

# SHORT DURATION MUNICIPAL STRATEGY

QUARTERLY FACT SHEET | 31 MARCH 2024

**\$126.4M**

Total Strategy Assets\*

**1 Apr 14**

Inception Date

**AA-**

Average Credit Quality

**1–2.5**

Years Typical Duration Range

## INVESTMENT STRATEGY

The Strategy is an actively managed diversified portfolio of municipal bonds with an average maturity of less than 5 years and average duration range of 1.0 to 2.5 years. All bonds are investment grade at time of purchase. The Strategy applies a relative value framework, focusing on fundamentals and valuations to identify inefficiencies in the market. Team members are responsible for credit research, portfolio construction, trading, and risk oversight and have the flexibility to source ideas across sector, geography, and issuer. The Strategy maintains exposure across the maturity spectrum in order to manage duration, hedge against interest rate fluctuations, and limit taxable events.

## PORTFOLIO MANAGERS

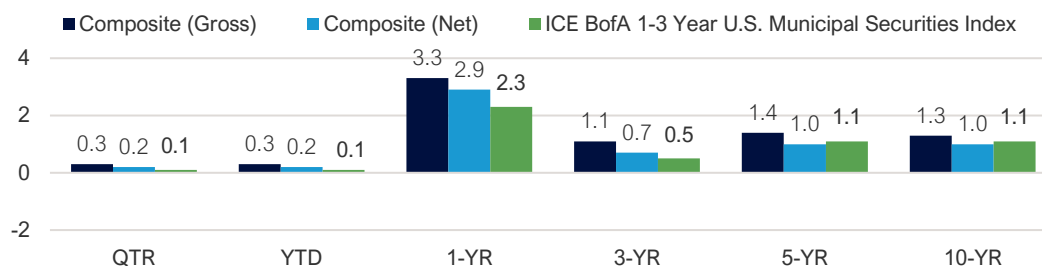
**David Ashley, CFA**  
Began with firm in 2011.  
Industry experience since 2008.  
Supported by the entire Thornburg investment team.

**Eve Lando, JD**  
Began with firm in 2019.  
Industry experience since 2001.

**John Bonnell, CFA**  
Began with firm in 2021.  
Industry experience since 1989.

## INVESTMENT RESULTS

### ANNUALIZED RETURNS (%)



### CALENDAR YEAR RETURNS (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Composite (Gross)	0.74	0.72	1.60	1.68	2.73	1.66	0.44	-1.48	4.27
Composite (Net)	0.34	0.38	1.25	1.33	2.37	1.34	0.09	-1.84	3.89
ICE BofA 1-3 Year U.S. Municipal Securities Index	0.76	0.33	0.99	1.76	2.88	2.16	0.34	-2.03	3.35
Excess Return (Gross)	-0.02	0.39	0.61	-0.08	-0.15	-0.50	0.10	0.55	0.92

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 Short Duration Municipal Strategy is from the Short Duration Municipal Composite, inception date of 1 April 2014. The Short Duration Municipal Composite includes all non-wrap discretionary accounts invested in the Short Duration Municipal 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

ICE BofA 1-3 Years U.S. Municipal Securities Index

### eVESTMENT UNIVERSE

U.S. Municipal Fixed Income – Short Duration

### MATURITY

Dollar-weighted average maturity normally <5 years  
Maximum Bond Maturity: 5 yrs

### DURATION

Dollar-weighted average duration is normally <5 years  
Average duration range: 1–2.5 years

### CREDIT QUALITY

All purchases must be investment grade at the time of purchase.  
Average credit quality: A to AA+

### HOLDINGS INFORMATION

15-30 bonds (account size dependent)  
0-5% individual position limit

### EXPECTED TURNOVER RANGE

No minimum or maximum  
Average annual range: 15-40%

### CASH EXPOSURE

0-10% (under normal market conditions)  
Average range: 1–3%

### ISSUER EXPOSURE

0-5%

### SECTOR EXPOSURE

There is no stated limit.  
However, under normal market conditions, no more than 25% of the portfolio will be invested in any one sector.

### INDUSTRY EXPOSURE

There is no stated limit.  
However, under normal market conditions, no more than 25% of the portfolio will be invested in any one industry.

## AVAILABLE VEHICLES

Separate Accounts  
U.S. Mutual Fund  
Retail Managed Accounts

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

## PORTFOLIO CHARACTERISTICS

### PORTFOLIO STATISTICS

	REP. ACCT.
Weighted Average Coupon	4.3%
Weighted Average Price	\$100.9
Average Effective Maturity	1.8 Yrs
Average Effective Duration	1.4 Yrs
Average Credit Quality	AA-

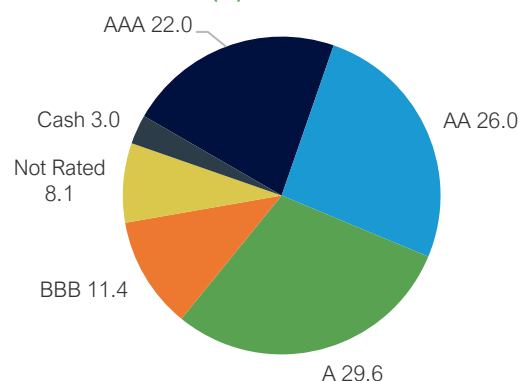
### TOP TEN SECTORS (%)

Multi-Family	22.8
Industrial Development/Pollution Control	13.6
Hospital	11.4
School District General Obligation	8.7
Gas	6.9
Local General Obligation	5.4
Public Power	4.3
Lifecare	3.4
Higher Education	3.2
Toll Road	2.7

### TOP TEN STATES (%)

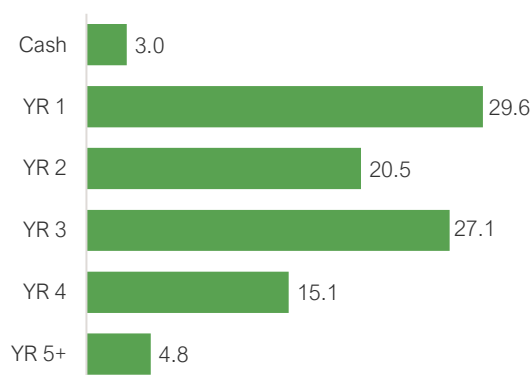
Texas	13.8
Wisconsin	8.6
Illinois	8.3
Florida	6.4
Georgia	6.0
Pennsylvania	5.9
Kentucky	4.2
New York	3.1
Indiana	2.9
Tennessee	2.9

### 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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The PRI is the world's leading proponent of responsible investment. It works to understand the investment implications of environmental, social and governance (ESG) factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.

\*\*Includes assets under management (\$43.2B) and assets under advisement (\$1.1B).

## IMPORTANT INFORMATION

Source: FactSet, and Thornburg.

Unless otherwise noted, all data is as of 31 March 2024.

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.

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 ICE BofA 1-3 Year U.S. Municipal Securities Index is a subset of the ICE BofAML U.S. Municipal Securities Index including all securities with a remaining term to final maturity less than 3 years.

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.

Weighted Average Coupon is a weighted average of the underlying coupon interest rates of mortgage loans or other loans backing asset-backed securities or mortgage-backed securities, as of the issue date, using the balance of each mortgage as the weighting factor.

Average price is the mean price of an asset or security observed over some period of time. It is calculated by finding the simple arithmetic average of closing prices over a specified time period.

Average Effective Maturity – Weighted average of the effective maturities of the bonds in a portfolio. Effective maturity incorporates the embedded option features of the bond, such as prepayments, call and put options.

Effective Duration – A bond's sensitivity to interest rates, incorporating the embedded option features, such as call provisions. 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.

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