

## Investment Strategy

Thornburg Strategic Income Fund is a global, income-oriented fund with a flexible mandate focused on paying an attractive, sustainable yield. The portfolio invests in a combination of income-producing securities with an emphasis on higher-yielding fixed income. The Fund may also invest in dividend-paying stocks.

## Investment Objective

The Fund's primary investment goal is to seek a high level of current income. The Fund's secondary investment goal is some long-term capital appreciation. There is no guarantee that the Fund will meet its objectives.

## Portfolio Managers

Jason Brady, CFA  
Lon Erickson, CFA  
Christian Hoffmann, CFA  
Jeff Klingelhofer, CFA

Supported by the entire Thornburg investment team.

## Morningstar Ratings

(Class R5 Shares)



Morningstar Overall Rating™ among 278 Multisector Bond Funds for class R5 shares. 3-yr: 4 stars out of 278 funds; 5-yr: 4 stars out of 215 funds; 10-yr: 4 stars out of 132 funds.

## Lipper Leader Ratings

(Class R5 Shares)

- 4** Overall Consistent Return among 268 Multi-Sector Income Funds
- 4** Overall Total Return among 268 Multi-Sector Income Funds
- 4** Overall Preservation out of 5815 Fixed Income Funds

The Fund rated a 4, and a 4, for the three- and five-year periods for Consistent Return among 268 and 205 funds, respectively. The Fund rated a 4 and a 4 for the three- and five-year periods for Total Return among 268 and 205 funds, respectively. The Fund rated a 5 and a 4 for the three- and five-year periods for Preservation among 5815 and 4984 funds, respectively.



## Key Portfolio Attributes

Assets	\$1.1 B
Fixed Income Statistics	
Number of Bonds	362
Investment Grade	66.2%
Effective Duration	2.8 Yrs

## Equity Statistics

Portfolio P/E Trailing 12 months*	N/A
Median Market Cap*	\$1.0 B
Equity Holdings	8

\* Source: FactSet

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

	YTD	1-YR	3-YR	5-YR	10-YR	SINCE A SHARE INCEP** (12/19/07)	30-DAY SEC YIELD	EXPENSE RATIOS	
								GROSS	NET
R4 Shares** (Incep: 2/1/14)	0.58%	1.08%	4.38%	3.31%	7.11%	5.84%	3.03%	2.26%	1.25%
R5 Shares** (Incep: 5/1/12)	1.07%	1.71%	4.85%	3.71%	7.48%	6.21%	3.59%	1.39%	0.69%
R6 Shares** (Incep: 4/10/17)	1.05%	1.66%	5.16%	4.02%	7.77%	6.49%	3.64%	1.00%	0.65%
Bloomberg Barclays U.S. Universal Bond Index (Since 12/19/07)	-1.41%	-1.00%	1.98%	2.53%	4.22%	3.91%	—	—	—
Blended Index (Since 12/19/07)	-0.17%	1.22%	3.73%	3.63%	4.92%	4.17%	—	—	—

## Annual Return Performance Summary

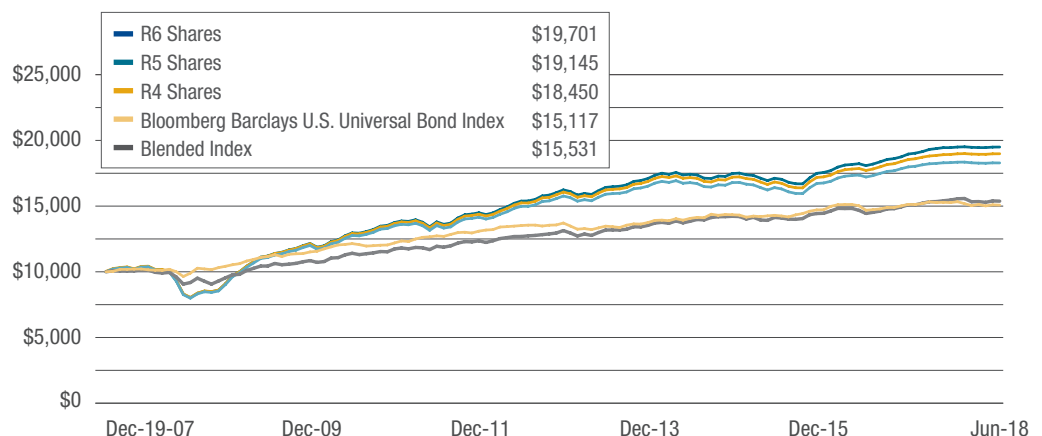
	2009	2010	2011	2012	2013	2014	2015	2016	2017
R4 Shares**	36.64%	13.06%	4.41%	12.52%	5.85%	3.16%	-2.43%	7.71%	5.90%
R5 Shares**	37.05%	13.41%	4.73%	12.86%	6.15%	3.51%	-2.19%	7.99%	6.48%
R6 Shares**	37.38%	13.68%	4.98%	13.14%	6.43%	3.72%	-1.83%	8.25%	7.14%
Bloomberg Barclays U.S. Universal Bond Index	8.60%	7.16%	7.40%	5.54%	-1.35%	5.56%	0.43%	3.91%	4.09%
Blended Index	10.77%	7.95%	5.29%	6.60%	3.23%	5.81%	0.42%	3.71%	7.09%

Periods less than one year are not annualized.

\*\* 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.

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. 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: R4 Shares, 2.20%; R5 Shares, 3.17%; R6 Shares, 3.39%.

## 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.

## Top Ten Fixed Income Positions

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

American Airlines 2013-2 Class B Pass Through Trust	0.9%
Comcast Holdings Corp.	0.8%
Ares Capital Corp.	0.8%
International Lease Finance Corp.	0.7%
Neenah, Inc.	0.7%
FirstCash, Inc.	0.7%
Trimble, Inc.	0.6%
Anixter, Inc.	0.6%
CFCRE Commercial Mortgage Trust 2011-C1	0.6%
WCP Issuer, LLC	0.6%

## Top Five Equity Positions

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

Cobank, ACB	0.5%
AgriBank FCB	0.4%
Crestwood Equity Partners L.P.	0.3%
Centaur Funding Corp.	0.2%
Farm Credit Bank/Texas	0.1%

## Currency Exposure (percent of portfolio)

U.S. Dollar	99.2%
Mexican Peso	0.5%
Euro	0.0%

## Top Ten Countries\*

United States	67.5%
Canada	3.2%
United Kingdom	2.5%
China	1.4%
South Korea	1.1%
Germany	1.1%
France	1.0%
Cayman Islands	0.8%
Belgium	0.7%
Japan	0.7%

## Portfolio Composition

Corporate Bonds	58.8%
Asset-backed Securities	14.4%
Collateralized Mortgage Obligation	6.5%
Bank Loans	4.0%
Preferred Stock	1.6%
Comm. Mortgage-backed Securities	0.7%
Municipal Bonds	0.6%
Mortgage Pass Through	0.2%
Government Agency	0.2%
Cash & Cash Equivalents	12.9%

## Symbols and Cusips

R4 Shares	TSRIX	885-216-754
R5 Shares	TSRRX	885-216-879
R6 Shares	TSRSX	885-216-648

## Credit Quality Ratings

(Equities are Excluded)

U.S. Government	1.0%
AAA	8.0%
AA	4.3%
A	10.7%
BBB	29.9%
BB	20.1%
B	10.3%
CCC	1.1%
CC	0.2%
C	0.0%
D	0.1%
Not Rated	2.1%
Cash & Cash Equivalents	12.2%

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 global fixed income portfolios used ratings from Moody's Investors Service. Where Moody's ratings are not available, we have used S&P Global Ratings. Where neither rating is available, we have used ratings from other nationally recognized statistical rating organizations (NRSROs).

Please visit [thornburg.com](http://thornburg.com) for latest portfolio manager commentary.

## Important Information

\*Holdings are classified by country of risk as determined by MSCI and Bloomberg.

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. This effect is more pronounced for longer-term bonds. Unlike bonds, bond funds have ongoing fees and expenses. 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 equity securities are subject to additional risks, such as greater market fluctuations. 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 the Fund are not FDIC insured, nor are they bank deposits or guaranteed by a bank or any other entity.

Class R shares are limited to retirement platforms only.

Portfolio attributes and holdings can and do vary.

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.

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](http://www.lipperweb.com). Thomson Reuters Copyright 2018, All Rights Reserved.

**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 Bloomberg Barclays U.S. Universal Bond Index** represents the union of the U.S. Aggregate Index, U.S. Corporate High-Yield, Investment Grade 144A Index, Eurodollar Index, U.S. Emerging Markets Index, and the non-ERISA eligible portion of the CMBS Index. The index covers USD denominated, taxable bonds that are rated either investment-grade or below investment-grade.

**Thornburg Strategic Income Fund's Blended Index** is composed of 80% Bloomberg Barclays U.S. Aggregate Bond Index and 20% MSCI World Index, rebalanced monthly. The Bloomberg Barclays U.S. Aggregate Bond Index is composed of approximately 8,000 publicly traded bonds including U.S. government, mortgage-backed, corporate and Yankee bonds. The index is weighted by the market value of the bonds included in the index. The MSCI World Index is an unmanaged market-weighted index that consists of securities traded in 23 of the world's most developed countries. Securities are listed on exchanges in the U.S., Europe, Canada, Australia, New Zealand, and the Far East. The index is calculated with net dividends reinvested in U.S. dollars.

Indices do not take into account fees and expenses. Investors cannot make direct investments in an index.

*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.*