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Thornburg Investment Management Spring Due Diligence Conference

Navigating Today's Fixed Income Market

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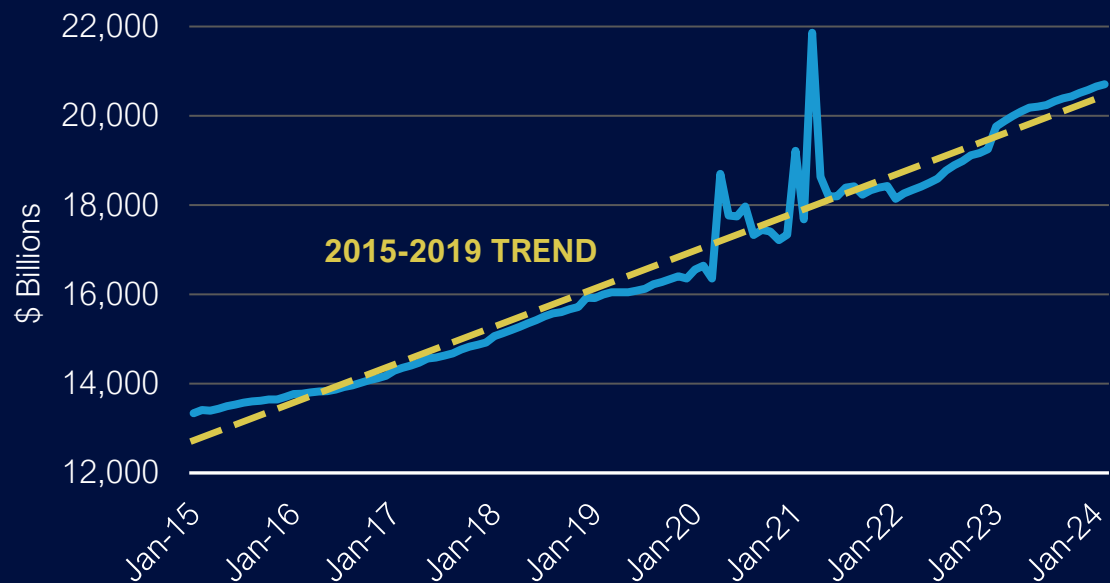
All data in this presentation is as of 31 March 2024 unless otherwise noted.

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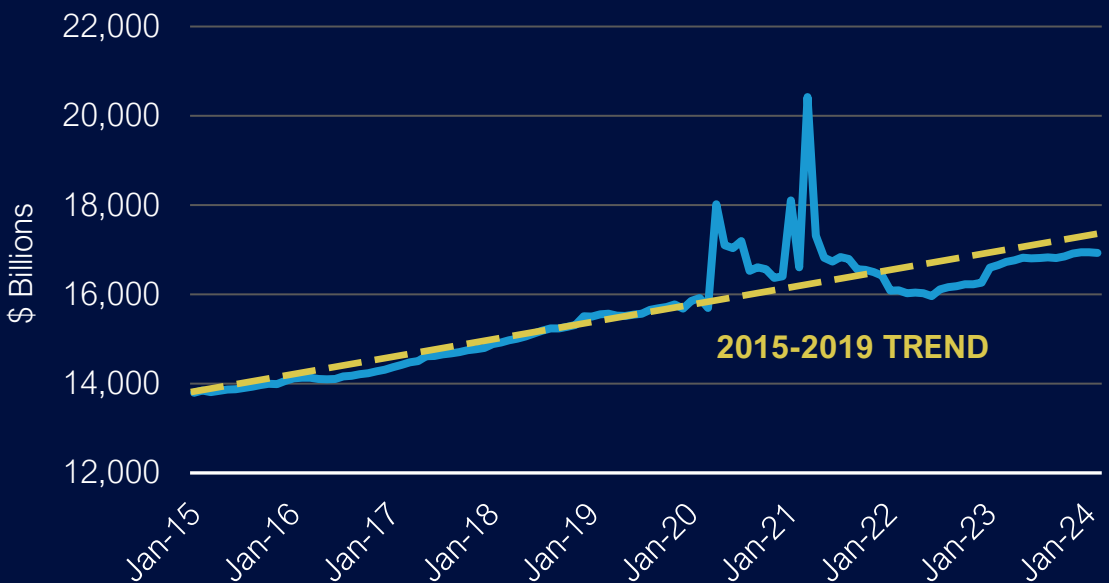
Consumers Struggling to Keep up with Inflation

Real disposable personal income lagging pre-COVID growth

DISPOSABLE PERSONAL INCOME



REAL DISPOSABLE PERSONAL INCOME

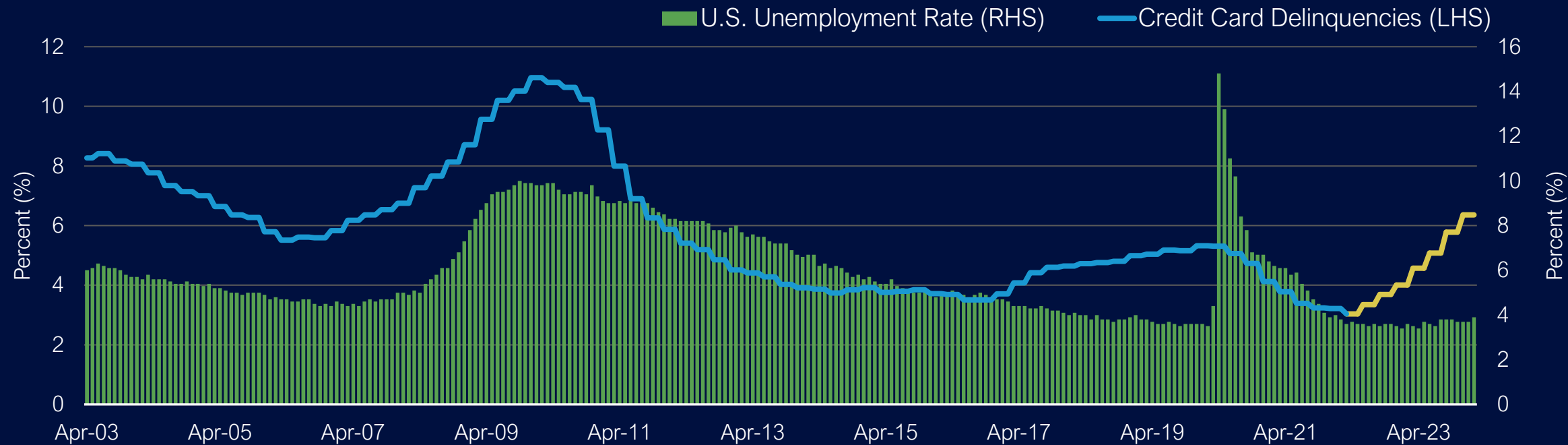


Source: FRED Database, as of 1 February 2024



State of the Consumer – Mixed Signals?

Credit card delinquencies continue to rise despite a low unemployment rate



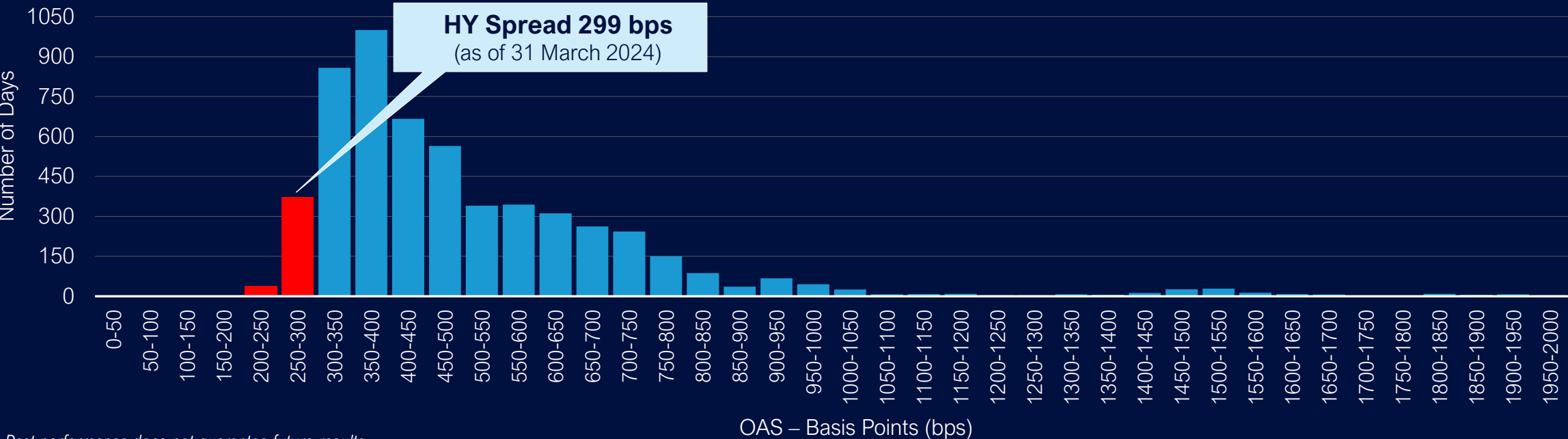
Source: Bloomberg, as of 29 February 2024



Sector Spreads Are at Levels that Do Not Justify Macro Uncertainty

High yield corporate spreads are at levels that price in too much optimism

HIGH YIELD OAS: DAILY DATA POINTS SINCE 2002

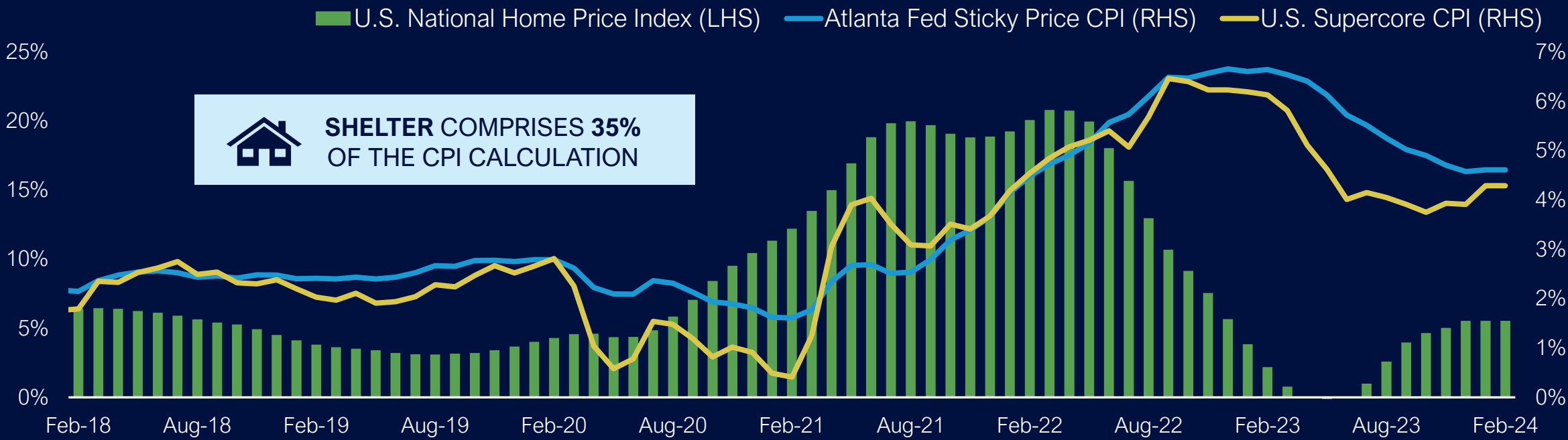


Past performance does not guarantee future results.

Source: Bloomberg, as of 31 March 2024

House Prices and “Sticky” Components of CPI Show Resilience

Resilient inflation leaves limited room for Fed to deliver rate cuts



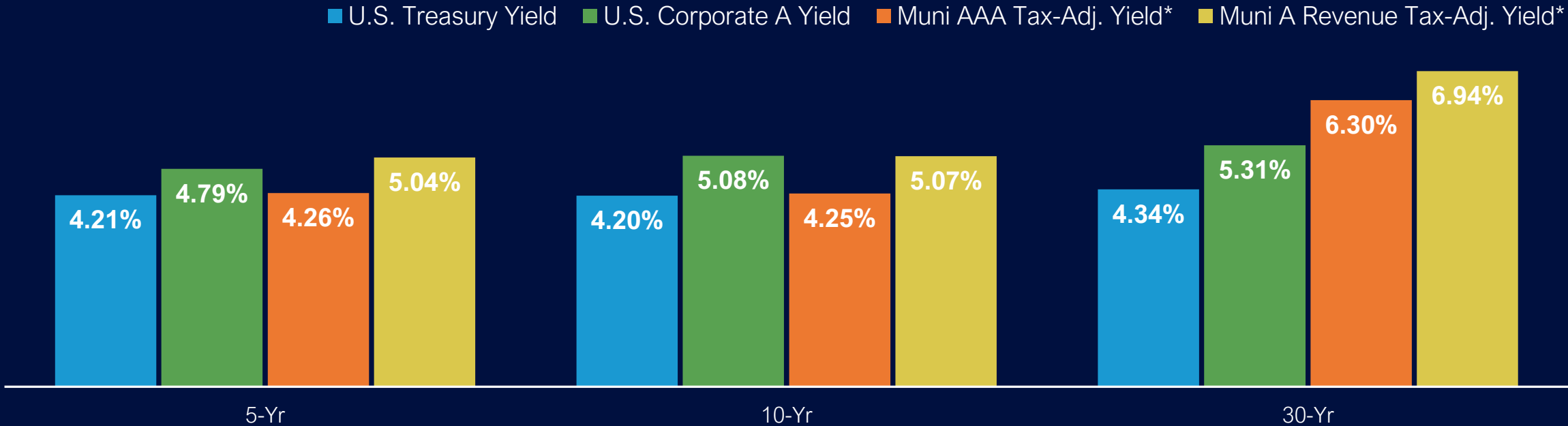
Bloomberg, S&P/CoreLogic, Bureau of Labor Statistics, U.S. Bloomberg BLS CPI Core Services Less Housing (Supercore) YOY, as of 29 February 2024



Tax-Adjusted Muni Yields Make the Asset Class Very Compelling

Bloomberg treasury, corporate and tax-adjusted municipal yields

RELATIVE YIELDS



Past performance does not guarantee future results.

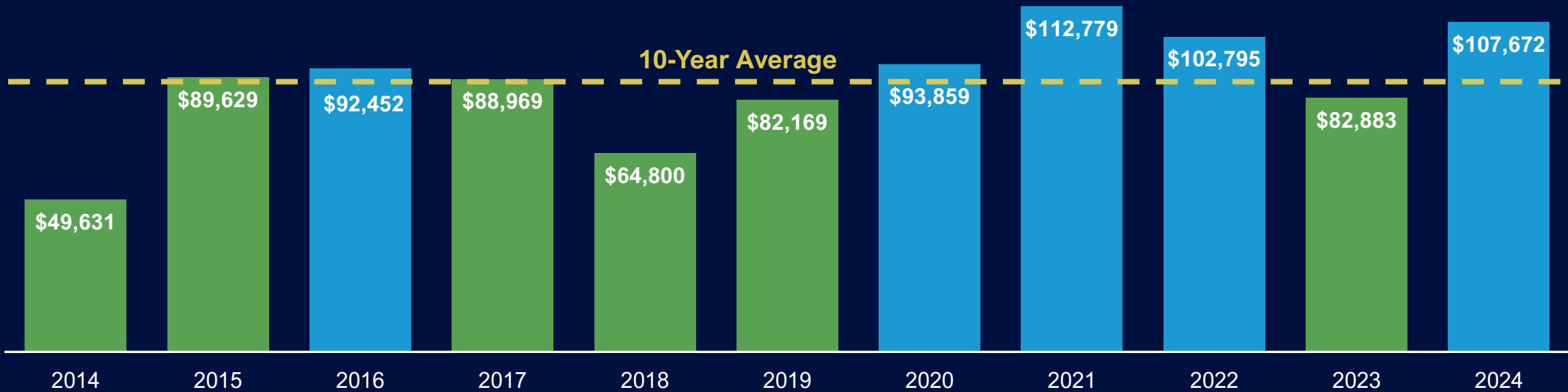
Source: Bloomberg, as of 31 March 2024

*Top Federal marginal rate of 37% plus 3.8% Medicare surcharge.

New Issue Supply Saw a Large Uptick in Q1 over the Previous Year

Softness in the market is usually expected during periods of large supply, but that wasn't the case

NEW MUNICIPAL ISSUANCE (\$ BILLIONS)

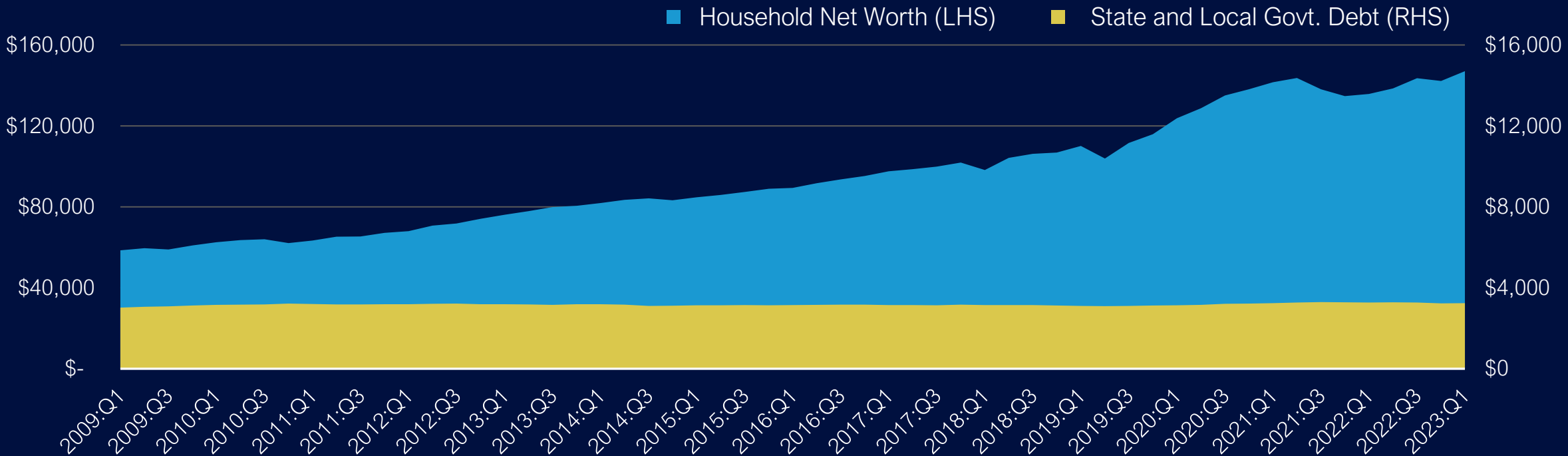


Source: MSRB, EMMA, Bloomberg



Municipals Have Not Kept Pace with Household Net Worth

Yields and ratios have been kept in check as more investor dollars are chasing a static amount of bonds



Source: Federal Reserve Bank of St. Louis, Economic Research Division



Q&A

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