

# Thornburg Limited Term Municipal Fund (LTMIX)

DECEMBER 31, 2017



Class I Shares

Overall Morningstar Rating, among 172 Muni National Short Funds, is based on risk-adjusted returns, as of 12/31/17.



Lipper Best Short-Intermediate Municipal Debt Fund (Class I Shares) 10-year period ended 11/30/16, among 41 funds.

## Overall Lipper Leader Ratings

I Shares as of 12/31/17

5

**Total Return**  
among 65 Short-Intermediate Muni Debt Funds

4

**Consistent Return**  
among 64 Short-Intermediate Muni Debt Funds

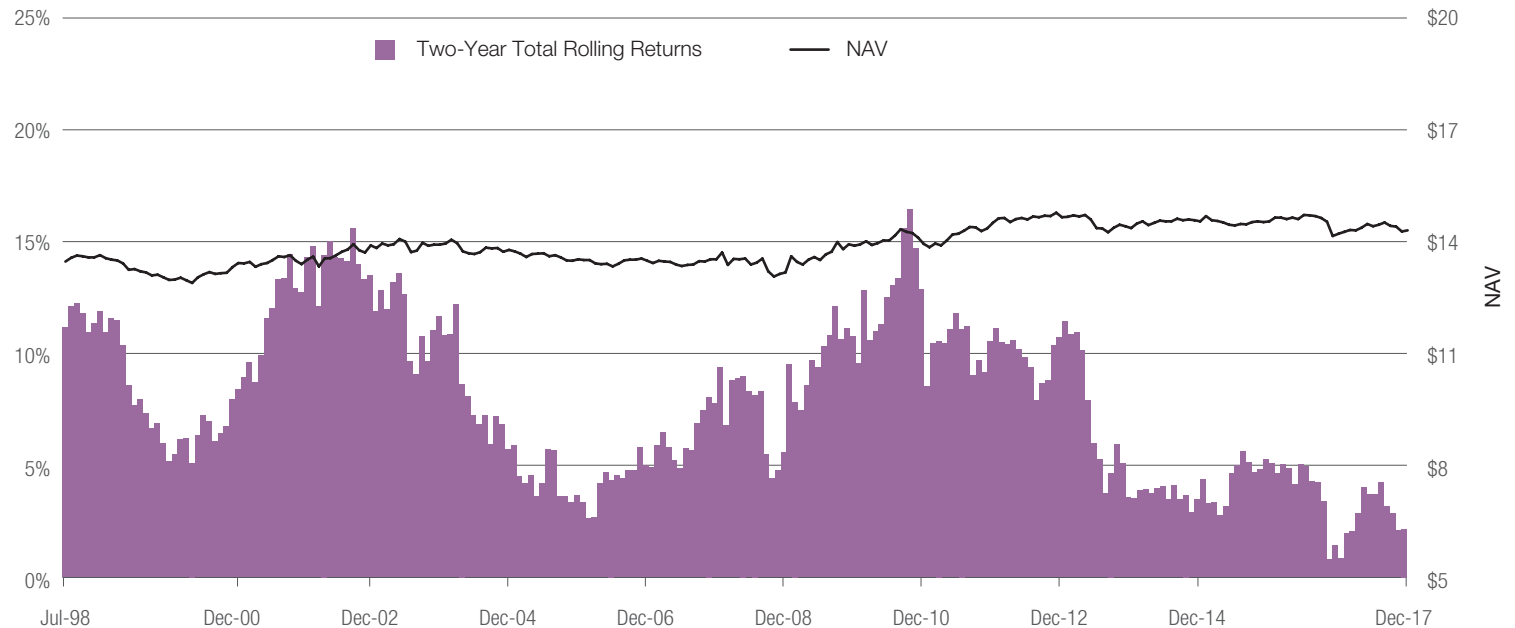
5

**Preservation**  
out of 5,789 Bond Funds



## Rolling Two-Year Performance and Net Asset Value History as of 12/31/17

Since the fund's I Share inception, every two-year period has offered positive returns. That means that any investor who held the fund for at least two years would not have experienced a negative return, regardless of when they first invested. *Past performance does not guarantee future results.*



Rolling returns are useful for examining the behavior of returns for holding periods similar to those actually experienced by investors. Rolling performance in the chart above represents two-year periods, updated monthly. Performance is not annualized.

## Thornburg Limited Term Municipal Fund

(Annualized Returns as of 12/31/17)

	1-YR	3-YR	5-YR	10-YR	SINCE INCEP.
I Shares LTMIX (Incep: 7/5/96)	2.61%	1.34%	1.49%	3.15%	3.81%

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.

*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. There is no up-front sales charge for the I shares. The total annual operating expenses for the Fund are as follows: I shares, 0.41%.*

## Thornburg's Municipal Bond Funds

- Low Duration Municipal Fund
- Limited Term Municipal Fund
- Intermediate Municipal Fund
- California Limited Term Municipal Fund
- New Mexico Intermediate Municipal Fund
- New York Intermediate Municipal Fund
- Strategic Municipal Income Fund

The laddering strategy does not assure or guarantee better performance than a non-laddered portfolio and cannot eliminate the risk of investment losses.

The Fund's I shares received the following Lipper ratings for the three-, five- and 10-year periods, respectively: Total Return – 4 (65 funds), 4 (61 funds), 5 (40 funds); Consistent Return – 4 (64 funds), 4 (60 funds), 5 (39 funds); Preservation – 4 (5,789 funds), 5 (4,913 funds), 5 (3,204 funds), as of 12/31/17. 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](http://www.lipperweb.com). Thomson Reuters Copyright 2018, All Rights Reserved. Past performance does not guarantee future results.

## How We Think and Invest in the Municipal Market

The fund's strong and steady performance didn't occur by accident. While there's no magic bullet, we use three major devices to deal with the multiple risk factors that can erode performance:

### The Pursuit of Relative Value

- We focus on fundamental analysis—opportunistically pursuing value wherever the risk/reward tradeoff appears compelling.
- Much goes into the evaluation of true relative value, including bond structure, credit quality, collateral, covenants, liquidity, and how the security fits within the yield curve's shape.
- The fund is benchmark unconstrained and can remain nimble within the municipal universe.
- By consistently applying fundamental, bottom-up research, the investment team endeavors to offer a portfolio that has a relatively stable net asset value as well as long-term principal stability.

### High Credit Quality Focus

- As fundamental, bottom-up investors, we're focused on credit quality, and we seek out high-credit-quality bonds.
- We limit our selection to investment grade municipal bonds but diversify across issuers, sectors, and municipalities.

- During times of difficult market conditions, high-credit-quality bonds tend to be more liquid, which minimizes the lower price valuations that can occur.

### Active Laddering

- Active laddering involves building a portfolio of bonds with staggered maturities so that a portion of the portfolio will mature each year.
- The primary goal of a laddered bond portfolio is to achieve a total return over all interest rate cycles that compares favorably to the total return of a long-term bond, but with less market price and reinvestment risk.
- Laddering also helps smooth out reinvestment risk since money is being reinvested incrementally throughout a full interest rate cycle. It really doesn't matter which way interest rates move. With a laddering strategy, it's possible to get consistent returns.

Lipper Fund Awards are granted annually to the fund in each Lipper classification that consistently delivered the strongest risk-adjusted performance (calculated with dividends reinvested and without sales charge). The fund did not win the award for other time periods. Past performance does not guarantee future results. From Thomson Reuters Lipper Awards, © 2018 Thomson Reuters. All rights reserved. Used by permission and protected by the Copyright Laws of the United States. The printing, copying, redistribution, or retransmission of this Content without express written permission is prohibited.

Overall Morningstar Ratings use a weighted average of the Fund's three-, five- and 10-year ratings: respectively, 4 stars, 4 stars, and 5 stars for Class I shares among 172 stars, 152 stars, and 94 Muni National Short funds, as of 12/31/17. To determine a fund's Morningstar Rating™, funds and other managed products with at least a three-year history are ranked in their categories by their Morningstar Risk-Adjusted Return scores. The top 10% receive 5 stars; the next 22.5%, 4 stars; the middle 35%, 3 stars; the next 22.5%, 2 stars; and the bottom 10% receive 1 star. The Risk-Adjusted Return accounts for variation in a managed product's monthly excess performance (excluding sales charges), placing more emphasis on downward variations and rewarding consistent performance. Other share classes may have different performance characteristics. © 2018 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of 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.

***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](http://thornburg.com). Read them carefully before investing.***