retirement Plan \$1,000 |
| Redemption Fee: | 2% within first 60 calendar days |

FIRST QUARTER COMMENTARY

Despite the revival in market sentiment towards the end of the first quarter, equities continued to lose value during the review period. For the quarter ending March 31, 2009, the International Fund declined -13.18%, underperforming the MSCI All Country World ex US Index which fell by -10.71%. The Fund has returned -12.34%, +1.85%, and +2.35% for the trailing three, five, and ten year periods, respectively, as compared to the Fund's benchmark which returned -13.14%, -0.66% and +0.52% for the same periods.

Even when the credit crisis was at its worst last year, it was expected that some areas of the global economy would remain relatively sheltered from the deep recession facing the developed countries. Such hopes have now proved to be unfounded as almost every major economy is either in a recession or has seen a sharp decline in growth rates. Both the World Bank and the IMF now expect global output to decline this year.

Governments of most major countries have responded by providing financial support to large distressed firms and expanding public spending programs. Until private consumption growth revives, public spending will remain the driver of global demand. Meanwhile, central banks have resorted to aggressive monetary easing, and interest rates in many developed economies are now at their historic lows. Though inflation has ceased to be a concern now, prudent central banks will be alert to the potential ill effects of the unprecedented policy measures implemented recently and the resultant expansion in money supply.

The success of these initiatives likely depend on how soon financial markets return to normal and credit flows to businesses and consumers return to healthy levels. Until that happens, aggregate global demand will remain hampered by weak consumer and business spending, despite the impact of stimulus programs. Also, rising fiscal deficits will limit the ability of most governments to undertake further stimulus measures.

The initiatives resulting from the recently concluded G-20 Summit, such as the provision of additional resources to the IMF and the easing of global trade credit availability, have been well received by the markets. While differences about future policy responses remain among the G-20 members, they have broadly agreed to revamp global financial regulations and strengthen financial supervision. The revival of sentiment since the conclusion of the G-20 Summit may serve to stoke the fires of stimulus measures launched by individual countries.

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

The significantly large stimulus programs announced across the major economies will benefit the materials sector stocks, which were beaten down substantially during the previous quarter. Predictably, top performing stocks in the Fund's portfolio during the quarter included **Rio Tinto** (+50.8%), **African Rainbow Minerals** (+24.8%), and **Anglo-Gold Ashanti** (+14.3%), the last of which we added to the portfolio during the quarter.

Expectations of an early economic recovery have lifted energy prices from their recent lows and the Fund's holdings in **Tatneft** (+31.6%), **OMV** (+27.9%) and **Petrobras** (+24.7%) gained value during the quarter.

Considering their stressed capital position and the risk of regulatory overreach, financial stocks continue to underperform. **Aviva Plc** (-45.5%), **United Overseas Bank** (-29.3%), and **Banco Santander** (-20.0%) lost value during the quarter. Japanese stocks **Kao Corporation** (-35.1%), **West Japan Railway** (-30.1%), and **Toyo Suisan Kaisha** (-28.1%) also underperformed as the decline in the Japanese economy was worse than expected.

While governments are focused on reviving demand in the short-term, we believe the structural imbalances that led to this economic downturn need to be addressed to ensure long-term global stability. In our view, the first major long-term risk is the one-dimensional growth models adopted by large countries, which are unsustainable. To rectify this, we believe the export-driven economies will need to take steps to increase domestic consumption and the large consuming countries should aim for more sustainable levels of trade deficits. Also, we believe the large unidirectional capital flows of recent years cannot continue.

In our view, the second major risk is the predictable revival of protectionist tendencies in many countries, as political pressures to address the domestic economic concerns have taken precedence. Yet we believe it would be a mistake to reject globalization and negate the considerable progress made in creating a more open and better-managed global trade environment.

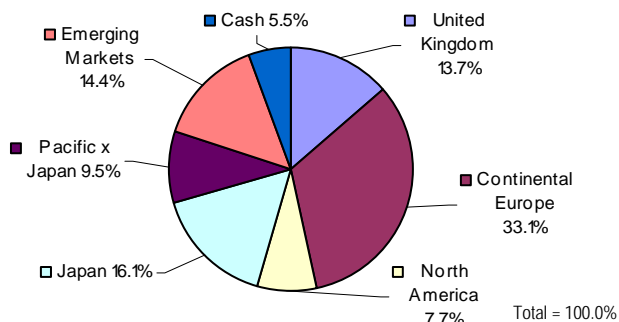
Finally it is our belief that the third significant risk to long-term global financial stability is the increased vulnerability of the U.S. dollar due to higher fiscal deficits and a large increase in money supply. Though the absence of other choices and the self-interest of large reserve holding countries continue to ensure the global preeminence of the U.S. dollar, we believe this tenuous balance will lead to increased friction between countries. While proposals to replace the U.S. dollar as the world's reserve currency with a book currency like the IMF's SDR or an actual currency such as the Euro are premature and likely to be contentious, such a prospect is arguably not inconceivable anymore.

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 global economic recovery, 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.

REGIONAL ASSET ALLOCATION

(As of 3/31/09)





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CAPTURING VALUE WORLDWIDESM

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March 31, 2009

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.

TOP TEN HOLDINGS

(As of 3/31/09)

| Company | Country | Industry | Weight |
|-----------------------------|----------------|-----------------|--------|
| Royal Dutch Shell Plc-B Shs | United Kingdom | Energy | 2.69% |
| Novartis AG | Switzerland | Health Care | 2.53% |
| Teva Pharmaceutical-ADR | Israel | Health Care | 2.27% |
| Imperial Tobacco Group Plc | United Kingdom | Consumer Staple | 2.15% |
| Asahi Breweries Ltd | Japan | Consumer Staple | 2.13% |
| Unilever NV | Netherlands | Consumer Staple | 2.04% |
| ENI Spa | Italy | Energy | 1.88% |
| Shoppers Drug Mart Corp | Canada | Health Care | 1.63% |
| Sanofi-Aventis | France | Health Care | 1.55% |
| Cheung Kong Infrastructure | Hong Kong | Financial Div | 1.48% |

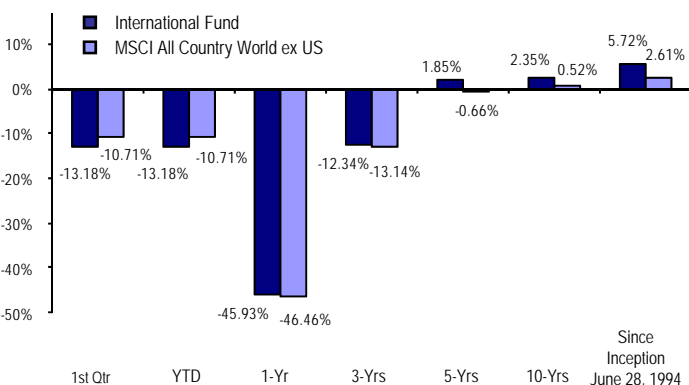
Top 10 Holdings Weight:

20.35%

Total Number of Holdings: 137

AVERAGE ANNUAL RETURNS^{1,2}

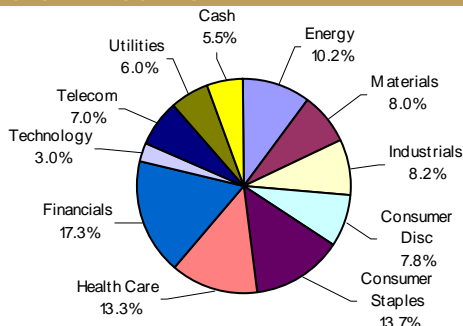
(As of 3/31/09)



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.

SECTOR ALLOCATION

(As of 3/31/09)



MARKET CAP EXPOSURE

| | | |
|----------------------------------|--------|---------------------------|
| Large Cap (over \$15 billion) | 56.34% | Weighted Mean: \$34.17B |
| Mid Cap (\$1.75-\$15 billion) | 39.27% | Weighted Median: \$19.95B |
| Small Cap (under \$1.75 billion) | 4.39% | |

DISTRIBUTED BY

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Fees & Expenses³

| | |
|----------------|-------|
| Advisory Fee | 1.00% |
| Other Expenses | 0.47% |
| Net Expenses | 1.47% |

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. Investing in international markets may involve additional risks, such as social and political instability, market illiquidity, exchange-rate fluctuations, a high level of volatility and limited regulation. 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.thomaswhitefunds.com.

2. The MSCI All Country World ex US Index is a free float-adjusted market capitalization-weighted index of 47 countries, which includes developed and emerging markets. 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 International Fund to the extent that the Fund's total operating expenses exceed 1.50% of the Fund's average daily net assets during the current fiscal year.