

Thornburg Investment Income Builder Fund

Portfolio Manager Commentary

30 June 2025



This note will highlight the results of the Thornburg Investment Income Builder Fund for Q2'2025. It is published amidst the ongoing developments associated with the Russian war with Ukraine, ongoing inflation concerns in the U.S., Mideast violence, and significant government policy changes in the U.S. and elsewhere that are altering global trade and financial flows. Most equity indices worldwide delivered positive returns in the June quarter. Returns from bonds in the U.S. were positive.

Thornburg Investment Income Builder Fund paid ordinary dividends of \$0.273 per I share during Q2'2025, flat versus Q2'24. For the trailing 12 months your fund paid ordinary dividends of \$1.24 per I share, +3.4% vs the prior year comparable period. The dividends per share were lower for A and C shares, to account for varying class specific expenses. Your fund also paid capital gains dividends as follows in Q4'24: short-term capital gains of 5.5¢/share and long-term capital gains of 16.6¢/share. Including the capital gains dividends, trailing 4 quarter dividends of \$1.46 per I share were +21.7% vs the dividend of \$1.20 per share for the 4 quarters ending June 30, 2024.

Approximately 90% of the dividends paid by your fund in 2024 were characterized as "Qualifying Dividends" for federal income tax purposes, leading to a lower tax rate on these payments. More than 80% of your Investment Income Builder's equity holdings increased dividends *in local currencies* in 2024, a slightly higher percentage compared to the prior year. A stronger \$US was a headwind to your fund's dividend growth in calendar 2024. A weaker \$US should be a tailwind this year. Other factors may impact the distributable cash total.

The net asset value of Investment Income Builder's I shares increased by +\$4.71 per share (\$25.55 to \$30.26) over the trailing 12 months and increased by \$2.47 per share (\$27.79 to \$30.26) during the June quarter. Your fund's 6/30/25 net asset value was reduced by the aforementioned 22¢/share capital gains dividends paid in Q4'24.

We have maintained your portfolio's exposure to dividend-paying firms that we believe have resilient businesses with strong capital structures.

Portfolio Managers

Matt Burdett

Head of Equities
Portfolio Manager

Christian Hoffmann, CFA

Head of Fixed Income
Portfolio Manager

Brian McMahon

Chief Investment Strategist and
Portfolio Manager

Supported by the entire Thornburg investment team

Average Annual Returns (% , as of 30 Jun 2025)

	QTR	YTD	1-YR	3-YR	5-YR	10-YR	ITD
A Shares TIBAX (Incep: 24 Dec 2002)							
With Sales Charge	4.94	14.11	19.14	15.98	14.41	7.95	9.40
Without Sales Charge	9.89	19.51	24.73	17.78	15.47	8.45	9.62
I Shares* TIBIX (Incep: 3 Nov 2003)	9.92	19.63	24.99	18.05	15.74	8.73	9.96
Investment Income Builder Blended Index	8.86	8.17	13.73	14.30	10.70	8.56	8.12

ITD = Inception to Date

Periods less than one year are not annualized.

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

The Blended index is composed of 25% Bloomberg U.S. Aggregate Bond Index and 75% MSCI World Index.

30-day SEC Yield as of 31 May 2025 – A shares: 2.67%; I shares: 3.03%

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, 1.17%; I shares, 0.93%. For more detailed information on fund expenses and waivers/reimbursements please see the fund's prospectus.

This communication is not authorized for distribution to prospective investors in the Fund unless preceded or accompanied by an effective prospectus.

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Investment Income Builder's I share return of 9.92% for Q2'2025 exceeded the blended benchmark return of 8.86% for the June quarter (the blended benchmark is 75% MSCI World Index and 25% Bloomberg U.S. Aggregate Bond Index). For the 12-month period ending June 30, 2025, Income Builder's I share return of 24.99% exceeded the blended benchmark return of 13.73%. Performance comparisons of Investment Income Builder to its blended benchmark over various periods are shown elsewhere on thornburg.com.

The quarter ending June 30, 2025, was the 90th full calendar quarter since the inception of Thornburg Investment Income Builder in December 2002. In 66 of these quarters the fund delivered a positive total return. The fund has delivered positive total returns in 17 of its 22 calendar years of existence. Importantly, for an investor reinvesting dividends Thornburg Investment Income Builder has delivered an average annualized total return of more than 9.5% since its inception 22.5 years ago, split between quarterly income distributions and share price appreciation. On a \$100,000 initial investment a hypothetical investor owning Thornburg Investment Income Builder A shares and taking all ordinary dividends in cash (no reinvestment of quarterly dividends) would have received total cash dividends of \$189,644 over these 90 quarters. In addition, the current value of the original investment stood at \$270,991 as of June 30, 2025.

Listed at right in descending order are the 25 largest equity holdings in the fund as of June 30, 2025, along with their share price changes in \$US for H1'2025 and calendar year 2024. Also noted are dividend yields at closing June 30, 2025, stock prices and the trailing 5-year growth rate of each firm's dividend/share in local currency. Together, these 25 firms comprised approximately 65% of the fund's total assets as of June 30, 2025. Cash and more than 240 interest-bearing debt and hybrid securities comprised around 16% of fund assets, and 32 other common equities comprised a total of approximately 19% of fund assets. Individual position sizes of the 25 equities listed range from 6% of

Table 1 | Investment Income Builder Fund—Top 25 Equity Holdings

(As of 30 Jun 2025. Together, these 25 firms comprised approximately 65% of the fund's total assets. Cash & more than 240 interest-bearing debt and hybrid securities comprised around 16% of fund assets, and 32 other common equities comprised a total of approximately 19% of fund assets.)

Name of Company	2025 YTD	2024 Share Price % Change (USD)	Dividend Yield (at 30 Jun 2025 price)	5 Year Local Currency Dividend Growth Rate
Orange SA	52.5%	-12.6%	5.81%	+4.6%/year
Multi-national telecommunications network operator, home market is France Telecom				
Broadcom Inc	18.9%	107.7%	0.85%	+13.1%/year
Develops and markets digital and analogue specific semiconductors				
AT&T Inc.	27.1%	35.7%	3.88%	-11.6%/year
U.S. based wireless & wireline services. 113 million wireless, 14 million broadband customers				
BNP Paribas	46.5%	-11.5%	6.28%	+9.1%/year
Multinational commercial & capital markets bank. Most operations centered in Europe				
Taiwan Semiconductor	10.6%	69.0%	1.70%	+12.3%/year
Leading semiconductor chip foundry in the world, fabricating chips used in many digital devices				
NN Group	52.5%	10.1%	6.10%	+11.4%/year
Netherlands based life and casualty insurer, with market leading positions in Netherlands				
Citigroup	20.9%	36.8%	3.15%	+2.2%/year
U.S. based global capital markets & retail bank and treasury services provider				
Enel SpA	32.4%	-3.9%	5.34%	+7.5%/year
Generates, distributes, and sells electricity and gas in Spain & Latam				
Total Energies SE	11.0%	-19.0%	6.18%	+3.7%/year
Produces, refines, transports, and markets oil and natural gas products globally				
Tesco PLC	19.4%	24.4%	3.41%	+3.4%/year
UK based food and general merchandise retailer				
Endesa	47.2%	5.2%	4.90%	-2.2%/year
Generates, distributes, and sells electricity and gas in Spain & Latam				
Merck & Co.	-20.4%	-8.7%	3.61%	+6.4%/year
Global health care company develops and sells medicines, vaccines, biologic therapies.				
Vodafone Group	24.8%	-2.3%	4.85%	-13.0%/year
Multinational telecom network operator. 255 million wireless, 18 million broadband customers				
Samsung Electronics	22.3%	-40.7%	2.42%	+0.5%/year
Manufactures consumer & industrial electronic products, leading semiconductor producer				
BAE Systems	80.0%	1.4%	1.75%	+7.3%/year
Defense and aerospace systems manufacturer				

Table continued on following page.

fund assets (Orange) to approximately 1.1% for those shown near the bottom of the list.

These are not trivial businesses. These firms occupy important positions in their respective markets. They tend to be well capitalized. Most have made reasonable progress growing their bases of paying customers and distributable cash flows to support multi-year dividend growth.

The reader will notice a number of telecommunications, financial, and health care firms among these top 25 holdings, as well as other providers of various ingredients important to modern life. We believe their attractive current dividend yields and records of dividend growth indicate good value.

We have maintained your portfolio's exposure to dividend paying firms that we believe have resilient businesses with strong capital structures. The recent increase in communications services sector investments was mostly due to the price appreciation of Orange, AT&T, KPN, and Zegona Communications in recent quarters. Compare the sector allocations of the equities in the Income Builder portfolio over the trailing year in **Table 2**.

The value of the \$US vis-à-vis most developed market foreign currencies appreciated almost 6% in 2024. The 2024 gain in the \$US value was reversed in H1'2025. As in prior years, we hedged a significant percentage of the foreign currency exposure of the underlying businesses of your portfolio's non-\$US investments. Your fund's currency hedges were a headwind to performance in Q2'2025.

Nine of eleven sectors of the MSCI World Equity Index delivered positive returns in \$US for Q2'25. Sector returns for the quarter ranged from around +22% for the information technology energy sector to -4% for the health care sector. The

Table 1 (continued)

Name of Company	2025 YTD	2024 Share Price % Change (USD)	Dividend Yield (at 30 Jun 2025 price)	5 Year Local Currency Dividend Growth Rate
Bank of Ireland Group	56.0%	0.2%	4.63%	+29.1%/year
Diversified financial services provider serving Ireland and UK customers				
Equitable Holdings	18.9%	41.6%	1.84%	+9.9%/year
Financial services, insurance, and savings products company				
Zegona Communications	84.0%	121.6%	0.00%	N/A
Startup company that acquired Vodafone Espana from Vodafone PLC in 2024				
CME Group	18.7%	10.3%	3.96%	+13.4%/year
Operates exchanges that trade futures contracts & options on rates, F/X, equities, commodities				
Pfizer Inc.	-8.6%	-7.8%	6.48%	+3.0%/year
Global health care company develops and sells medicines, vaccines, biologic therapies.				
AstraZeneca plc	5.9%	-3.1%	2.42%	+2.0%/year
Global health care company develops and sells medicines.				
DHL Group	30.6%	-28.8%	4.71%	+10.0%/year
Global freight and parcel delivery service				
KPN NV	33.7%	5.4%	4.11%	+6.3%/year
Netherlands telecommunications services provider				
Home Depot	-5.7%	12.2%	2.51%	+10.1%/year
Home improvement & building materials retailer.				
TC Energy	4.8%	30.4%	5.26%	+2.2%/year
North American energy transport and storage infrastructure assets & power generation.				

Past performance does not guarantee future results.

Table 2 | Investment Income Builder Fund Sector Weights (%)

Sector	Sector Weights as of:					Jun '24–Jun '25 +/- Weighting
	30-Jun-25	31-Mar-25	31-Dec-24	30-Sep-24	30-Jun-24	
Financials	24.7%	23.0%	22.8%	22.8%	22.8%	+1.9%
Communications Services	21.2%	22.1%	18.6%	18.8%	17.7%	+3.5%
Information Technology	13.8%	11.3%	15.4%	13.8%	14.1%	-0.3%
Health Care	9.4%	11.6%	11.4%	11.8%	11.9%	-2.6%
Energy (Diversified)	8.7%	9.4%	9.3%	10.4%	10.8%	-2.1%
Utilities	9.0%	9.6%	8.1%	7.5%	7.5%	+1.5%
Industrials	4.8%	4.0%	3.5%	2.9%	2.9%	+1.9%
Consumer Staples	3.8%	3.9%	4.4%	4.4%	4.0%	-0.2%
Materials	2.5%	2.7%	3.4%	5.0%	5.2%	-2.7%
Consumer Discretionary	1.9%	2.1%	2.2%	2.4%	2.7%	-0.8%
Real Estate	0.2%	0.3%	0.3%	0.4%	0.4%	-0.2%

May not add up to 100% due to rounding.

MSCI World Equity Index comprises 75%, and the entire equity portion, of the global performance benchmark for Thornburg Investment Income Builder.

Twenty six equity investments contributed positive returns of at least 0.10% to overall Income Builder Fund portfolio performance during Q2'2025. The most positive equity contributors to quarterly performance included information technology firms Broadcom, Cisco, Samsung and Taiwan Semiconductor; telecommunications network operators Orange, Vodafone, KPN, Singapore Telecommunications and Zegona Communications; European financials BNP Paribas, NN Group, Bank of Ireland, and Axa; U.S. financials Citigroup and Equitable Holdings; utilities Enel, Endesa, Engie and E.ON; UK grocer Tesco, freight transport firm DHL Group, and defense contractor BAE Systems.

Five of your fund's equity investments made negative contributions to portfolio performance of less than -0.10% during Q2'2025. These negative contributors to quarterly performance included pharmaceutical firms Merck and Roche, energy producers Total Energies and Petrobras, and chemicals producer LyondellBasell.

Investment Income Builder's bond holdings delivered positive returns during Q2'2025. Ten-year U.S. Treasury bond yields increased marginally from 4.21% to 4.22% in the quarter, after rising from 3.88% to 4.57% during calendar 2024. Corporate and asset-backed bond yield spreads to U.S. Treasury bonds tightened in Q2'25. The market yield of the Bloomberg U.S. Corporate High Yield Index decreased from 7.72% to 7.06% during the June quarter (yield to lower of call price or maturity). On June 30, 2025, the \$73 trillion Bloomberg Global Aggregate Bond Index showed an average maturity of 8.4 years and a yield of 3.5%, the latter decreasing by -0.1% over the June quarter and -0.4% for the trailing year. Developed world bond yields outside the U.S. are mostly below those available in the U.S. market.

Readers of this commentary who are long-time shareholders of Thornburg Investment Income Builder will recall that the interest-bearing debt portion of the fund's portfolio has varied over time, ranging from less than 9% in 2015 to 45% on June 30, 2009. We tend to allocate more portfolio assets to interest-bearing debt when debt yields are more attractive. Approximately 16% of portfolio assets were invested in interest-bearing debt and near cash assets on June 30, 2025. The remaining 84% of portfolio assets were invested in equities as previously described.

The outlook for financial asset returns remains uncertain. Earnings and other valuation multiples for most segments of the U.S. equity market are above historic averages. The "real" yield on the 10-year U.S. Treasury note (*June 30 market yield on 10-year UST of 4.22% minus the May core consumer price index of 2.8%*) is positive at +1.42%. After making a significant recovery from the negative real yields of recent years, this positive real yield is below levels typically experienced over the investment lifetimes of most readers of this note. The average "real yield" on 10-year U.S. Treasury notes over the last 30 years was +1.7%. Price inflation in the U.S. is approaching Federal Reserve targets, making policy rate cuts probable. Recent progress to reach the Fed's inflation targets has been difficult to achieve, complicated by uncertainty around tariffs. A large supply of new government debt being issued plus ongoing corporate borrowing present challenges to further reductions in longer maturity bond yields unless the U.S. economy weakens considerably in the coming quarters.

Incoming economic data from around the world indicate an uncertain global economy in the face of evolving U.S. trade policies, so far resisting falling into a recession. There are clear indications that global trade flows will be significantly altered by new U.S. trade policies. Winners and losers among multi-national producers of tradeable goods will become obvious in time, but the current outlook for many global businesses is uncertain. Prices of traded financial assets will be volatile with day-to-day news changing perceptions of near-term economic performance, interest rate policies, and political decisions. We are optimistic about the future return potential of Thornburg Investment Income Builder's assets. Why?

Virtually all the businesses in your portfolio retain their market positions providing important products and services that generate cash flows to pay attractive dividends, today and in the future. We believe they are valued very attractively in relation to their own histories and relative to other assets.

The weighted average 2025 consensus expected price/earnings ratio for Thornburg Investment Income Builder's equity portfolio, tabulated using Bloomberg data, was approximately 14.1x as of June 30, 2025, well below the 19.8x price/earnings ratio of the MSCI All Country World equity index using 2025 expected EPS. Income Builder's 4.1% weighted average equity portfolio dividend yield significantly exceeds the 1.8% dividend yield of the MSCI Index. We believe your Income Builder portfolio incorporates sig-

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nificant intrinsic value. The bond portion of your fund's portfolio has a duration of approximately 4.2 years and a yield to maturity/call of approximately 7%.

Thank you for being a shareholder of Thornburg Investment Income Builder Fund. Remember that you can review additional information about your portfolio by going to 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 30 Jun 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. Portfolios investing in bonds have the same interest rate, inflation, and credit risks that are associated with the underlying bonds. The value of bonds will fluctuate relative to changes in interest rates, decreasing when interest rates rise. 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.

There is no guarantee that the Fund will meet its investment objectives.

Class I shares may not be available to all investors. Minimum investments for the I share class may be higher than those for other classes.

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.

Neither the payment of, or increase in, dividends is guaranteed.

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.

Consumer Price Index (CPI) - Index that measures prices of a fixed basket of goods bought by a typical consumer, including food, transportation, shelter, utilities, clothing, medical care, entertainment and other items. The CPI, published by the Bureau of Labor Statistics in the Department of Labor, is based at 100 in 1982 and is released monthly. It is widely used as a cost-of-living benchmark to adjust Social Security payments and other payment schedules, union contracts and tax brackets. Also known as the cost-of-living index.

Dividend Yield - A ratio that shows how much a company pays out in dividends each year relative to its share price.

Earnings per Share (EPS) - The total earnings divided by the number of shares outstanding.

Price/Cash Flow - The measure of the market's expectations regarding a firm's future financial health. It is calculated by dividing price per share by cash flow per share.

P/E - Price/Earnings ratio (P/E ratio) is a valuation ratio of a company's current share price compared to its per-share earnings. P/E equals a company's market value per share divided by earnings per share. Forecasted P/E is not intended to be a forecast of the fund's future performance.

Real Yield - Yield from an investment adjusted for the effects of inflation.

UST = United States Treasury

The Blended index is composed of 25% Bloomberg U.S. Aggregate Bond Index and 75% MSCI World Index. The Bloomberg U.S. Aggregate Index (BBG US Agg TR Value) is composed of approximately 8,000 publicly traded bonds including U.S. government, mortgage-backed, corporate and Yankee bonds. The MSCI World Index is an unmanaged market-weighted index that consists of securities traded in 23 of the world's most developed countries. Securities are listed on exchanges in the U.S., Europe, Canada, Australia, New Zealand, and the Far East. The index is calculated with net dividends reinvested, in U.S. dollars.

The Bloomberg US Corporate High Yield Index measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below. The index excludes emerging market debt.

The Bloomberg Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

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The MSCI All Country World Index (ACWI) is an unmanaged market-weighted index that consists of securities traded in 23 of the world's most developed countries. Securities are listed on exchanges in the U.S., Europe, Canada, Australia, New Zealand, and the Far East. The index is calculated with net dividends reinvested in U.S. dollars.

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.

This communication is not authorized for distribution to prospective investors in the Fund unless preceded or accompanied by an effective prospectus. Investors should consider the Fund's investment objectives, risks, charges and expenses carefully before investing. The prospectus contains this and other information about the Fund.

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