

# LIMITED TERM INCOME STRATEGY

QUARTERLY FACT SHEET | 31 DECEMBER 2023

**\$6.7B**

Strategy Assets\*

**1 Feb 93**

Inception Date

**2–4.5**

Years Typical Duration Range

**+/- 1.5%**

Relative Volatility vs. Benchmark

## INVESTMENT STRATEGY

The Strategy employs a flexible and highly active approach to construct a core portfolio of U.S. dollar-denominated short/intermediate investment grade bonds. It is designed for stability, capital preservation and moderate interest rate exposure. The Strategy seeks to drive returns through income and superior relative value issue selection in a dynamically changing fixed income environment.

## PORTFOLIO MANAGERS

**Lon Erickson, CFA**  
Began with firm in 2007.  
Industry experience since 1997.

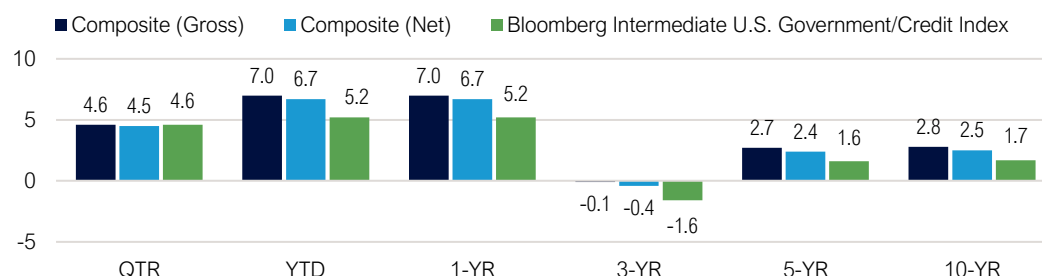
**Jeff Klingelhofer, CFA**  
Began with firm in 2010.  
Industry experience since 2004.

**Christian Hoffmann, CFA**  
Began with firm in 2012.  
Industry experience since 2004.

Supported by the entire  
Thornburg investment team.

## INVESTMENT RESULTS

### ANNUALIZED RETURNS (%)



### CALENDAR YEAR RETURNS (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Composite (Gross)	4.28	1.34	3.99	3.22	1.72	6.26	8.09	-0.33	-6.53	6.99
Composite (Net)	3.89	0.98	3.63	2.89	1.38	5.91	7.74	-0.64	-6.82	6.65
Bloomberg Intermediate U.S. Government/Credit Index	3.13	1.07	2.08	2.14	0.88	6.80	6.43	-1.44	-8.23	5.24
Excess Return (Gross)	1.15	0.27	1.91	1.08	0.84	-0.54	1.66	1.11	1.70	1.75

In US\$ terms. Returns may increase or decrease as a result of currency fluctuations. Periods less than one year are not annualized.

Performance data for the Limited Term Income Strategy is from the Limited Term Income Composite, inception date of 1 February 1993. The Limited Term Income Composite includes all non-wrap discretionary accounts invested in the Limited Term Income Strategy. Returns are calculated using a time-weighted and asset-weighted calculation. Returns reflect the reinvestment of income and capital gains. Periods less than one year are not annualized. Individual account performance will vary. The performance data quoted represents past performance; it does not guarantee future results. Gross of fee returns are net of transaction costs. Net of fee returns are net of transaction costs and investment advisory fees. For periods prior to 2011, net returns for some accounts in the composite also reflect the deduction of administrative expenses. Thornburg Investment Management Inc.'s fee schedule is detailed in Part 2A of its ADV brochure. Performance results of the firm's clients will be reduced by the firm's management fees. For example, an account with a compounded annual total return of 10% would have increased by 159% over ten years. Assuming an annual management fee of 0.75%, this increase would be 142%.

## STRATEGY PROFILE

### BENCHMARK

Bloomberg Intermediate Government/Credit Bond Index

### ESTMENT UNIVERSE

U.S. Intermediate Duration Fixed Income

### AVERAGE VOLATILITY

2.25%

### ISSUER RANGE

200–700

### ISSUER LIMIT

0-5% (other than securities issued or guaranteed by the U.S. government or any of its agencies or instrumentalities)

### CREDIT QUALITY

All purchases must be investment grade (at the time of purchase). Minimum 65% single A and higher at time of purchase

### MATURITY

Normally a dollar-weighted average of less than five years

### CASH EXPOSURE

0-10% (under normal market conditions)

## AVAILABLE VEHICLES

Separate Accounts  
U.S. Mutual Fund  
UCITS  
Retail Managed Accounts

\*Includes U.S. Mutual Fund, UCITS, Separate Accounts and Institutional Accounts.

## PORTFOLIO CHARACTERISTICS

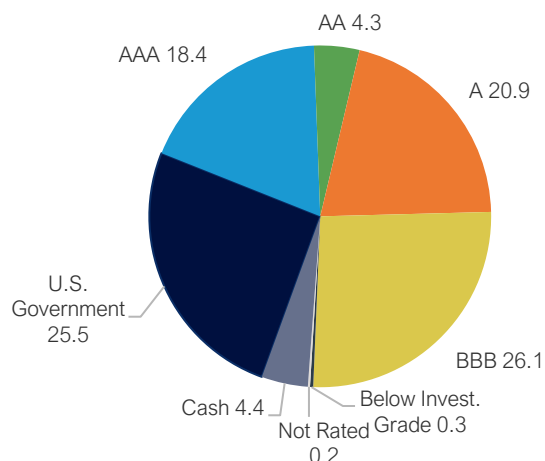
### PORTFOLIO STATISTICS

	REP. ACCT.
Weighted Average Coupon	3.1%
Weighted Average Price	\$93.3
Average Effective Maturity	4.6 Yrs
Average Effective Duration	3.5 Yrs
Average Credit Quality	A+
Number of Countries	23

### ASSET CLASS (%)

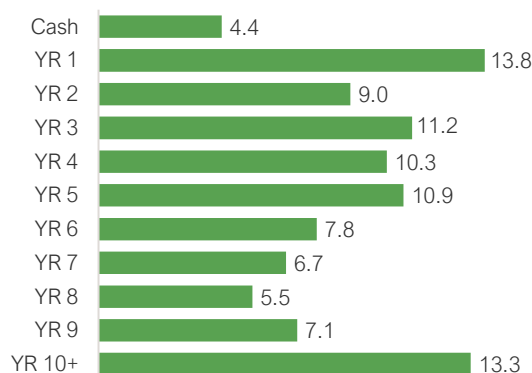
	REP. ACCT.
Corporate	40.6
CMO	17.3
ABS	14.3
U.S. Treasury	14.0
Mortgage Pass Through	7.0
CMBS	1.4
Preferred Stock	0.4
Agency Debenture	0.3
Municipal Bonds	0.3
Non-U.S. Treasury	0.1
Cash & Cash Equivalents	4.4

### CREDIT QUALITY RATINGS (%)†



† A bond credit rating assesses the financial ability of a debt issuer to make timely payments of principal and interest. Ratings of AAA (the highest), AA, A, and BBB are investment grade quality. Ratings of BB, B, CCC, CC, C and D (the lowest) are considered below investment grade, speculative grade, or junk bonds. Credit quality ratings use the highest rating available from either S&P Global Ratings or Moody's Investors Service. Where neither rating is available, we have used ratings from other nationally recognized statistical rating organizations (NRSROs). "NR"= Not Rated.

### MATURITY BREAKDOWN (%)



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\*\*Includes assets under management (\$41.8B) and assets under advisement (\$1.1B).

## IMPORTANT INFORMATION

Source: FactSet, and Thornburg.

Unless otherwise noted, all data is as of 31 December 2023.

Cash may also include cash equivalents and currency forwards. Portfolio characteristics are derived using currently available data from independent research resources that are believed to be accurate. Portfolio attributes can and do vary. Diversification does not assure or guarantee better performance and cannot eliminate the risk of investment losses.

Investments in the Strategy carry risks, including possible loss of principal. Carefully consider the Strategy's investment objectives, risks, and expenses before investing. There is no guarantee that the Strategy will meet its investment objectives.

This material may contain "forward-looking statements" such as prospects or expectations that are based on Thornburg's views and assumptions and are subject to known or unknown risks and uncertainties. Actual events or results or the actual performance of a product or service may differ significantly from those expressed or implied in such forward-looking statements. No reliance should be placed on forward-looking statements.

Portfolio holdings and characteristics shown herein are from a representative account managed within the investment composite. The representative account is selected based on account characteristics that Thornburg believes accurately represent the investment strategy as a whole. Should these characteristics change materially, Thornburg may select a different representative account. Holdings may change daily and may vary among accounts, which may contribute to different investment results.

The Bloomberg Intermediate US Government/Credit Total Return Index Value Unhedged is an unmanaged, market-weighted index generally representative of intermediate government and investment-grade corporate debt securities having maturities from one up to ten years.

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Portfolio construction will have significant differences from that of a benchmark index in terms of security holdings, industry weightings, asset allocations and number of positions held, all of which may contribute to performance, characteristics and volatility differences. Investors may not make direct investments into any index.

Duration - A bond's sensitivity to interest rates. Bonds with longer durations experience greater price volatility than bonds with shorter durations.

Average credit quality is a weighted average of all credit ratings in the portfolio. The average is calculated by Thornburg Investment Management, Inc. using NRSRO ratings. Unrated securities are assigned a value below C and above D. Cash and U.S.-backed securities are given a value equivalent to AAA.

Asset-backed Security (ABS) - A security whose value and income payments are derived from and collateralized (or "backed") by a specified pool of underlying assets. The pool of assets is typically a group of small and illiquid assets that are unable to be sold individually. Pooling the assets into financial instruments allows them to be sold to general investors, a process called securitization, and allows the risk of investing in the underlying assets to be diversified because each security will represent a fraction of the total value of the diverse pool of underlying assets.

Collateralized Mortgage Obligation (CMO) - A type of mortgage-backed security that creates separate pools of pass-through rates for different classes of bondholders with varying maturities, called tranches. The repayments from the pool of pass-through securities are used to retire the bonds in the order specified by the bonds' prospectus.

Commercial Mortgage-backed Securities (CMBS) - A type of mortgage-backed security backed by commercial mortgages rather than residential real estate. CMBS tend to be more complex and volatile than residential mortgage-backed securities due to the unique nature of the underlying property assets. CMBS issues are usually structured as multiple tranches, similar to collateralized mortgage obligations, rather than typical residential pass-throughs.

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