

Thornburg Strategic Municipal Income Fund

SEPTEMBER 30, 2018

Investment Strategy

Thornburg Strategic Municipal Income Fund has a flexible mandate to invest across a wide range of maturities and credit qualities. The portfolio team will not invest more than 50% of the portfolio in bonds rated below investment grade at the time of purchase. Also, the portfolio will be diversified among sectors, issuers, credit qualities, geographic regions, and segments of the yield curve.

Investment Objective

The Fund seeks a high level of current income exempt from federal individual income tax. There is no guarantee the Fund will meet its investment objectives.

Portfolio Managers

Christopher Ryon, CFA
Nicholas Venditti, CFA

Supported by the entire Thornburg investment team.

Lipper Leader Ratings

(Class I Shares)

4 Overall Preservation out of 5815 Fixed Income Funds



The Fund rated a 4, 4, for the three and five-year periods for Total Return among 5815 and 4984 funds, respectively.

Key Portfolio Attributes

Fund Assets	\$264 M
Number of Bonds	220
Average Maturity	8.7 Yrs
Effective Duration	4.5 Yrs
Subject to Alternative Minimum Tax	3.9%

Symbols and Cusips

A Shares	TSSAX	885-216-101
C Shares	TSSCX	885-216-200
I Shares	TSSIX	885-216-309

Average Annual Total Returns (as of 9/30/18)

	YTD	1-YR	3-YR	5-YR	SINCE INCEP.	30-DAY SEC YIELD		EXPENSE RATIOS	
						GROSS	NET		
A Shares (Incep: 4/1/09)									
Without sales charge	-0.19%	0.36%	1.57%	3.12%	5.69%				
With sales charge	-2.19%	-1.65%	0.88%	2.71%	5.47%	1.76%	1.26%	1.00%	
C Shares (Incep: 4/1/09)									
Without sales charge	-0.54%	-0.12%	1.18%	2.76%	5.36%				
With sales charge	-1.13%	-0.70%	1.18%	2.76%	5.36%	1.33%	1.62%	1.47%	
I Shares (Incep: 4/1/09)									
	0.04%	0.59%	1.86%	3.43%	6.00%	2.02%	0.97%	0.78%	

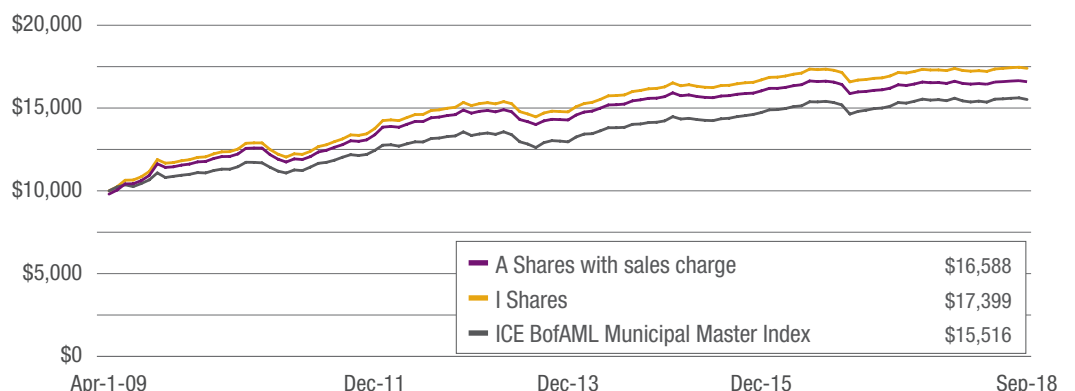
Annual Return Performance Summary

	2010	2011	2012	2013	2014	2015	2016	2017
A Shares	3.06%	12.40%	9.76%	-2.80%	9.86%	2.23%	-0.38%	4.04%
C Shares	2.75%	12.06%	9.43%	-3.08%	9.60%	1.92%	-0.68%	3.53%
I Shares	3.33%	12.70%	10.08%	-2.51%	10.21%	2.61%	-0.06%	4.20%

Periods less than one year are not annualized.

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. The maximum sales charge for the Fund's A shares is 2.00%. C shares include a 0.60% contingent deferred sales charge (CDSC) for the first year only. There is no up-front sales charge for the I shares. Thornburg Investment Management and/or Thornburg Securities Corporation have contractually agreed to waive fees and reimburse expenses through at least June 15, 2019 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, 1.55%; C Shares, 1.22%; I Shares, 1.89%.

Hypothetical Growth of \$10,000



The Hypothetical Growth of \$10,000 graph reflects reinvestment of dividends and capital gains, if any, as well as all fees and expenses.

Credit Quality Ratings

AAA	7.8%
AA	26.9%
A	34.4%
BBB	15.5%
Below Investment Grade	1.2%
Not Rated	8.6%
Cash & Cash Equivalents	5.5%

May not add up to 100% due to rounding.

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 for Thornburg's municipal portfolios used the highest rating available from S&P Global Ratings or Moody's Investors Service. "NR" = not rated.

Top Ten Fixed Income Positions

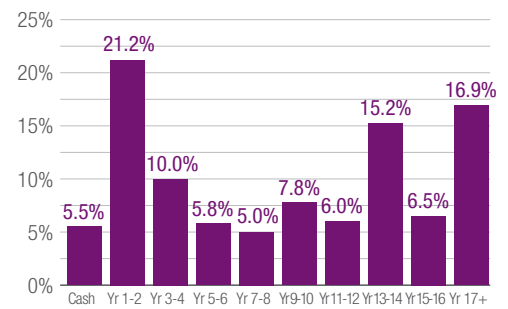
(as of 8/31/18, percent of portfolio)

County of Los Angeles CA	1.5%
City of Houston TX	1.3%
City of New York NY	1.3%
New Jersey Transportation Trust Fund Authority	1.3%
Territory of Guam	1.2%
Lower Colorado River Authority	1.2%
City of Los Angeles CA	1.1%
County of Riverside CA	1.1%
City of Houston TX Combined Utility System Revenue	1.1%
Arizona Health Facilities Authority	1.0%

Top Ten Municipal Sectors

Local General Obligation	15.8%
Hospital	11.9%
Prerefunded/Escrowed to Maturity	9.1%
Industrial Development/Pollution Control	7.0%
Dedicated Tax	6.6%
Higher Education	5.7%
Appropriation	5.2%
State General Obligation	4.9%
Public Power	3.7%
Other Revenue	3.5%

Current Portfolio Ladder



% of portfolio maturing in each year (The percentages can and do vary over time.) Cash includes cash equivalents.

Top Ten States

California	14.3%
Texas	12.3%
Illinois	8.7%
Pennsylvania	6.7%
Michigan	6.4%
New York	4.7%
Florida	4.1%
New Jersey	3.8%
Territory of Guam	3.8%
Connecticut	2.7%

Please visit thornburg.com for latest portfolio manager commentary.

Important Information

Investments carry risks, including possible loss of principal. 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. Unlike bonds, bond funds have ongoing fees and expenses. Investments in the Fund are not FDIC insured, nor are they bank deposits or guaranteed by a bank or any other entity.

Income earned from municipal bonds is exempt from regular federal and in some cases, state and local income tax. Income may be subject to the alternative minimum tax (AMT).

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.

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.

The ICE BofAML Municipal Master Index tracks the performance of the investment-grade U.S. tax-exempt bond market. Qualifying bonds must have at least one year remaining term to maturity, a fixed coupon schedule, and an investment grade rating (based on average of Moody's, S&P, and Fitch).

Lipper ratings for Total Return reflect funds' historical total return performance (before sales charge) relative to peers. Lipper ratings for Consistent Return reflect funds' historical risk-adjusted returns (before sales charge), adjusted for volatility, relative to peers. Lipper ratings for Preservation reflect the funds' historical loss avoidance relative to other funds within the fixed income asset class. The ratings are subject to change every month and are based on an equal-weighted average of percentile ranks for each metric over three-, five-, and ten-year periods (if applicable). The highest 20% of funds in each peer group are named Lipper Leader, or a score of 5, the next 20% receive a score of 4, the middle 20% are scored 3, the next 20% are scored 2, and the lowest 20% are scored 1. Lipper ratings are not intended to predict future results, and Lipper does not guarantee the accuracy of this information. More information is available at www.lipperweb.com. Thomson Reuters Copyright 2018, All Rights Reserved.

Before investing, carefully consider the Fund's investment goals, risks, charges, and expenses. For a prospectus or summary prospectus containing this and other information, contact your financial advisor or visit thornburg.com. Read them carefully before investing.