

Q1 2025 | [thornburg.com/TIBIX-quarterly](https://thornburg.com/TIBIX-quarterly)

# Thornburg Investment Management Quarterly Update:

## INVESTMENT INCOME BUILDER FUND

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# Key Macroeconomic Issues

April 2025

- Markets are challenged to price in impacts of the newly announced Trump administration tariff framework on various businesses, borrowers, and the performance of the overall economy.
- Expect guidance cuts from a wide spectrum of firms with Q1'25 earnings reports given the double whammy of tariff impacts on the cost of inputs, possible retaliation by affected countries, and the increasing potential for a macro slowdown ahead.
- Consensus published forecasts of equity market analysts have called for S&P 500 Index earnings to grow by at least 10% per year over 2025 and 2026. Most non-U.S. equity market portfolios also expect above average y/y earnings growth. These forecasts are being cut in many cases as tariff impacts are evaluated.
- Inflationary pressures have moderated since 2022. U.S. Core PCE in February was +2.80% y/y with recent observations trending below +3% annualized rates since January 2024. Prices of many tradeable goods will increase in the wake of material tariffs on most imports, beginning April 2025.
- Until now, inflation rates have been close enough to targets to allow central bankers more latitude for paying increased attention to supporting employment. This may change for the U.S. Federal Reserve if tariffs increase near-term inflation and inflationary expectations.
- Labor compensation in the U.S. has been growing. The Atlanta Fed Wage Growth Tracker was up +4.3% y/y in February. The number of unfilled jobs in the U.S. still exceeds the number of unemployment insurance claimants in the U.S., though by a narrowing margin.
- The U.S. unemployment rate averaged 3.8% over the last 36 months, now at 4.2%.
- U.S. banking system deposits stabilized in 2024, reported at \$18.0 trillion in March 2025 vs. a mid-2023 trough of \$17.2 trillion. For comparison, deposits peaked at \$18.4 trillion April 2022, up from \$13.3 trillion March 1, 2020.
- The U.S. Federal Funds rate, 5.33% from July 2023 to September 2024, is now 4.33%. It is expected to decline further, timing uncertain and data dependent.
- Budget deficits of the U.S. government and many other developed countries are well above average in relation to GDP, increasing the supply of new government debt issues even as most central banks have reduced holdings of government debt.
- The percentage of bearish forecasts for the U.S. economy is now rising sharply, following declines during calendar 2024.
- Russia's invasion of Ukraine and Mideast tensions create uncertainty around supplies of certain key commodities. Oil markets are well supplied but can become nervous.
- 10-year U.S. Treasury yield increased from 1.51% on 12/31/21 to 4.62% on 1/6/25, now \_\_%. Declining confidence in corporate credit quality is indicated by the Bloomberg U.S. Corporate High Yield Index yielding \_\_% now, up from 7.49% on 12/31/24.
- Optimism is fading. Investors struggle to assess policy uncertainty, tariffs, wars in Ukraine and the Middle East, and the immediate and longer run impacts of all of these on various issuers of stocks and bonds.

## A Solution That Consistently Seeks to Provide Attractive Income



Pay attractive yield today

Grow the dividend over time  
(subject to periodic fluctuations)

Long-term capital appreciation



Global dividend-paying stocks

Global bonds and hybrid  
securities



Focus on firms' ability and  
willingness to pay dividends





There is no guarantee that the Fund will meet its investment objectives. Neither the payment of, or increase in, dividends is guaranteed.

# Overview of Equity Portfolio Allocation Shifts

Thornburg Investment Income Builder Fund equity portfolio's comparative sector weights on various dates

- YoY increases in allocations to Communication Services and Utilities
- Cuts in portfolio allocations to Financials and Materials

## SECTOR WEIGHTS (%) AS OF:

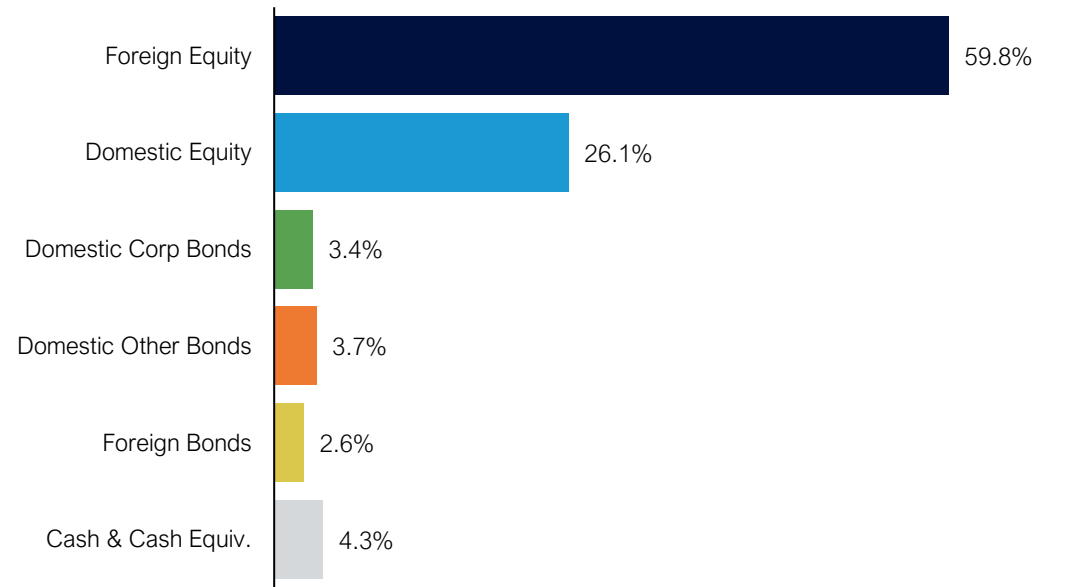
		31 MAR 23	30 JUN 23	30 SEPT 23	31 DEC 23	31 MAR 24	30 JUN 24	30 SEP 24	31 DEC 24	31 MAR 25	MAR 24 to MAR 25 +/- Weighting
	Financials	24.2	25.4	24.2	24.6	25.4	22.8	22.8	22.8	23.0	-2.4
	Comm. Services	12.2	11.5	12.2	15.1	16.7	17.7	18.8	18.6	22.1	5.3
	Health Care	12.5	12.2	12.0	10.6	12.2	11.9	11.8	11.4	11.6	-0.6
	Info Tech	14.2	15.3	13.9	14.8	13.4	14.1	13.8	15.4	11.3	-2.1
	Utilities	8.7	8.9	6.7	7.1	6.2	7.5	7.5	8.1	9.6	3.4
	Energy	9.2	10.8	13.5	11.4	10.6	10.8	10.4	9.3	9.4	-1.2
	Industrials	3.8	2.0	1.9	2.0	2.3	2.9	2.9	3.5	4.0	1.7
	Consumer Staples	3.8	3.7	3.9	3.8	3.6	4.0	4.4	4.4	3.9	0.3
	Materials	7.1	6.4	8.1	7.2	5.5	5.2	5.0	3.4	2.7	-2.7
	Consumer Disc.	3.9	3.2	3.1	3.0	3.7	2.7	2.4	2.2	2.1	-1.7
	Real Estate	0.4	0.4	0.3	0.3	0.3	0.4	0.4	0.3	0.3	0.0

Source: Bloomberg

Sector weights are percentages of total equity. Portfolio holdings are subject to change daily.

# Portfolio Characteristics

## PORTFOLIO COMPOSITION



## EQUITY CHARACTERISTICS

	PORTFOLIO
P/E Trailing 1-Yr	13.7x
P/E Forward 1-Yr Estimate	11.6x
Price to Book	1.5x
Price to Cash Flow	7.3x
Dividend Yield	4.5%

## REGIONAL EXPOSURE

	% OF PORTFOLIO
North America	35.8
Europe ex-UK	40.3
UK	10.8
Asia Pacific ex-Japan	7.0
Latin America	1.2
Other	0.6
Japan	0.0
Cash & Cash Equiv.	4.3

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](http://thornburg.com) or call 877-215-1330.

Source: FactSet and Bloomberg  
Composition and regions are a percent of total portfolio. Percentages can and do vary.  
Holdings are classified by country of risk as determined by MSCI and Bloomberg.

# Top 10 Equity Holdings

The top 10 equity holdings account for **38%** of the portfolio on 31 March 2025

NAME OF COMPANY	1Q25 PRICE CHANGE USD (%)	2024 YEAR PRICE CHANGE USD (%)	DIVIDEND YIELD 31 MAR 25 PRICE (%)	5-YEAR LOCAL CURRENCY DIVIDEND GROWTH RATE (%)
Orange SA	30.2	-12.6	6.3	+0.6%/year
AT&T Inc.	24.2	35.7	3.9	-11.5%/year
BNP Paribas	35.7	-11.5	6.2	+8.8%/year
Total Energies SE	16.8	-19.0	5.4	+3.7%/year
NN Group	27.4	10.1	6.7	+10.9%/year
Taiwan Semiconductor	-16.4	69.0	1.9	+11.4%/year
Broadcom Inc	-27.8	107.7	1.4	+13.6%/year
Enel SpA	13.3	-3.9	6.3	+7.5%/year
Citigroup	0.8	36.8	3.2	+2.2%/year
Tesco Plc	-7.0	24.4	3.8	+7.9%/year

*Past performance does not guarantee future results.*

Source: Bloomberg

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Under no circumstances does the information contained within represent a recommendation to buy or sell any security.

## Next 10 Equity Holdings

The next 10 equity holdings account for **18%** of the portfolio on 31 March 2025

NAME OF COMPANY	1Q25 PRICE CHANGE USD (%)	2024 YEAR PRICE CHANGE USD (%)	DIVIDEND YIELD 31 MAR 25 PRICE (%)	5-YEAR LOCAL CURRENCY DIVIDEND GROWTH RATE (%)
Roche Holding	16.4	-3.1	3.3	+1.5%/year
Deutsche Telekom	23.5	24.8	2.6	+8.4%/year
Samsung Electronics	8.6	-40.7	2.5	+0.5%/year
Endesa	23.2	5.2	5.4	-6.9%/year
Merck & Co.	-9.8	-8.7	3.6	+6.4%/year
CME Group, Inc.	14.2	10.3	4.0	+13.4%/year
Zegona Communications	62.8	121.6	0.0	N/A
Equitable Holdings	10.4	41.6	1.8	+9.9%/year
AstraZeneca Plc	10.8	-3.1	2.2	+2.0%/year
BAE Systems	40.0	1.4	2.1	+6.5%/year

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Source: Bloomberg

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# 1. Orange SA

32 Billion EUR Market Cap, 23 Billion EUR net financial debt, €3 4 billion minorities, 6.3% Dividend Yield.

Share price -35% from 2/19/20 to 10/1/20, irregular subsequent recovery with +14.7 2023, -6.5% 2024, +24.6% Q1'25. 2024 revenue +1.2%, adjusted EBITDA after leases +2.7%.

Orange owns ~40k wireless broadcast towers and a strong wireless spectrum portfolio. Including JV, its EU terrestrial fiber marketable footprint passes >63 million homes (of which 14.6 million connected at 12/31/24).

Cash flows should improve as buildout of the fiber and 5G wireless network footprint matures, capex declines, more residences are connected, and legacy analogue infrastructure is shut down.

The 2024 merger of Orange's Spain subsidiary with Masmovil generated material cash flow for Orange and cut consolidated net debt. JV uses equity method reporting, so cuts reported Group revenue (-€4.5 billion) & EBITDAaL (-€1.2 billion) but improves the JV's competitive position.

**ORANGE SA (EUR)**



France headquartered Orange is a multinational telecommunications services provider with 253 million mobile customers and 21.9 million terrestrial broadband customers in 26 countries in Europe, the Middle East, and Africa. 2024 highlights: 40.2 billion EUR 2024 revenue, €12.1 billion EBITDAaL, 22.5 billion net financial debt as of 12/31/24. 2024 capital expenditures were 15.5% of Group revenue. Current year dividend +4% y/y.

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Source: Bloomberg

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Orange was 6.2% of the Fund as of 31 March 2025.



## 2. AT&T Inc.

AT&T: \$190 Billion Market Capitalization, \$120 Billion net financial debt, \$44.8 billion 2024 EBITDA, approximately \$20.1 billion 2024 capex ex-vendor financing payments, 4.2% Dividend Yield.

AT&T share price declined more than 50% from end 2019 to Q3'23 as value destructive acquisitions totaling more than \$150 billion were unwound, accompanied by a -47% dividend cut. Share price +68% 5 quarters through 3/31/2025.

Now refocused on wireless and terrestrial broadband connectivity, AT&T's wireless customer base has grown over the last 3 years and its broadband customer base is stabilizing as fiber customer adds offset legacy DSL customer losses. ARPUs are stable to slightly higher in recent quarters.

AT&T debt shows a 14.5-year weighted average maturity; 4.0% weighted average coupon, just over 4% weighted average net cost of debt. Net debt/adjusted EBITDA now 2.7x, good visibility to drop to 2.5x in 2025 at which point distributions to shareholders should increase.

**AT&T (USD)**



AT&T is a major U.S. telecommunications and broadband internet connectivity services provider with annual revenue of more than \$120 billion, more than 89 million wireless handset customers, approximately 14 million consumer broadband customers, and a business segment that is gradually replacing declining legacy wireline connectivity with modern digital solutions. Following a series of unsuccessful acquisitions (mainly DirecTV and Time Warner), AT&T has refocused on connectivity services.

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Source: Bloomberg

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AT&T was 4.6% of the Fund as of 31 March 2025.

### 3. BNP Paribas

€74.7 Billion Mkt Capitalization, 7.2% Dividend Yield.

BNP's share price dropped -38% in the first 9 months of 2022 in \$US terms, even as 2022e consensus EPS estimates increased by +20%. The share price was +76% in the 10 quarters to 3/31/25.

2024 Net Revenues of €48.8 billion, +4% y/y; distributable net income €11.7 billion, +4.5% y/y.

Since 2014, BNP has grown tangible equity/share at a +5.3%/year CAGR. BNP's April 7, 2025 share price was approximately 71% of tangible equity/share.

BNP sold its U.S. Bank of the West subsidiary to Bank of Montreal for \$16.3 billion, closed 2/1/23. Bank of the West contributed approximately 6% of BNP's 2022 operating profit.

**BNP PARIBAS (EUR)**



BNP Paribas SA is a universal bank headquartered in Paris with four domestic retail banking markets: France, Belgium, Italy and Luxembourg. It has other retail banking operations throughout Europe and the Mediterranean basin. BNP Paribas is also a significant player in the consumer finance and insurance markets and provides wealth and asset management services. In addition, the bank allocates as much as 30% of its capital to its corporate and institutional banking unit, a leading franchise in Europe.

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Source: Bloomberg

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BNP Paribas was 3.7% of the Fund as of 31 March 2025.

## 4. Total SE

\$125 Billion Market Capitalization, \$11 Billion Net Fin'l Debt, 6.4% dividend yield. Total's share price declined -56.7% from 1/6/20 to 3/18/2020, recovered strongly from its March 2020 low in 2022, and has been +1.7% over the 9 quarters ending 3/31/2025.

Annual EBITDA fluctuated between \$16.5 and \$71.6 billion over the 2011-2022 decade when the oil price averaged \$77.8/bbl. 2024 EBITDA was \$43.1BB.

2024 oil and European gas prices for 2024 averaged \$80.8/bbl and €34.6/MWh, respectively, the latter -16% y/y. Energy commodity prices for 2025 are expected to be soft, y/y.

Total is transitioning to more low carbon power generation and gas processing & distribution, gradually becoming less oil centric. Annual capex budgets are \$17 to \$18 billion, with a significant green energy allocation.

### TOTAL SE (EUR)



With a fleet of 19 LNG tankers, Total is the #1 exporter of LNG from the U.S. and the #1 owner of European regas capacity. Elevated 2022 trading profits from Total's integrated gas business were directed to debt reduction, dividend growth and share buybacks, and accelerated development of renewable electricity generation. Total is transitioning to more low carbon power generation and gas processing & distribution, gradually becoming less oil centric. Capex budgets include a significant green energy allocation, allowing Total to have 35GW of electricity generation assets built or contracted by 2025 with the aim of increasing generation capacity to 100 GW by 2030, primarily wind and solar assets.

*Past performance does not guarantee future results.*

Source: Bloomberg

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TotalEnergies was 3.6% of the Fund as of 31 March 2025.

## 5. NN Group

€12.2 Billion Mkt Capitalization, 7.6% Dividend Yield.

As of 6/30/24 NN Group's tangible book value was approximately €18.5 billion. Its dividend/share has increased at an annual rate of +9.5% from 2015 (shortly after being spun out of ING Group) to 2024.

NN Group's share price declined -29% in the 6 quarters ending 6/30/23, a decline that allowed its ongoing €1 billion share buyback to more productively shrink the share count, now more than 14% lower since 2020. Over the 6 quarters ending 3/31/25, NN Group's share price was +51%.

The current P/E multiple of approximately 6.5x 2025e expected EPS is around 2 turns below its average multiple since being spun out of ING last decade.

### NN GROUP (EUR)



NN Group is the largest life & pensions and property/casualty insurer in the Netherlands, also offering targeted insurance, banking and investment services to customers in 10 additional countries. NN Group also operates a digital bank in the Netherlands, mostly serving its insurance customers. NN Group customers total approximately 18 million in its various geographies. Annual revenue/share growth has averaged +4.6% for the 5 years ending 12/31/2024, leading to +9.7% average annual dividend growth.

*Past performance does not guarantee future results.*

Source: Bloomberg

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NN Group was 3.5% of the Fund as of 31 March 2025.

## 6. Taiwan Semiconductor

\$665 USD Billion Market Capitalization, Net Cash approximately 5% of Equity Market Capitalization, 2.0% Dividend Yield.

Share price declined -34% in \$US during calendar 2022 on fears of a global recession cutting demand for semiconductors before rising +125% in the 8 quarters ending 12/31/24 on expectations of stronger semiconductor production in the coming quarters and the outlook for artificial intelligence applications. In Q1'25 TSMC's share price was -15%.

In \$US terms, \$90 billion 2024 revenue (+29.9% y/y compares to trailing 10-year revenue growth CAGR through 2024 of +13.7%), \$61.8 billion 2024 EBITDA (+32% y/y compares to trailing 10-year growth CAGR +14%). 2025 consensus analyst estimates are for revenue and EBITDA to achieve record highs, up >10% y/y.

Trailing 10 Year Dividend Growth CAGR = +14%.

### TSMC (TWD)



Taiwan Semiconductor is the leading contract manufacturer of semiconductor chips in the world, making processors and memory chips embedded in more than 11,000 products of more than 500 manufacturers of digital processing and communications devices, motor vehicles, and industrial equipment. The single largest end market for TSMC semiconductors is wireless handsets, a market that has been sluggish in recent quarters. TSMC stock trades mostly in Taiwan \$.

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Source: Bloomberg

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Taiwan Semiconductor was 3.3% of the Fund as of 31 March 2025.

## 7. Broadcom

\$725 billion Equity Market Capitalization, \$782 billion Enterprise Value, 1.5% Dividend Yield at current dividend/share rate \$2.36.

Broadcom's share price declined -48% from 2/12/2020 to 3/18/2020, quickly recovered. Its share price rose +99% in calendar 2023 and +108% in 2024 before dropping -28% in Q1'25.

FY 2024 Result: Revenue +44% to \$51.57 billion, EBITDA +17% to \$23.7 billion. Fiscal year ended 11/3/24, Broadcom's revenue mix is approximately 60% semiconductors, 40% software. Software increased as a % of the mix following the acquisition of VMWare in November 2023.

Consensus revenue and EPS estimates for fiscal year 2025 have increased from 12/31/23 to 12/31/24, partly due to acquisitions. Thornburg Investment Income Builder Fund initial purchases were in Q3'2018 at split adjusted prices below \$30/share.

### BROADCOM (USD)



Broadcom designs, develops and markets digital and analog semiconductors, wireless radio components, storage adapters, controllers, networking processors & switches, fiber optic modules, optical sensors, and motion control encoders. An acquisitive firm, Broadcom's revenue, EBITDA, and per share dividends grew at CAGRs of +14%, +17%, and +15% per year, respectively, between fiscal 2019 and 2024. Broadcom's business should benefit from the global AI usage growth, more networked items, and more data storage.

*Past performance does not guarantee future results.*

Source: Bloomberg

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Broadcom was 3.3% of the Fund as of 31 March 2025.

## 8. ENEL SpA

€70 billion Mkt Capitalization, €56 billion net debt and €144 billion enterprise value; 6.3% Dividend Yield.

ENEL Group has installed electricity generation capacity of 89GW, from which 82% of power generated in 2024 was emission free. The 2022 spike in oil, gas, and coal prices increased the cost competitiveness of renewable electricity generation. Hydrocarbon prices declined in recent quarters and European power prices stabilized in 2024.

ENEL's share price declined -33% in \$US terms in calendar 2022 on concerns about debt increases to support a large working capital expansion in the face of higher energy hedge requirements, increased customer receivables, and ongoing capex to build new renewables assets. The share price rose +49% in the 9 quarters ending 3/31/25 as working capital recovered and cash flows from operations increased.

2024 adjusted EBITDA of €22.8 billion was +9% y/y. ENEL guides to +5% annual EBITDA growth through 2027 with grid operations being the primary driver of growth as power generation becomes more fragmented from renewable sources. ENEL distributes more than 470 TWh of power per year to more than 70 million customers.

**ENEL (EUR)**



ENEL is a multinational integrated provider of electricity for business & household users. ENEL is one of the world's largest renewable energy generators, with more than 50 GW of green energy in operation in 2024 and plans to continue to increase this capacity. In the 5 years through 12/31/24 ENEL increased EBITDA and dividends/share at compound annual growth rates of +6.5% and +7%, respectively.

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Source: Bloomberg

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ENEL SpA was 3.2% of the Fund as of 31 March 2025.

## 9. Citigroup

\$111 Billion Market Capitalization, 3.8% Dividend Yield. Tangible common equity = \$168 billion as of 12/31/24.

Citigroup shares went through a long period of underperformance following the 2008-09 global financial crisis. A significant restructuring with the aim of exiting low return businesses and increasing management focus on the higher returning businesses in the Group's portfolio began in late 2021 and is still underway. There are attractive businesses within Citigroup.

From 2016-2024 Citigroup's revenue/share and tangible book value/share increased at annual rates of +5.0%/year and +4.1%/year, aided by a 34% reduction in shares outstanding.

Citigroup's deposits increased at an annual rate of +3.7% from 2019 to 2024, supported by its treasury services operations for corporate clients. Core Tier 1 capital appears strong at 13.6% at 12/31/24, offering the prospect of interesting capital returns to shareholders as the restructuring progresses.

### CITIGROUP (USD)



Citigroup is a global diversified financial services holding company offering financial products and services in nearly 160 countries and jurisdictions with an aim to be a key banking partner for institutions with cross-border operations, a leader in global wealth management, and a significant consumer bank in the U.S. Citigroup has been undergoing a significant restructuring under CEO Jane Fraser, exiting consumer banking businesses in 9 countries with at least 4 additional countries being sold or wound down. While these changes appear to be strategically sound, the noisy reported results of recent years caused a steady erosion in Citi's share price, culminating in the shares trading below 40% of tangible book value/share in Q4'2023. Citi's share price rallied +37% in 2024 and were +0.8% in Q1'2025.

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Source: Bloomberg

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Citigroup was 3.2% of the Fund as of 31 March 2025.



## 10. Tesco PLC

Tesco PLC: 22 Billion GBP Mkt Capitalization, Net Debt 9.3 Billion, 3.8% Dividend Yield.

Tesco's share price declined -22.6% in 2022 but gained +64% over the 8 quarters ending 12/31/24 prior to declining -10% in Q1'25. The trailing 5-year dividend growth rate has been +7.9%/year.

EBITDA per share showed average growth of +5.2% last 5 years through the semi-annual period ending August 2024, aided by divestments of subsidiaries in lower return geographies and subsequent share buybacks. Trailing 12-month EBITDA totaled GBP 4.7 billion through this period.

Management guides for post-capex free cash flow to exceed GBP 1.4 billion per year in the near term, supporting dividends and share buybacks. Share buybacks totaled GBP 2.4 billion over the last 3 years, cutting the share count by -9%.

**TESCO (GBP)**



Tesco is the largest grocery retailer in the UK, with more than 3,400 stores in a well-established footprint. It generates most of its operating profit from UK and Ireland retail, with a single digit % contribution from international retail, and a small portion from Tesco Bank. Tesco owns Booker Group, the UK's leading food wholesaler. Tesco spun off Asian and certain East European businesses in its fiscal 2021 to increase its focus on UK and Ireland operations and raise capital returns to shareholders.

*Past performance does not guarantee future results.*

Source: Bloomberg

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Tesco was 2.4% of the Fund as of 31 March 2025.

# Potential to Grow the Distribution over Time

**DIVIDEND  
GROWTH**

actual dividend growth  
for calendar year 2024

	% OF EQUITY PORTFOLIO*	CALENDAR 2024 YIELD
Holdings Growing the Dividend	82%	4.7%
<i>Dividend growing 0 – 5%</i>	34%	
<i>Dividend growing 5 – 10%</i>	19%	
<i>Dividend growing 10%+</i>	29%	
Holdings with a Flat Dividend	9%	4.2%
Holdings Paying Lower Dividends	9%	4.8%

*Past performance does not guarantee future results.*

\*Excludes portfolio allocation to fixed income, cash and currency forwards  
Source: Bloomberg and FactSet. Dividend growth figures are calculated based in local currency terms. Dividends are not contractual obligations and may be changed or eliminated at any time.  
Holdings can and do vary. Market values will vary, impacting dividend yields based on market prices.

## Returns by Rate Environment

Investment Income Builder Fund's I Shares have delivered a notably higher return than our blended benchmark and global equities in higher rate environments.

When the Fed Funds Rate has exceeded 3.00%, IIB's average annualized return has been **537 bps higher** than the Blended Index

FED FUNDS RATE	# OF QUARTERS	RELATIVE PERFORMANCE (ANNUALIZED*)	
		VS. BLENDED INDEX	VS. MSCI WORLD
3% or higher	21	5.37%	2.48%
1% - 3%	24	0.95%	0.75%
Less than 1%	44	0.78%	-1.36%
All Periods	89	1.91%	0.12%

*Past performance does not guarantee future results.*

\*Calculations are based on averaging the relative quarterly returns during each Fed Fund Rate environment (e.g. 3% or higher, 1%-3%, and Less than 1%). Annualization is based on multiplying each quarterly return by four. Does not include the impact of compounding.

Source: Bloomberg and Thornburg Investment Management calculations

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.

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

# Selected World Market Index Returns

Total Returns (USD)

	2018	2019	2020	2021	2022	2023	2024	1Q25
USA: S&P 500 Index	-4.38%	31.49%	18.40%	28.71%	-18.11%	26.29%	25.00%	<b>-4.28%</b>
USA: Russell 3000 Growth Index	-2.12%	35.85%	38.26%	25.85%	-28.97%	41.20%	32.45%	<b>-10.00%</b>
MSCI EAFE Index	-13.79%	22.01%	7.82%	11.26%	-14.45%	18.24%	3.82%	<b>6.86%</b>
MSCI AC World ex-U.S. Index	-14.19%	21.51%	11.08%	7.48%	-16.00%	15.62%	5.53%	<b>5.23%</b>
MSCI AC World Index	-9.42%	26.60%	16.25%	18.54%	-18.36%	22.20%	17.49%	<b>-1.32%</b>
MSCI Emerging Markets Index	-14.58%	18.42%	18.31%	-2.54%	-20.09%	9.83%	7.50%	<b>2.93%</b>
EURO STOXX 50 Index	-15.61%	26.84%	6.01%	15.58%	-13.97%	27.27%	4.67%	<b>12.49%</b>
MSCI AC Asia Pacific (All-Cap) Index	-14.16%	18.70%	19.16%	5.54%	-9.89%	11.92%	10.14%	<b>0.88%</b>
Bloomberg U.S. Universal Bond Index	-0.25%	9.29%	7.58%	-1.10%	-12.99%	6.17%	2.04%	<b>2.66%</b>
Russell 2500 Growth Total Return Index	-7.47%	32.65%	40.47%	5.04%	-26.22%	18.91%	13.90%	<b>-10.80%</b>
Russell 2500 Total Return Index	-10.00%	27.77%	19.99%	18.18%	-18.37%	18.66%	12.00%	<b>-7.50%</b>

*Past performance does not guarantee future results.*

Source: MSCI, Bloomberg, Thornburg Investment Management

# Investment Performance

AVERAGE ANNUAL TOTAL RETURNS (%)	QTR	YTD	1-YR	3-YR	5-YR	10-YR	ITD	EXPENSE RATIOS (%)	
								GROSS	NET
A Shares TIBAX (Incep: 24 Dec 02)   30-Day Subsidized SEC Yield: 2.79%									
Without sales charge	8.76	8.76	16.40	10.76	16.48	7.43	9.27	--	--
With sales charge	3.85	3.85	11.15	9.08	15.41	6.94	9.04	1.17	1.17
I Shares TIBIX (Incep: 3 Nov 03)*   30-Day Subsidized SEC Yield: 3.12%	8.84	8.84	16.71	11.02	16.75	7.71	9.61	0.93	0.93
Blended Index	-0.63	-0.63	6.56	5.91	11.95	7.63	7.80		
Excess Return (I Shares) vs. Blended Index	9.47	9.47	10.15	5.11	4.80	-0.80	1.81		

CALENDAR YEAR RETURNS (%)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A Shares TIBAX	13.13	17.90	-8.27	20.02	-0.65	17.66	-4.62	14.78	9.50	-5.37
I Shares TIBIX	13.38	18.17	-8.03	20.29	-0.39	17.95	-4.39	15.17	9.86	-5.10
Blended Index	14.12	19.05	-16.67	15.64	14.41	22.87	-6.42	17.42	6.41	-0.33
Excess Return (I Shares) vs. Blended Index	-0.74	-0.88	8.64	4.65	-14.80	-4.92	2.03	-2.25	3.45	-4.77

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](http://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. Thornburg Investment Management and/or Thornburg Securities LLC have contractually agreed to waive fees and reimburse expenses through at least 1 February 2026, for some of the share classes; these are reflected in the net expense ratio. For more detailed information on fund expenses and waivers/reimbursements, please see the fund's prospectus. Without these waivers, SEC yields would have been as follows: A Shares, 2.79%; I Shares, 3.12%.

As of 31 March 2025

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

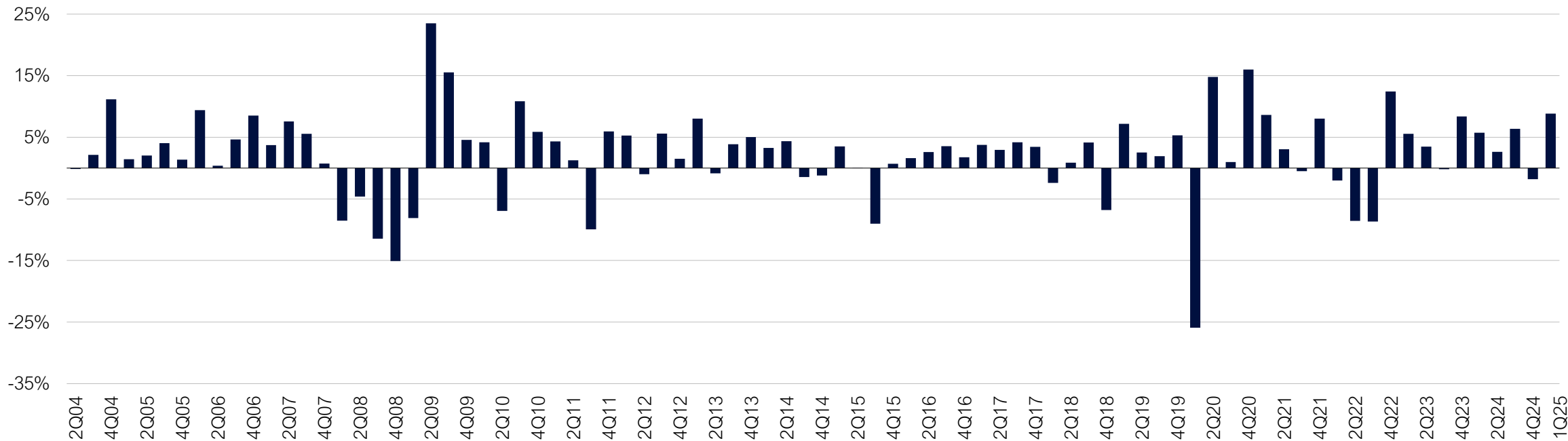
Class I shares may not be available to all investors. Minimum investments for the I share class may be higher than those for other classes.

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

\*Prior to inception of this share class, performance is hypothetical and was calculated from actual returns of the class A shares adjusted for the expenses of the newer share class.

# Quarterly Total Returns

I Shares

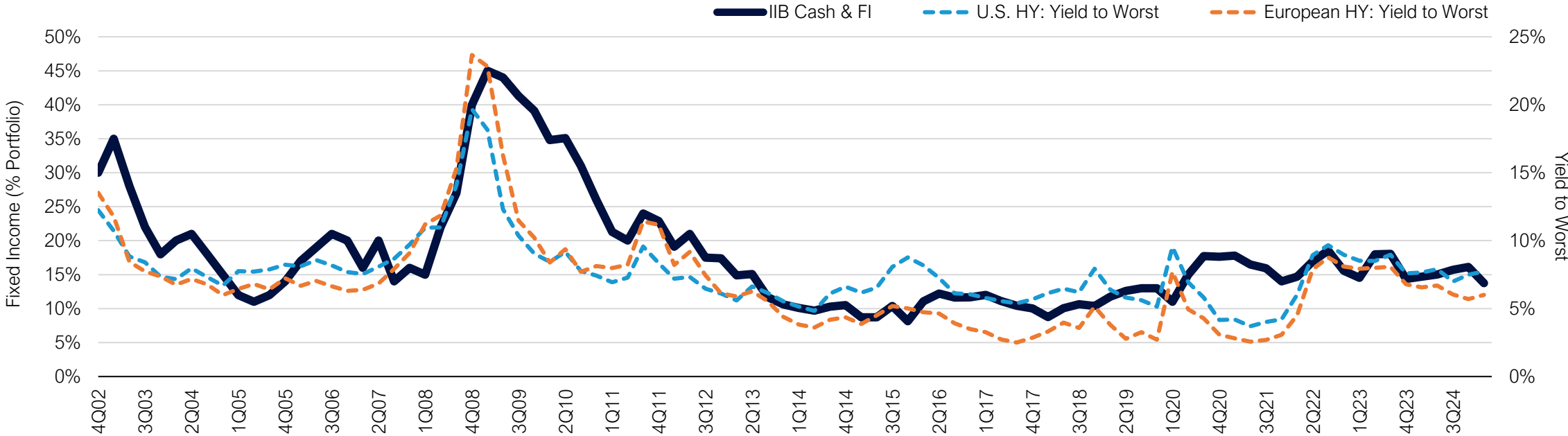


Past performance does not guarantee future results.

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. Returns for less than one year are not annualized.

# Flexibility with Fixed Income

We buy bonds when risk-adjusted returns are attractive.



Past performance does not guarantee future results.

Source: Bloomberg

# Quarterly Distributions

Cents per I Share (TIBIX)

	Q1	Q2	Q3	Q4	TOTAL
2003				14.5¢	14.5¢
2004	11.7¢	13.6¢	16.0¢	22.7¢	64.0¢
2005	11.6¢	14.2¢	18.0¢	29.7¢	73.5¢
2006	14.4¢	18.0¢	21.2¢	35.0¢	88.6¢
2007	16.2¢	20.6¢	23.6¢	39.0¢	99.4¢
2008	19.8¢	23.8¢	28.0¢	38.3¢	109.9¢
2009	19.2¢	25.6¢	29.4¢	36.2¢	110.4¢
2010	21.3¢	26.7¢	33.6¢	37.8¢	119.4¢
2011	22.7¢	27.9¢	33.8¢	39.3¢	123.7¢
2012	23.1¢	27.5¢	30.1¢	37.8¢	118.5¢
2013	23.0¢	27.2¢	26.8¢	26.4¢	103.4¢
2014	24.3¢	25.9¢	28.9¢	27.9¢	107.0¢

	Q1	Q2	Q3	Q4	TOTAL
2015	18.2¢	21.8¢	21.8¢	27.0¢	88.9¢
2016	18.5¢	20.2¢	21.2¢	23.3¢	83.2¢
2017	18.6¢	21.8¢	27.9¢	31.6¢	99.9¢
2018	19.6¢	21.6¢	25.6¢	29.6¢	96.4¢
2019	20.3¢	22.9¢	26.4¢	31.7¢	101.3¢
2020	20.3¢	20.1¢	22.1¢	30.3¢	92.8¢
2021	23.7¢	29.0¢	32.9¢	38.8¢*	124.4¢
2022	21.4¢	26.6¢	30.5¢	40.5¢	119.1¢
2023	22.3¢	26.5¢	30.5¢	38.4¢	117.7¢
2024	24.0¢	27.2¢	30.8¢	42.1¢	124.1¢
2025	24.1¢				

*Past performance does not guarantee future results.*

\*Does not include a special dividend of 6.56¢ per share declared on 30 December 2021 and payable on 6 January 2022.

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.

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

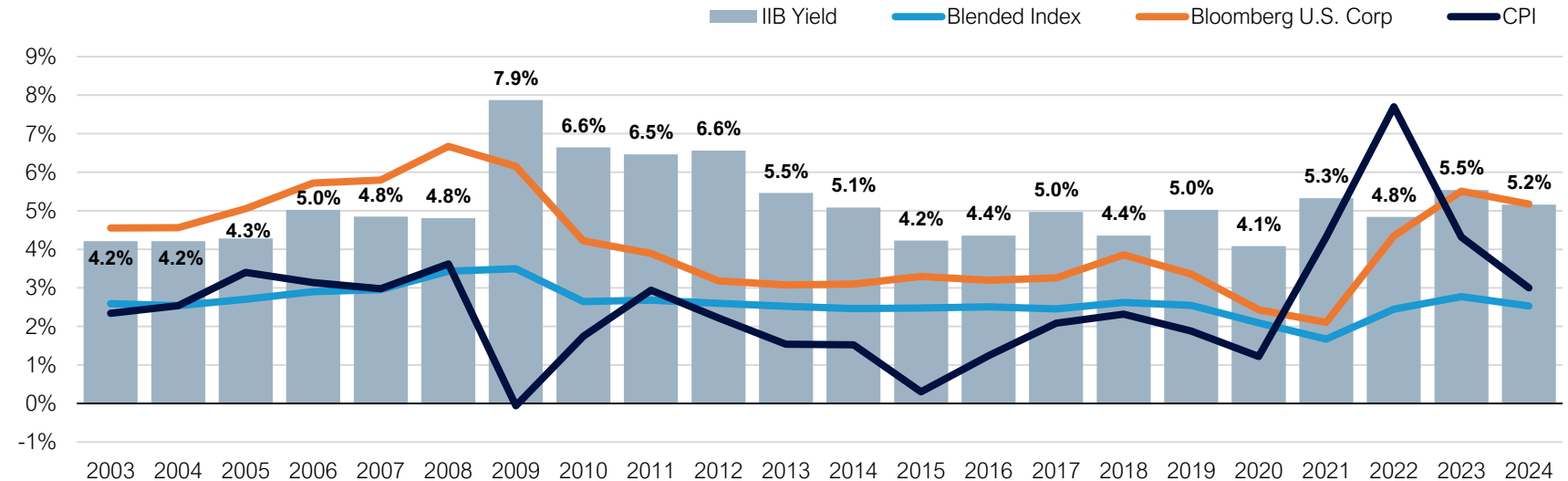


## Consistently Delivered a 4%+ Yield Since Inception

**2003 – 2024**

Dividend: 4.2% CAGR

NAV: 3.6% CAGR



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](https://thornburg.com) or call 877-215-1330.

Source: Bloomberg, as of 31 December 2024

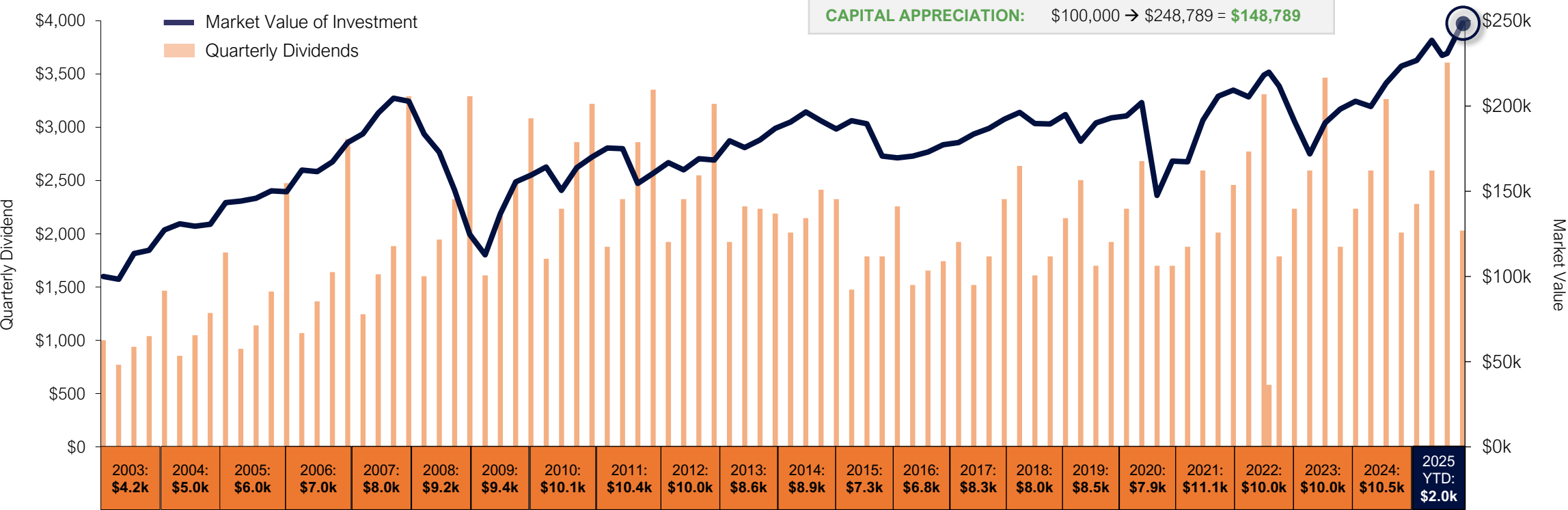
The Compound Annual Growth Rate (CAGR) is the rate of return that would be required for an investment to grow from its beginning balance to its ending balance, assuming the profits were reinvested at the end of each year of the investment's life span. Neither the payment of, or increase in, dividends is guaranteed. Annual Dividend Yields are calculated as annual dividend divided by beginning of the year NAV. Dividend Yield is 2003 TIBAX and 2004-2020 is TIBIX.

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



# Hypothetical \$100,000 Investment

A Shares



Hypothetical illustrations above do not account for the fund's sales charges. If sales charges had been included, results would be lower. The portfolio values include any capital appreciation and capital gains payments, which were reinvested. 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](https://thornburg.com) or call 877-215-1330.



# Hypothetical \$100,000 with Reinvestment

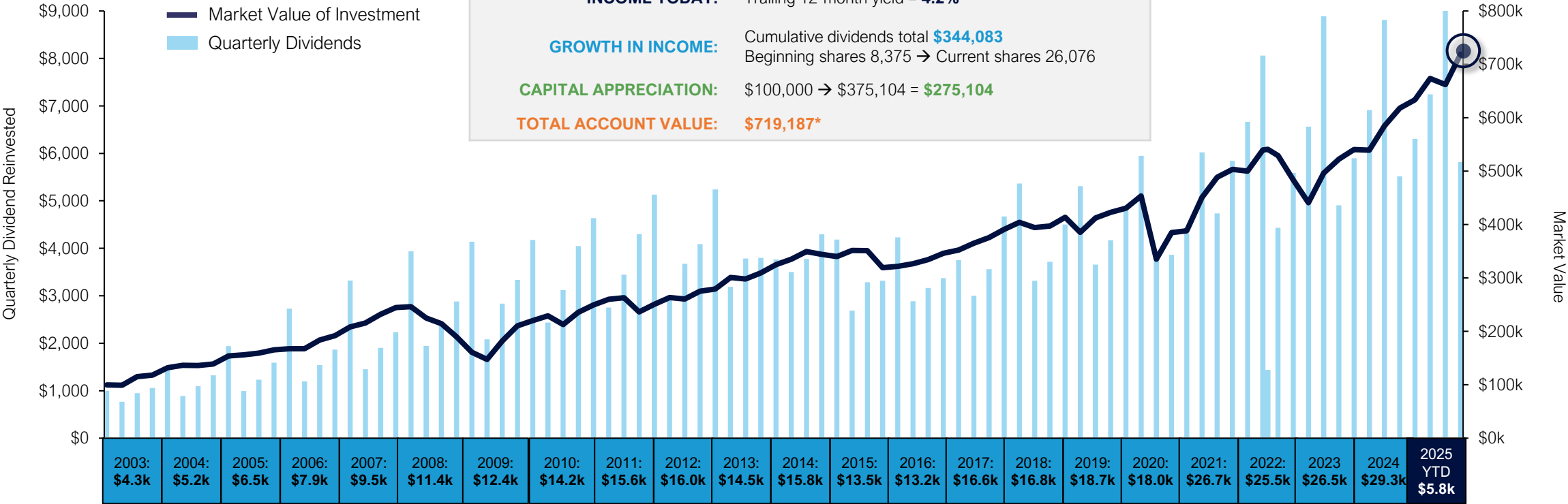
A Shares

**INCOME TODAY:** Trailing 12-month yield = **4.2%**

**GROWTH IN INCOME:** Cumulative dividends total **\$344,083**  
Beginning shares 8,375 → Current shares 26,076

**CAPITAL APPRECIATION:** \$100,000 → \$375,104 = **\$275,104**

**TOTAL ACCOUNT VALUE:** **\$719,187\***



Hypothetical illustrations above do not account for the fund's sales charges. If sales charges had been included, results would be lower. All dividends and capital gains payments were reinvested. 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](http://thornburg.com) or call 877-215-1330.

\*Includes initial investment of \$100k

# Historically, Dividends Have Been Important to Total Return: S&P 500 Index

Over the long term, total shareholder returns (TSR) are roughly 50% price / 50% dividends

DECADE	PRICE APPRECIATION	INCOME COMPONENT	TOTAL RETURN	INCOME AS PERCENTAGE OF TOTAL RETURN
1871 – 1880	2.8%	6.1%	8.9%	68.5%
1881 – 1890	-2.1%	4.8%	2.6%	184.6%
1891 – 1900	4.2%	4.5%	8.7%	51.7%
1901 – 1910	2.5%	4.6%	7.1%	64.8%
1911 – 1920	-2.6%	6.1%	3.4%	179.4%
1921 – 1930	6.7%	5.6%	12.3%	45.5%
1931 – 1940	-2.8%	4.9%	2.1%	233.3%
1941 – 1950	6.7%	6.4%	13.0%	49.2%
1951 – 1960	10.2%	5.0%	15.2%	32.9%
1961 – 1970	4.7%	3.5%	8.2%	42.7%
1971 – 1980	4.0%	4.5%	8.5%	52.9%
1981 – 1990	9.3%	4.6%	13.9%	33.1%
1991 – 2000	14.9%	2.6%	17.5%	14.9%
2001 – 2010	-0.5%	1.9%	1.4%	135.7%
2011 – 2020	11.6%	2.3%	13.9%	16.7%
2021 – 1Q25	9.9%	1.6%	11.6%	14.3%
<b>Average across Decades</b>	<b>4.6%</b>	<b>4.5%</b>	<b>9.1%</b>	<b>49.3%</b>
<b>Standard Dev across Decades</b>	<b>5.4%</b>	<b>1.4%</b>	<b>5.1%</b>	

*Past performance does not guarantee future results.*

Sources: Jack W. Wilson and Charles P. Jones, "An Analysis of the S&P 500 Index and Cowles's Extensions: Price Indexes and Stock Returns, 1870–1999", Journal of Business, 2002, vol. 75 no 3. Data after 1990 is from Bloomberg, Confluence, and FactSet. Calculated by Thornburg Investment Management. Returns are annualized.



Q&A

# Important Information

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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. This effect is more pronounced for longer-term bonds. Unlike bonds, bond funds have ongoing fees and expenses. Investments in mortgage-backed securities (MBS) may bear additional risk. Investments in lower rated and unrated bonds may be more sensitive to default, downgrades, and market volatility; these investments may also be less liquid than higher rated bonds. Investments in derivatives are subject to the risks associated with the securities or other assets underlying the pool of securities, including illiquidity and difficulty in valuation. Investments in the Funds are not FDIC insured, nor are they bank deposits or guaranteed by a bank or any other entity.

*The performance data quoted represents past performance; it does not guarantee future results. Returns will fluctuate and current performance may be either lower or higher than data shown.*

Core Personal Consumption Expenditure Index is a measure of the Personal Consumption Expenditure Index that excludes the more volatile and seasonal food and energy prices.

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

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.

SEC Yield - A yield computed in accordance with SEC standards measuring the net investment income per share over a specified 30-day period expressed as a percentage of the maximum offering price of the Fund's shares at the end of the period.

Yield to Worst (YTW) - The lowest potential yield that can be received on a bond without the issuer actually defaulting.

Thornburg Investment Income Builder Fund's Blended Index is composed of 25% Bloomberg U.S. Aggregate Total Return Value USD and 75% MSCI World Net Total Return USD Index, rebalanced monthly. The MSCI World Net Total Return USD Index is an unmanaged market-weighted index that consists of securities traded in 23 of the world's most developed countries. The Bloomberg US Aggregate Total Return Value USD is composed of approximately 8,000 publicly traded bonds. The index is weighted by the market value of the bonds included in the index.

The MSCI World Index is a broad global equity index that represents large and mid-cap equity performance across all 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country.

The S&P 500 Index (S&P 500 TR) is an unmanaged broad measure of the U.S. stock market.

The MSCI EAFE Index (MSCI EAFE NTR) is an unmanaged index. It is a generally accepted benchmark for major overseas markets. Index weightings represent the relative capitalizations of the major overseas developed markets on a U.S. dollar adjusted basis. The index is calculated with net dividends reinvested in U.S. dollars.

The MSCI ACWI ex USA (Gross/Net) Index is a market capitalization weighted index representative of the market structure of 46 developed and emerging market countries in North and South America, Europe, Africa, the Middle East, and the Pacific Rim, excluding securities of United States issuers. Beginning in January 2001, the index is calculated with net dividends reinvested in U.S. dollars. Prior data is calculated with gross dividends.

The MSCI Emerging Markets Index (MSCI Emerging Markets NTR) is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

The MSCI AC (All Country) Asia Pacific Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed and emerging markets in the Asia Pacific region. The index consists of the following 14 developed and emerging market countries: Australia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Pakistan, Philippines, Singapore, Taiwan and Thailand.

The EURO STOXX 50 Index provides a Blue-chip representation of supersector leaders in the Eurozone. The index covers 50 stocks from 11 countries: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain.

The Bloomberg U.S. Universal Index (BBG US Universal TR Value) measures the performance of U.S. dollar-denominated taxable bonds that are rated either investment-grade or high yield. The index includes U.S. Treasury bonds, investment-grade and high yield U.S. corporate bonds, mortgage-backed securities, and Eurodollar bonds.

The Bloomberg Intermediate Corporate Index (BBG Int Corp TR Value) measures the investment grade, fixed-rate taxable corporate bond market.

The Russell 3000 Growth Index is an unmanaged index comprised of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values. The stocks in this index are also members of either the Russell 1000 Growth or the Russell 2000 Growth indices. Source: Frank Russell Company.

The Russell 2500 Growth Index (Russell 2500 Growth TR) is designed to measure the performance of those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values.

The Russell 2500 Index (Russell 2500 TR) measures the performance of the 2,500 smallest companies in the Russell 3000 Index, with a weighted average market capitalization of approximately \$4.3 billion, median capitalization of \$1.2 billion and market capitalization of the largest company of \$18.7 billion.

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.

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Thornburg Securities LLC, Distributor



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