

2024



Thornburg Investment Management **Limited Term Income Fund**

Philosophy, Process, and Performance

TP1022

*All data in this presentation is as of 31 March 2024 unless otherwise noted.
For more information please visit: [https://www.thornburg.com/limited term investment](https://www.thornburg.com/limited-term-investment)*

THORNBURG LIMITED TERM INCOME FUND

Firm Overview

Fund Overview
& Team

Philosophy &
Process

Risk
Management

Performance &
Results

Fund Overview

Investment Strategy

The Fund employs a flexible and highly active approach in pursuit of the following outcome:

- Returns consistent with core bond strategies while employing less volatility.
- Low to negative correlation with riskier asset classes such as equities.
- A focus on income consistent with the preservation of capital.

Investment Approach

The investment team focuses primarily on bottom-up analysis through individual security selection.

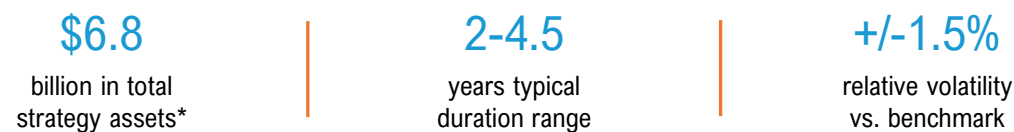
A top-down macro analysis helps the team manage risks related to interest rates, yield curve positioning, and sector allocation.

While each team member has a specialty, they are responsible for understanding relative value across the fixed income spectrum.

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

INCEPTION DATE	LIMITS
1 October 1992	<ul style="list-style-type: none"> ▪ Issuer: 0-5% (other than securities issued or guaranteed by the U.S. government) ▪ 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 less than five years
BENCHMARK	
Bloomberg Intermediate Government/Credit Bond Index	

Strategy Profile



Global Fixed Income Team

Each team member brings an area of specialization and actively collaborates as generalists to research and assess investment opportunities across all strategies

A team purposefully assembled to be flat and collaborative in nature



Christian Hoffmann, CFA
Portfolio Manager
Below IG Corporates
19 years experience



Lon Erickson, CFA
Portfolio Manager
IG Corporates
26 years experience



Jeff Klingelhofer, CFA
Co-Head of Investments
Portfolio Manager
Securitized Credit
19 years experience



David Musolf, CFA
Portfolio Manager
Liquidity Operations
25 years experience



Ali Hassan, CFA, FRM
Portfolio Manager
Below IG Corporates
19 years experience



Brian Crider
Fixed Income Analyst
IG Corporates
15 years experience



Chris Battistini, CFA
Senior Fixed Income Analyst
Securitized Credit
25 years experience



Ayman Ahmed
Associate Portfolio Manager
Emerging Market Debt
11 years experience



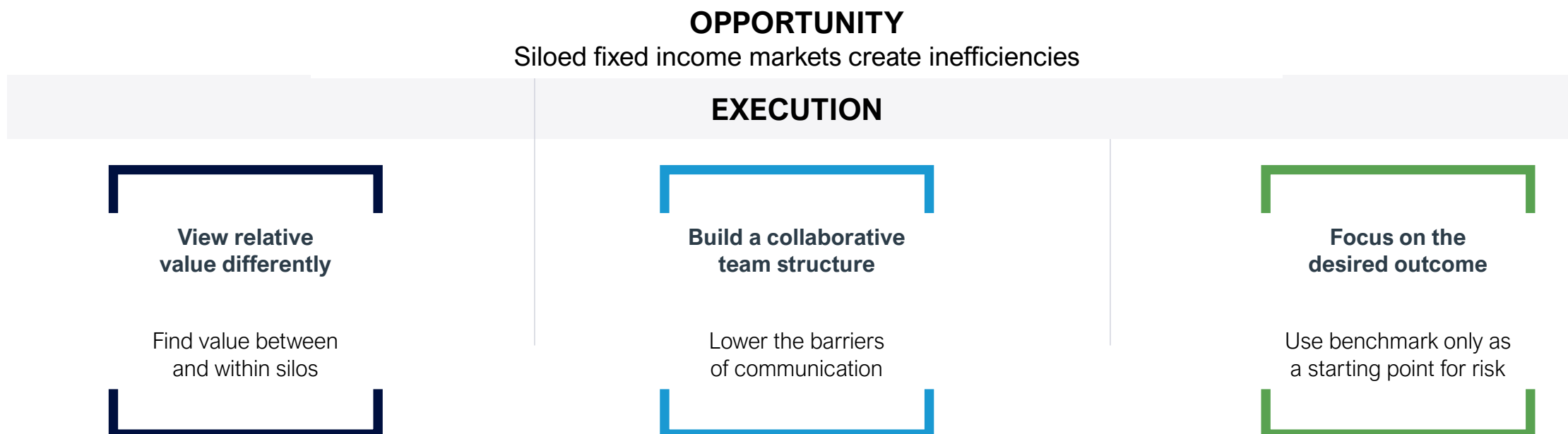
Arzoo Mulla, CFA
Fixed Income Trade Associate
7 years experience



Patrick Dempsey
Fixed Income Analyst
Securitized Credit
4 years experience

Investment Philosophy

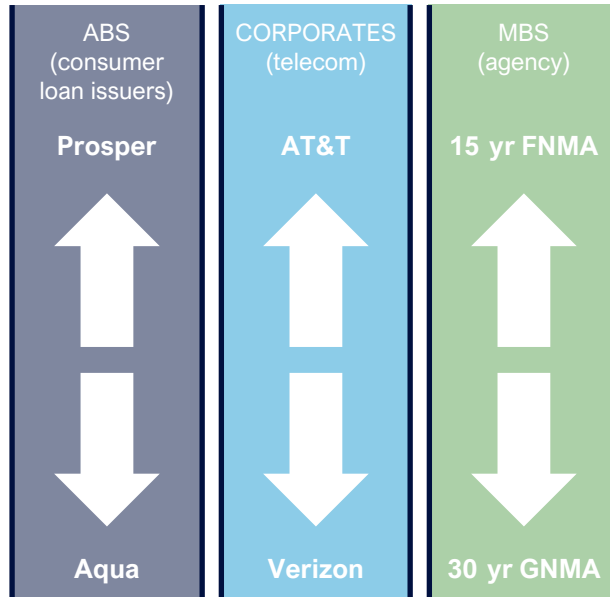
Due to the siloed nature of fixed income analysis, markets are inefficient with respect to the assessment of risk and reward



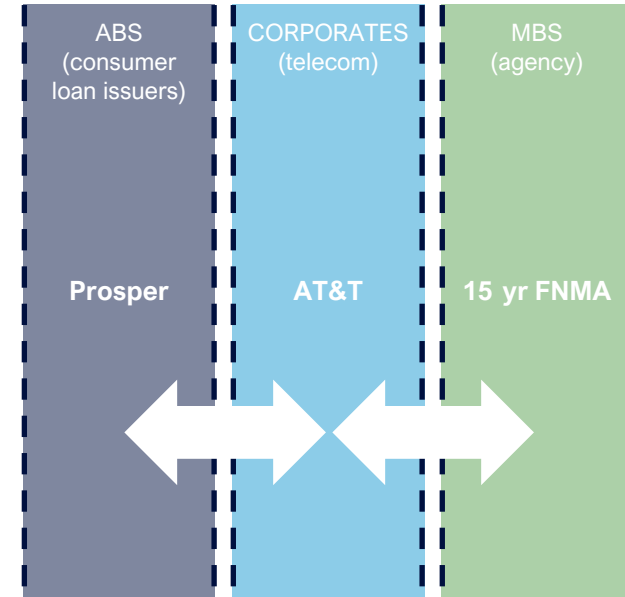
Investment Process: Finding Value between the Silos

Uncovering relative value within and across sectors and structures is an essential element of our process

**TRADITIONAL
SECURITY ANALYSIS
& SELECTION**
(within silos)



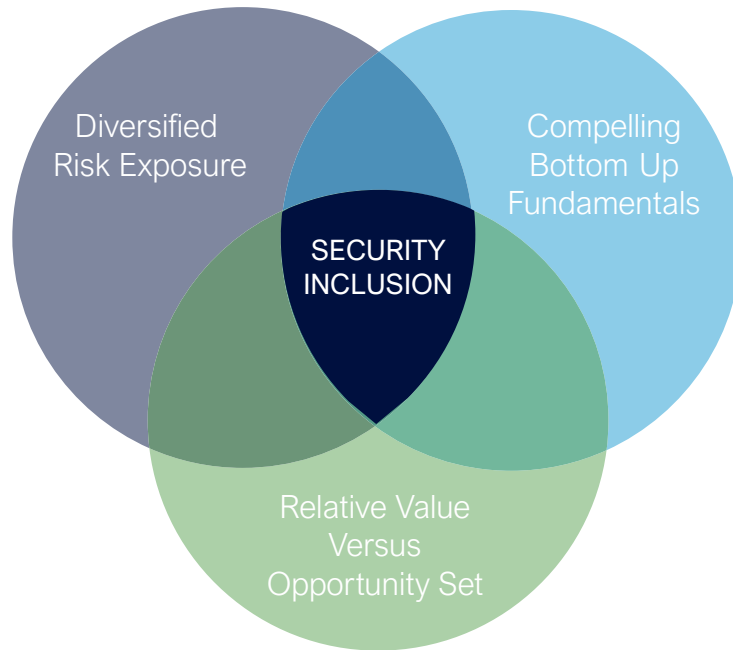
**THORNBURG
ADVANTAGE**
(across silos)



The securities mentioned are for illustration purposes only. Under no circumstances does the information contained within represent a recommendation to buy or sell any security. It should not be assumed that any of the referenced securities were or will be profitable or that the investment decisions we make in the future will be profitable.

Investment Process: Conducting Security Selection

Buy decisions offer compelling fundamentals, attractive relative value, and diversified risk exposure



Common framework

focused on cash flow allows team members to compare seemingly different opportunities

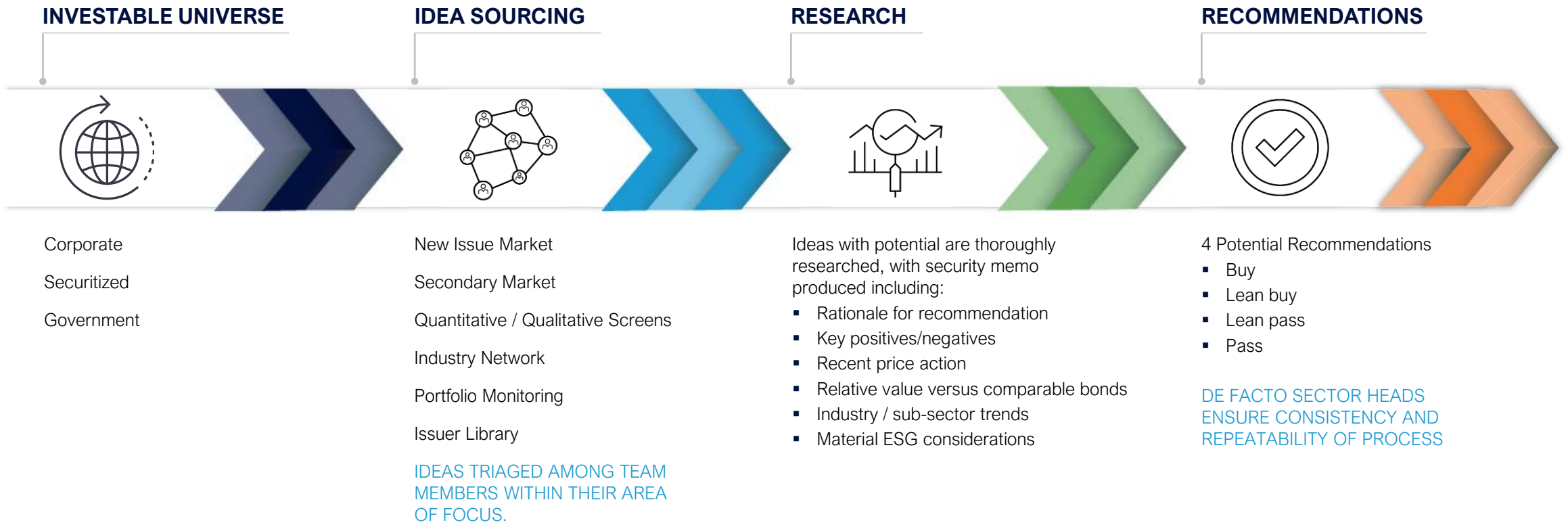
- Timing
- Probability
- Quantity

Buy and sell decisions must:

- Be additive to the portfolio tilts the team favors
- Drive the portfolio toward its overall objective and desired outcome

Investment Process: Narrowing The Universe

A robust and repeatable process to identify high-probability risk-adjusted return opportunities



Investment Process: Top-Down Assessment

A continuous process to assess macro and portfolio-level risk is formalized through bi-weekly strategy and monthly risk meetings

MONTHLY RISK REVIEWS

- Partner with Portfolio Analytics and Risk team
- Assess risk relative to goals
- Discuss risk contributors, stress scenarios

OUTCOME

Determines high level shifts in portfolio risk and risk drivers

BI-WEEKLY MEETINGS

- Review of macro, fundamentals, valuations, technicals
- Discussion of relative value across markets
- Challenge assumptions, bring new ideas

OUTCOME

Prioritizes the research agenda & areas of focus

Investment Process: Portfolio Construction

Our portfolio construction process is designed to create diversified portfolios with strong risk-adjusted performance potential across different market environments and conditions

OBJECTIVE

Defining risk/return parameters

- Excess return expectation
- Volatility
- Available opportunity set
- Duration, sector, quality constraints

POSITION SIZING

Sizing is based on risk/reward opportunity

Considerations include:

- Relative & absolute risk
- Correlation to other positions
- Liquidity factors

Focus on limiting downside volatility, which is a function of:

- Probability of default
- Loss given default

Typical allocation

- 30-50 bps

High risk-adjusted opportunity

- 50-100 bps

ANALYTICS

TIM analytics is our proprietary portfolio construction tool

Daily reports for each portfolio are generated and available to all investment team personnel

Analytics cover portfolio, sector, and security level metrics including:

- Duration
- Convexity
- Yield
- Spread
- Maturity
- Quality

Risk Management

Risk management perspective viewed through micro and macro lens, focusing both at the individual security level and portfolio level

ANALYSTS



Due diligence on each investment focuses on the risk related to the investment from cash flow, seniority of payments, covenants, etc.

TEAM DISCUSSION



Debate issues presented by analysts related to credit worthiness and risk/reward characteristics

PORTFOLIO MANAGERS



Evaluate each security individually, comparing risk/reward characteristics against individual client guidelines. Credit, liquidity, event & compliance risks are factored into each investment decision

PORTFOLIO ANALYTICS

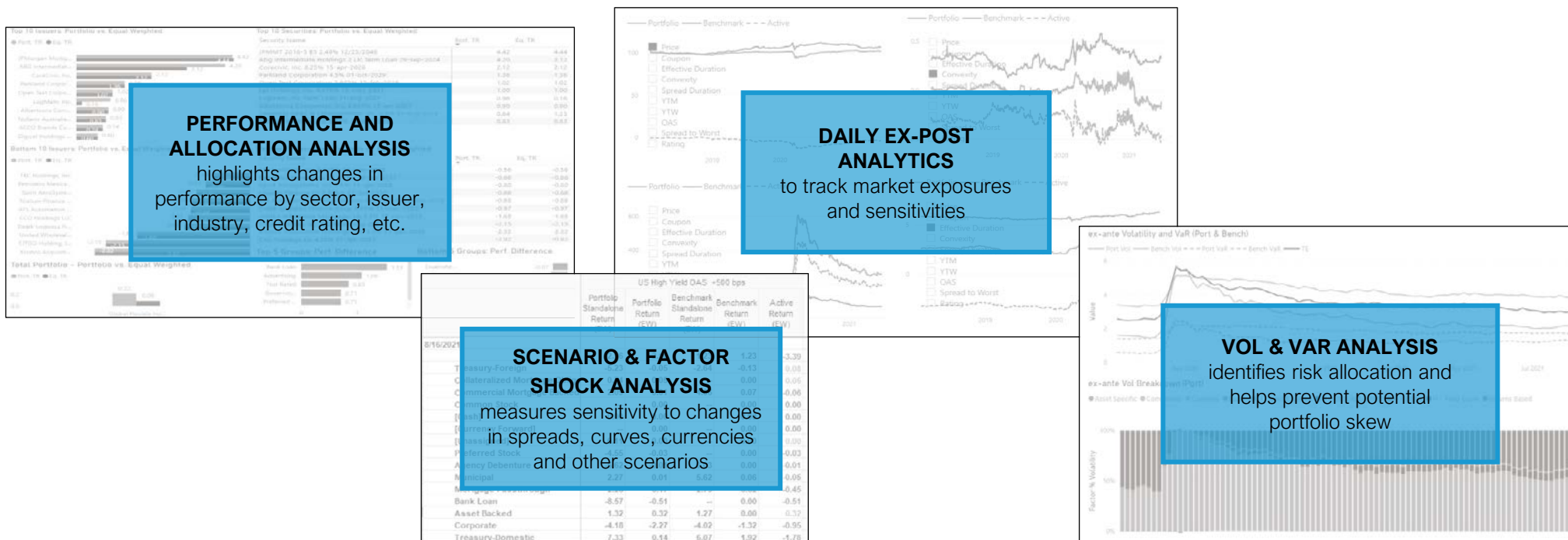


Cover quantitative aspects of investment analytics and risk management. Leverage portfolio-level insights to understand, measure, and assess risks at all stages of the portfolio construction process

Risk management is a primary focus throughout our entire investment process

Risk Management Tools

Quantitative analysis provides insight to understand, measure and assess risk



Charts are illustrative for presentation purposes only as a sampling of risk management tool output and may not reflect the actual portfolio. Some or all of this information on these charts may be dated, and, therefore, should not be the basis to purchase or sell any securities. The information is not intended to represent any actual portfolio. Scenario analysis has inherent limitations and should not be viewed as predictive of future events. It relies on opinions, assumptions and mathematical models, which can turn out to be incomplete or inaccurate.

What Makes Us Different

Our unique approach to assess risk/reward across investment opportunities is the foundation of our decision-making process

INVESTMENT APPROACH

Our ability to uncover relative value across different securities gives us the opportunity to exploit inefficiencies that siloed approaches miss.

TEAM STRUCTURE

Our flat, collaborative team structure lowers communication barriers to create active dialogue and timely decision making.

RISK/REWARD PATIENCE

We defensively position portfolios when volatility is low, while deploying risk at attractive entry points when markets dislocate.

FLEXIBLE, NOT TACTICAL

We employ lower turnover during normal market conditions, avoiding tactical bets which tend to have less consistent positive outcomes over time.

TRANSPARENCY

We invest only in cash bonds, avoiding leverage and substantial exposure to derivatives.

Portfolio Characteristics

PORTFOLIO STATISTICS	PORTFOLIO
Weighted Average Coupon	3.1%
Weighted Average Price	93.7
Yield to Worst	5.5%
Average Effective Maturity	4.5 Years
Effective Duration	3.5 Years

MPT STATISTICS:

I SHARES VS. BLOOMBERG INTERMEDIATE U.S. GOVERNMENT/CREDIT INDEX

	3-YR	5-YR
Beta	0.83	0.86
R-Squared	93.0%	81.5%
Sharpe Ratio	-0.64	-0.01
Information Ratio	0.96	0.54
Sortino Ratio	-0.87	-0.03
Up Capture	92.7%	100.6%
Down Capture	75.6%	81.4%

ASSET CLASS WEIGHTS (%)	PORTFOLIO
Corporate	35.3
CMO	17.2
U.S. Treasury	16.0
ABS	13.5
Mortgage Pass Through	6.6
CMBS	2.3
Preferred Stock	0.4
Agency Debenture	0.3
Municipal Bonds	0.3
Non-U.S. Treasury	0.1
Cash	8.0

CREDIT QUALITY RATINGS (%)	PORTFOLIO
U.S. Government	27.8
AAA	18.3
AA	4.3
A	19.2
BBB	21.7
Below Invest. Grade	0.3
NR	0.4
Cash	8.0

PORTFOLIO LADDER (%)	PORTFOLIO
Cash	8.0
YR 1	14.0
YR 2	8.2
YR 3	10.8
YR 4	9.8
YR 5	8.9
YR 6	6.7
YR 7	6.4
YR 8	4.5
YR 9	5.9
YR 10+	16.9

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. There is no up-front sales charge for class I shares.

Source: FactSet and Thornburg

Cash may include cash equivalents and currency forwards. Portfolio attributes can and do vary. Weights are percentages of total portfolio, unless otherwise noted. Holdings may change daily.

Credit quality ratings use the highest rating available from either S&P Global Ratings or Moody's Investors Service. Unrated securities are evaluated by the firm using available data and their own analysis that may be similar to that of a nationally recognized rating agency; however, such determination is not equivalent to a national agency credit rating. "NR" = Not Rated.

Investment Performance

AVERAGE ANNUAL TOTAL RETURNS (%)	QTR	YTD	1-YR	3-YR	5-YR	10-YR	ITD	EXPENSE RATIOS (%)	
								GROSS	NET
A Shares THIFX (Incep: 1 Oct 92) 30-Day Subsidized SEC Yield: 3.93%									
Without sales charge	0.76	0.76	4.46	-0.11	1.72	1.92	4.31	--	--
With sales charge	-1.54	-1.54	2.12	-0.87	1.41	1.77	4.26	0.78	0.78
I Shares THIX (Incep: 5 Jul 96) 30-Day Subsidized SEC Yield: 4.31%	0.91	0.91	4.75	0.18	2.02	2.25	4.64	0.54	0.49
Bloomberg Intermediate U.S. Government/Credit Index	-0.15	-0.15	2.69	-1.06	1.09	1.61	4.19		
Excess Return (I Shares) vs. Bloomberg Intermediate U.S. Government/Credit Index	1.06	1.06	2.06	1.24	0.93	0.64	0.45		

CALENDAR YEAR RETURNS (%)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A Shares THIFX	6.27	-7.33	-1.07	7.37	5.37	0.99	2.27	3.12	0.47	3.47
I Shares THIX	6.49	-7.00	-0.80	7.59	5.75	1.22	2.73	3.49	0.82	3.76
Bloomberg Intermediate U.S. Government/Credit Index	5.24	-8.23	-1.44	6.43	6.80	0.88	2.14	2.08	1.07	3.13
Excess Return (I Shares) vs. Bloomberg Intermediate U.S. Government/Credit Index	1.25	1.23	0.64	1.16	-1.05	0.34	0.59	1.41	-0.25	0.63

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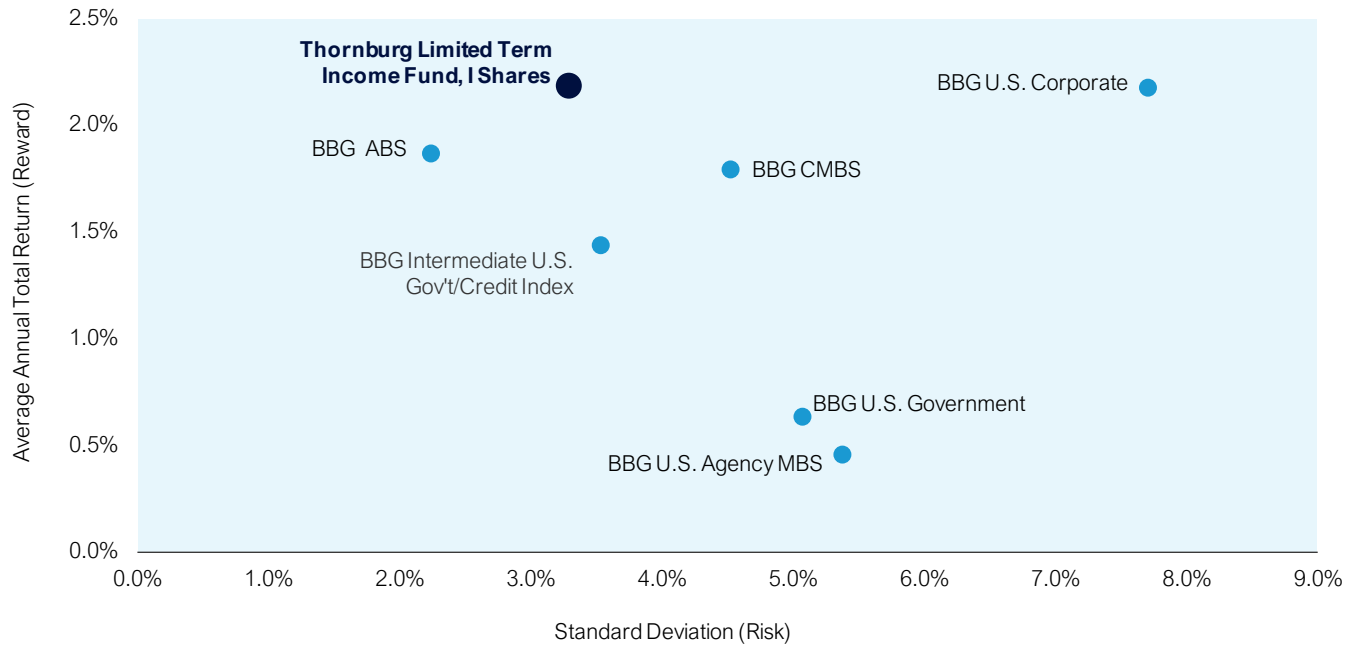
As of 31 March 2024

Returns for less than one year are not annualized. ITD is inception to date.

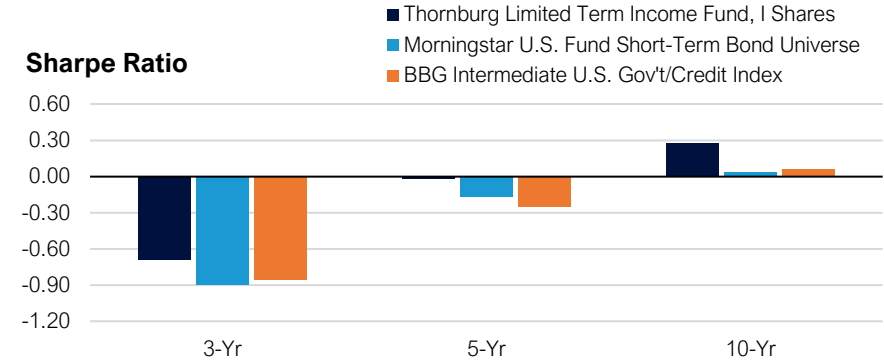
Class I shares may not be available to all investors. Minimum investments for the I share class may be higher than those for other classes.

Our Process has Resulted in Better Risk-Adjusted Returns

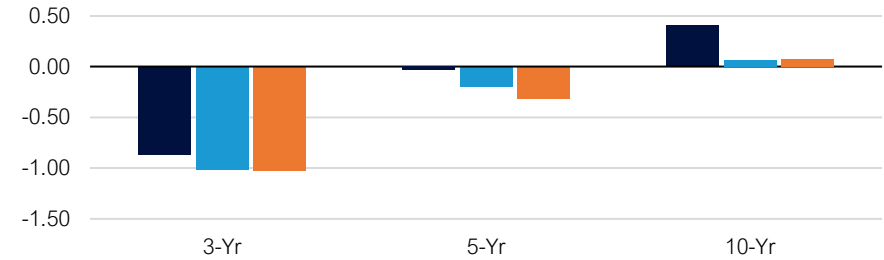
7-Yr Annualized Risk/Reward



Sharpe Ratio



Sortino Ratio



Past performance does not guarantee future results.

Source: Morningstar (as of 31 March 2024)

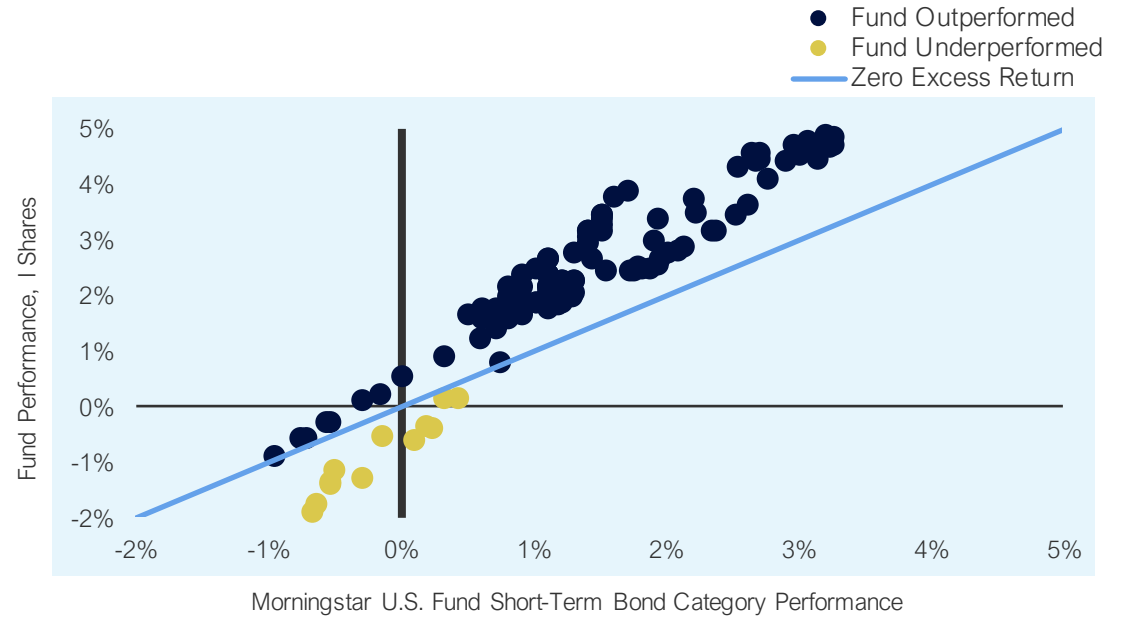
All asset types above are represented by Bloomberg Indices.

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Consistent Outperformance vs. Peers

Trailing 3-year annualized rolling returns (past 10-years)

EXCESS RETURN VS. MORNINGSTAR U.S. FUND SHORT-TERM BOND CATEGORY



Past performance does not guarantee future results.

Source: Morningstar

Charts are based on monthly observations for the ten-year period ending 31 March 2024.

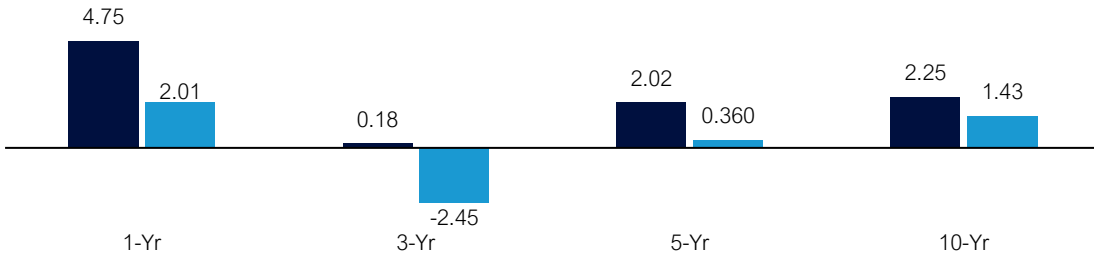
Each data point on the chart represents a three-year period and where the return for the fund and the return for the category intersect. The fund's returns are indicated by the vertical axis and the category returns are plotted on the horizontal axis. Data points above Zero Excess return represent when the fund return was higher, for a three-year rolling period, than the category return. If the fund return was lower than the category return, the data point would appear below the Zero Excess Return line.

Batting average and excess returns are based on three-year rolling returns.

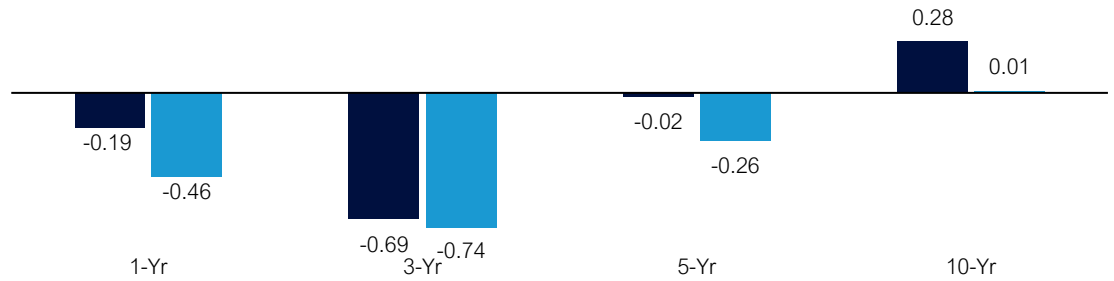
Limited Term Income Fund Has Historically Outperformed Core Bond

I Shares vs. Morningstar Intermediate Core Bond Universe (Average)

AVERAGE ANNUAL TOTAL RETURNS (%)

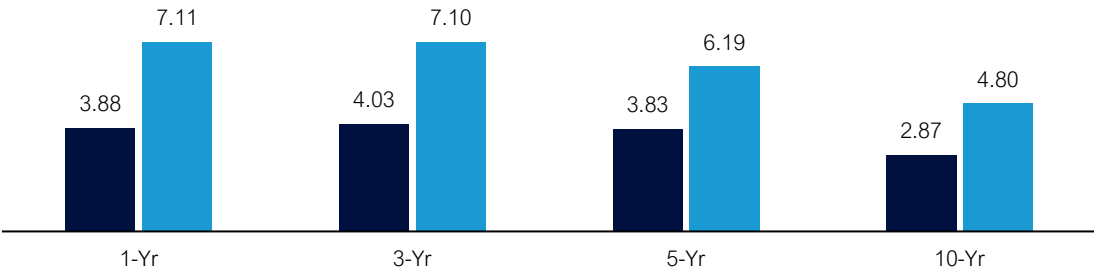


SHARPE RATIO

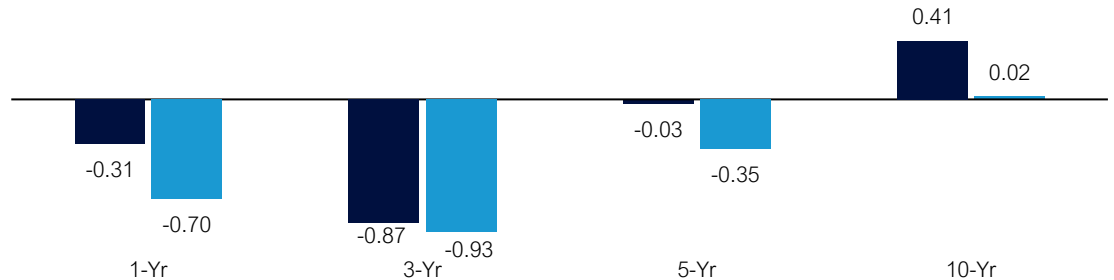


■ Thornburg Limited Term Income Fund ■ Morningstar Intermediate Core Bond Universe

STANDARD DEVIATION (%)



SORTINO RATIO



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Source: Morningstar (as of 31 March 2024)

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Investments carry risks, including possible loss of principal.

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.

Not FDIC Insured. May lose value. No bank guarantee.

Thornburg Funds are distributed by Thornburg Securities LLC.

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