Thornburg Investment Management®

Strategies for Building Real Wealth

Quarterly Review
March 31, 2012

Thornburg Investment Income Builder Fund

INVESTMENT STRATEGY

The Fund invests in companies (both in the U.S. and abroad) with histories of paying dividends and showing the capacity to increase them. To provide additional income, the Fund may invest in debt obligations of any kind.

FUND INVESTMENT OBJECTIVE

The Fund's primary investment goal is to provide a level of current income which exceeds the average yield on U.S. stocks generally, and which will generally grow, subject to periodic fluctuations, over the years on a per-share basis. The Fund's secondary investment goal is long-term capital appreciation. There is no guarantee that the Fund will meet its objectives.

PORTFOLIO MANAGERS

Brian McMahon
Jason Brady, CFA

PORTFOLIO COMPOSITION

Foreign Equity	46.4%
Domestic Equity	34.4%
Domestic Corp Bonds	12.0%
Foreign Bonds	4.8%
Domestic Other Bonds	0.9%
Cash	1.4%

CAPITALIZATION EXPOSURE

Small Cap (< $2.5 B)	11.1%
Mid Cap ($2.5-12 B)	16.1%
Large Cap (> $12 B)	72.8%

As a percentage of common stocks

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. We have used ratings from Moody's Investors Service. Where Moody's ratings are not available, we have used Standard & Poor's ratings. "NR" = not rated.

The **Hypothetical Growth of $10,000 graph** compares a hypothetical $10,000 investment in the Fund to the performance of the Index for the stated time period. Returns reflect reinvestment of dividends and capital gains, if any, as well as all fees and expenses.

Charts may not add up to 100% due to rounding.

KEY PORTFOLIO ATTRIBUTES

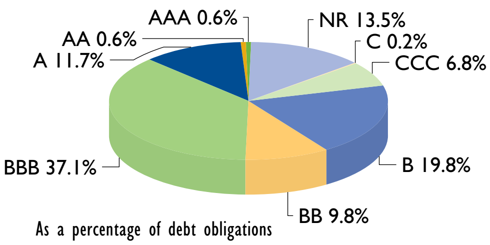
Assets	$10.9 B
Equity Statistics	
Portfolio P/E Trailing 12 months*	11.2x
Median Market Cap*	$14.4 B
Equity Holdings	102
7-Yr Beta (A shares vs. S&P 500 Index)*	0.76
7-Yr Beta (A shares vs. Blended Index)*	0.97

* Source: FactSet

Fixed Income Statistics

Average Maturity	10.9 Yrs
Effective Duration	3.6 Yrs
Bond/Other Holdings	219

CREDIT QUALITY RATINGS



As a percentage of debt obligations

AVERAGE ANNUAL TOTAL RETURNS *(as of March 31, 2012)*

	YTD	1 Yr	3 Yrs	5 Yrs	Since Inception
A Shares (Incep: 12/24/02)					
Without sales charge	5.16%	1.34%	21.30%	4.07%	11.03%
With sales charge	0.40%	-3.20%	19.46%	3.12%	10.48%
C Shares (Incep: 12/24/02)					
Without sales charge	5.04%	0.66%	20.53%	3.41%	10.41%
With sales charge	4.04%	-0.29%	20.53%	3.41%	10.41%
I Shares (Incep: 11/3/03)**	5.27%	1.72%	21.68%	4.42%	11.46%
Blended Index					
(Since 12/24/02)	8.68%	2.64%	17.12%	1.41%	7.30%
S&P 500 Index					
(Since 12/24/02)	12.59%	8.54%	23.42%	2.01%	7.18%

Returns for less than one year are not annualized.

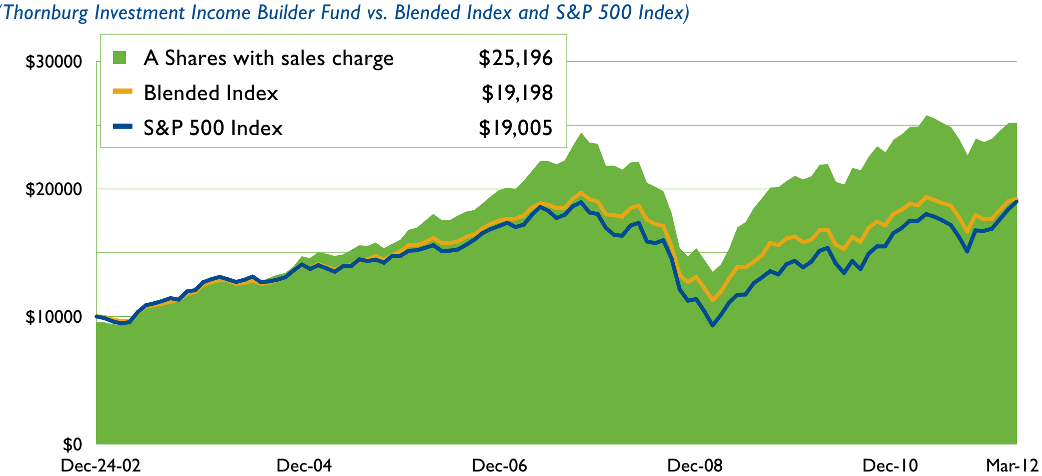
Performance data shown represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate so shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than quoted. For performance current 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 4.50%. C shares include a 1% contingent deferred sales charge (CDSC) for the first year only. There is no up-front sales charge for class I shares.

** Prior to inception of class I shares (11/3/03), performance is calculated from actual returns of the class A shares adjusted for the lower Institutional expenses.

The total annual fund operating expenses are as follows: A shares, 1.21%; C shares, 1.96%; I shares, 0.87%. Thornburg Investment Management and Thornburg Securities Corporation have contractually agreed to waive fees and reimburse expenses through at least February 1, 2013, so that actual expenses of C shares do not exceed 1.90%.

HYPOTHETICAL GROWTH OF $10,000

(Thornburg Investment Income Builder Fund vs. Blended Index and S&P 500 Index)



Thornburg Investment Income Builder Fund

SYMBOLS AND CUSIPS

A Shares	TIBAX	885-215-558
C Shares	TIBCX	885-215-541
I Shares	TIBIX	885-215-467

IMPORTANT INFORMATION

Investments in the Fund carry risks, including possible loss of principal. Special risks may be associated with investments outside the United States, especially in emerging markets, including currency fluctuations, illiquidity and volatility. Investments in small capitalization companies may increase the risk of greater price fluctuations. Funds investing in bonds have the same interest rate, inflation, and credit risks that are associated with the underlying bonds. The principal value of bonds will fluctuate relative to changes in interest rates, decreasing when interest rates rise. Investments in the Fund are not FDIC insured, nor are they deposits of or guaranteed by a bank or any other entity.

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 containing this and other information, contact your financial advisor or visit thornburg.com. Read it carefully before investing.

The **Blended Index** is composed of 25% Barclays Aggregate Bond Index and 75% MSCI World Index. The **Barclays 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 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 24 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.

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

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

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4/20/12

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TOP TEN EQUITY POSITIONS

(percent of portfolio)

1. Microsoft Corp. 2.7%

Microsoft Corporation is the world's largest software company engaged in developing, manufacturing, licensing, and supporting a range of software products and services for different types of computing devices.

2. Telstra Corp. Ltd. 2.5%

Telstra is the leading telecommunication and information services company in Australia. Company revenues are relatively evenly split between fixed-line (including broadband) and mobile services, and it has #1 market shares in both categories.

3. GDF Suez 2.5%

GDF Suez is a France-based natural gas and electricity supplier. It has organized its operations in six business lines: Energy France; Energy Europe and International; Global Gas and Liquid Natural Gas; Infrastructures; Energy Services; and Environment.

4. AT&T, Inc. 2.2%

AT&T is a provider of telecommunications services in the United States and worldwide. Services offered include wireless communications, local exchange services and long-distance services. Today's AT&T is a holding company, formed over time by combinations of former Regional Bell Operating Companies, including Southwestern Bell (the controlling entity), Pacific Telesis, Ameritech, and BellSouth.

5. Royal Dutch Shell plc ADR 2.1%

Royal Dutch Shell is an independent oil and gas company. The company owns, directly or indirectly, investments in the numerous companies constituting the group. Shell is engaged worldwide in the aspects of the oil and gas industry and also has interests in chemicals and other energy-related businesses.

6. Pfizer, Inc. 2.1%

Pfizer is a research-based, global biopharmaceutical company. Pfizer's diversified global health care portfolio includes human and animal biologic and small molecule medicines and vaccines, as well as nutritional products and many consumer health care products.

7. Total SA 2.0%

Headquartered in France, Total is an integrated international oil and gas company with key assets in Canada, Russia, Qatar, Angola, Nigeria, and Kazakhstan. Business lines include upstream (oil and gas exploration, development, and production), downstream (refining, marketing, trading, and shipping of crude oil and petroleum products), and chemicals (fertilizers and petrochemicals).

8. Eni SpA 2.0%

Eni, an Italian integrated oil and gas company, is among Europe's largest natural gas producers. Eni has a history of returning capital to shareholders by paying an attractive dividend, as well as repurchasing shares.

9. Intel Corp. 2.0%

Intel Corporation is the world's leading provider of semiconductors (microprocessors) for the personal computer industry. Intel's products provide computers with the ability to process data, and encompass such functions as graphics, memory, and power management.

10. Vodafone Group plc 1.9%

Vodafone is one of the world's largest providers of mobile telecommunication services, with presence in more than 30 countries. The company has stakes in large carriers such as Verizon Wireless in the United States, D2 in Germany, and Omnitel in Italy, and has made substantial progress in bringing its affiliates outside the U.S. under one brand name.

TOP TEN EQUITY INDUSTRIES

Telecommunication Services	22.0%
Energy	11.5%
Utilities	8.8%
Pharmaceuticals, Biotechnology & Life Sciences	8.6%
Real Estate	8.0%
Diversified Financials	7.7%
Insurance	5.6%
Food, Beverage & Tobacco	5.4%
Banks	4.8%
Software & Services	3.4%

TOP FIVE BOND HOLDINGS

(percent of portfolio)

KKR Financial Holdings, LLC	0.9%
Enel Finance International S.A.	0.4%
QBE Capital Funding III Ltd.	0.4%
MEMC Electronics Materials, Inc.	0.4%
Swiss Re Capital I LP	0.4%

Portfolio characteristics are derived using currently available data that is believed to be accurate. Portfolio attributes and holdings can and do vary. The information above should not be considered buy or sell recommendations. For more detailed commentary on equity holdings see www.thornburg.com/funds.