

Traditional Bonds for the Core of Your Portfolio



Thornburg is excited to announce a new core bond offering that leverages our proven capabilities across fixed income. The Intermediate Income Strategy seeks to deliver a core bond return profile with moderately less risk than core.

Why Thornburg for Core Fixed Income?

We offer three unique factors versus traditional core bond managers:

- We bring our unique 'cross-silo' approach to a traditional asset class, allowing us to combine flexibility and quick decision-making with a style of management that may help protect investors on the downside.
- The portfolio seeks to combine the best risk-adjusted return opportunities with a style of management that may help protect on the downside when markets are stressed.
- We only invest in cash bonds, meaning no leverage or derivatives so that you and your clients will always know what they own.

Why Now?

- While investors have enjoyed the higher rates and safety of cash and money markets, the Fed is cutting interest rates, and clients need to add duration to capture better return potential.
- Fixed income once again offers the diversification and ballast that clients expect from their bond holdings.
- We believe an investment approach that emphasizes flexibility and quick decision-making is essential in an era where both bond sell-offs and recoveries are occurring faster.

Investors Would Be Wise to Move out of Cash Now

If Investors Started at the Beginning of Rate Cuts

YEAR	FED HIKING CYCLE	END OF CYCLE	FIRST CUT	GO FORWARD 12-MONTH RETURN				GO FORWARD 2-YEAR RETURN			
				U.S. TREASURY BILL INDEX	U.S. IG CORPO-RATES	U.S. MBS INDEX	U.S. HY CORPO-RATES	U.S. TREASURY BILL INDEX	U.S. IG CORPO-RATES	U.S. MBS INDEX	U.S. HY CORPO-RATES
1994–1995	3.00%–6.00%	1 Feb 1995	6 Jul 1995*	5.58%	5.13%	5.87%	9.71%	5.57%	6.93%	7.45%	11.75%
1999–2000	5.00%–6.50%	16 May 2000	3 Jan 2001	4.34%	9.79%	7.67%	5.18%	3.06%	9.47%	8.18%	1.88%
2004–2006	1.00%–5.25%	29 Jun 2006	18 Sep 2007	3.29%	-3.04%	7.59%	-5.62%	1.94%	6.34%	7.95%	4.33%
2015–2018	0.25%–2.50%	20 Dec 2018	31 Jul 2019	1.53%	12.44%	5.43%	4.14%	0.80%	6.79%	2.69%	7.33%

Source: Bloomberg as of 30 November 2023

*Index returns only monthly; period starts at 30 Jun 1995

Past performance does not guarantee future results.

U.S. Treasury Bill Index represented by the Bloomberg U.S. Treasury Bill Index. The Bloomberg U.S. Treasury Bill Index tracks the market for treasury bills issued by the U.S. government.

U.S. IG Corporates represented by Bloomberg U.S. Corporate Index. The Bloomberg U.S. Corporate Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by U.S. and non-U.S. industrial, utility, and financial issuers that meet specified maturity, liquidity, and quality requirements.

U.S. MBS Index represented by Bloomberg U.S. Mortgage-Backed Securities Index. The Bloomberg U.S. Mortgage-Backed Securities Index measures the performance of U.S. mortgage-backed fixed income securities.

U.S. HY Corporates represented by Bloomberg U.S. Corporate High Yield Index. The Bloomberg U.S. Corporate High Yield Index (BBG U.S. Corp High Yield TR Value) 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.

Why the Thornburg Intermediate Income Strategy?

Income and Downside Protection

This strategy aims to deliver a high level of current income to investors while also prioritizing capital preservation.

High Quality

The strategy uses a flexible, active approach to invest in the relative value opportunities in investment-grade fixed income securities, including U.S. government, asset-backed, non-agency mortgage-related, and corporate debt securities.

Potential Outperformance

With the Federal Reserve expected to cut interest rates further, the strategy may outperform cash and other short-term bond strategy options.

Strategy Facts

INCEPTION

October 1, 2024

BENCHMARK

Bloomberg U.S. Aggregate Index

MINIMUM INVESTMENT

\$250k

DURATION BAND

+/- 2 years relative to the index

BELOW INVESTMENT GRADE EXPOSURE

None

EMERGING MARKETS EXPOSURE

None

Thornburg Investment Management

Active strategies to help investors achieve their investment objectives

Thornburg is a global investment firm delivering on strategy for institutions, financial professionals and investors world-wide. The privately held firm, founded in 1982, is an active, high-conviction manager of fixed income, equities, multi-asset solutions and sustainable investments with USD 45* billion in total assets across mutual funds, closed-end funds, institutional strategies, managed accounts, and UCITS.

*Includes assets under management (\$43.6B) and assets under advisement (\$1.2B) as of 30 June 2024.

Important Information

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 portfolio will meet its investment objectives.

Diversification does not assure or guarantee better performance and cannot eliminate the risk of investment losses.

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.