

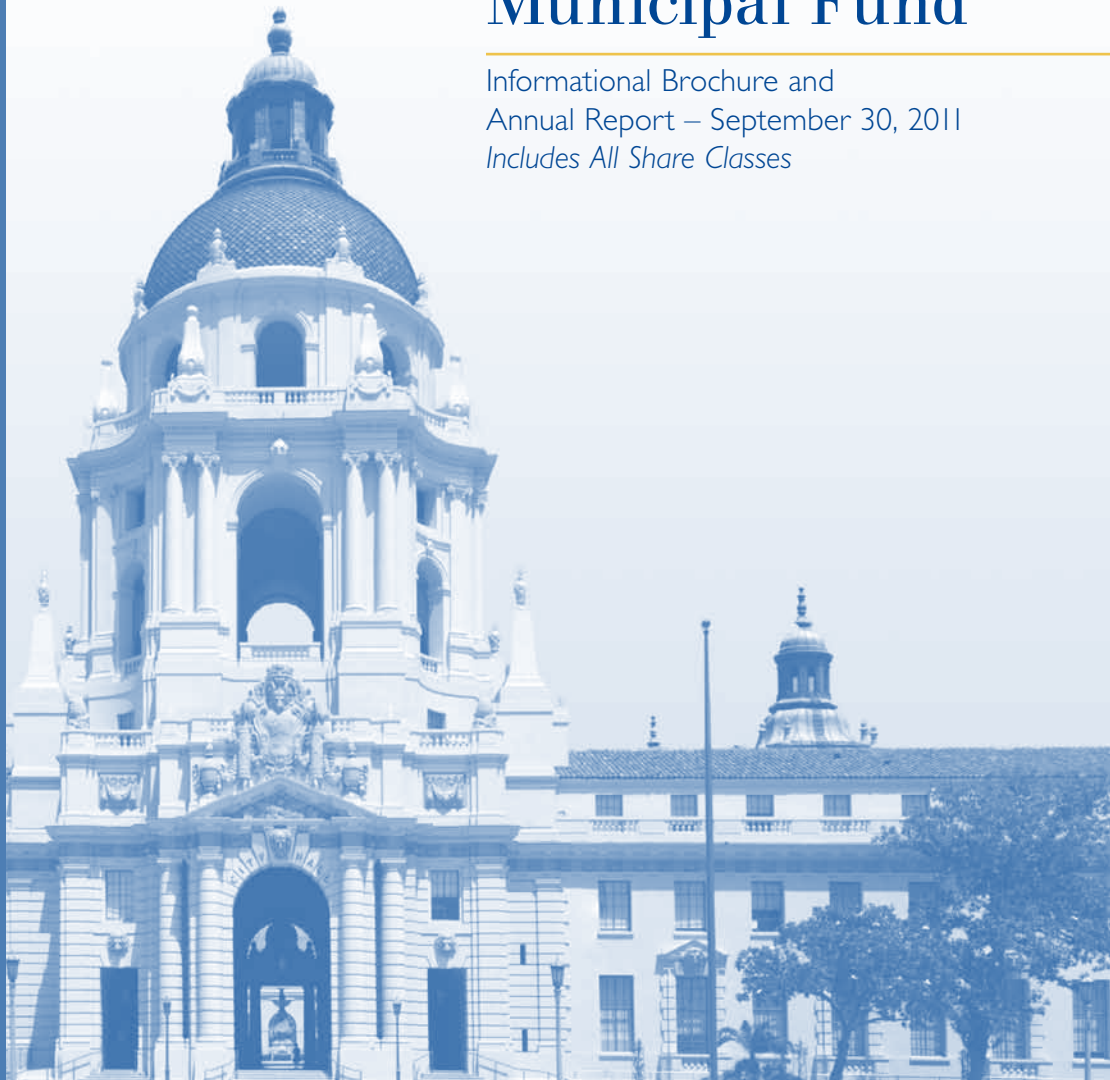
Thornburg

Investment Management®

Strategies for Building Real Wealth

Thornburg Intermediate Municipal Fund

Informational Brochure and
Annual Report – September 30, 2011
Includes All Share Classes



Invest in our planet, while you invest with us

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**You invest in the future,
without spending a dime.**



Thornburg Intermediate Municipal Fund

Laddering – an All Weather Strategy

The Fund's primary investment goal is to obtain as high a level of current income exempt from federal individual income taxes as is consistent, in the view of the Fund's investment advisor, with preservation of capital (may be subject to Alternative Minimum Tax). The secondary goal of the Fund is to reduce expected changes in its share price compared to long-term bond portfolios.

This Fund is a laddered portfolio of municipal bonds with an average maturity of normally three to ten years. Laddering involves building a portfolio of bonds with staggered maturities so that a portion of the portfolio matures each year. Cash from maturing bonds, if not needed for other purposes, is invested in bonds with longer maturities at the far end of the ladder. We regard the strategy as a good compromise for managing different types of risk.

Important Information

The information presented on the following pages was current as of September 30, 2011. The managers' views, portfolio holdings, and sector diversification are provided for the general information of the Fund's shareholders; to the extent this information is historical, it should not be considered predictive of future circumstances. This material should not be deemed a recommendation to buy or sell any of the securities mentioned.

Investments in the Fund carry risks, including possible loss of principal. Bond funds 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. Unlike bonds, bond funds have ongoing fees and expenses. Please see the Fund's Prospectus for a discussion of the risks associated with an investment in the Fund. Investments in the Fund are not FDIC insured, nor are they deposits of or guaranteed by a bank or any other entity. There is no guarantee that the Fund will meet its investment objectives. The laddering strategy does not assure or guarantee better performance and cannot eliminate the risk of investment losses.

Performance data given at net asset value (NAV) does not take into account applicable sales charges. If the sales charges had been included, the performance would have been lower.

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

Share Class	NASDAQ Symbol	Cusip
Class A	THIMX	885-215-202
Class C	THMCX	885-215-780
Class I	THMIX	885-215-673

Glossary

BofA Merrill Lynch 3-15 Year U.S. Municipal Securities Index – This index is a subset of the BofA Merrill Lynch U.S. Municipal Securities Index including all securities with a remaining term to final maturity greater than or equal to 3 years and less than 15 years.

BofA Merrill Lynch 7-12 Year U.S. Municipal Securities Index – This index is a subset of the BofA Merrill Lynch U.S. Municipal Securities Index including all securities with a remaining term to final maturity greater than or equal to 7 years and less than 12 years.

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.

Alternative Minimum Tax (AMT) – A federal tax aimed at ensuring that high-income individuals, estates, trusts, and corporations pay a minimal level income tax. For individuals, the AMT is calculated by adding tax preference items to regular taxable income.

Annualized Distribution Yield – The distribution yield is calculated by taking the sum of the month's total distribution factors and dividing this sum by a 30-day period and annualizing to a 360-day year. The value is then divided by the ending maximum offering price per share to arrive at the annualized distribution yield. The yield is calculated on a periodic basis and is subject to change.

Basis Point (bps) – A unit equal to 1/100th of 1%. 1% = 100 basis points (bps).

Bond Credit Ratings – 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. Unless otherwise noted, the ratings listed are from Municipal Market Data and are a combination of ratings from Standard and Poor's, Moody's Investors Service, and Fitch Ratings.

Build America Bonds (BAB) – Taxable municipal bonds that feature tax credits and/or federal subsidies for bondholders and state and local government bond issuers. Build America Bonds (BABs) were introduced in 2009 as part of President Obama's American Recovery and Reinvestment Act to create jobs and stimulate the economy. BABs attempt to achieve this by lowering the cost of borrowing for state and local governments in financing new projects.

Consumer Price Index (CPI) – An index that measures prices of a fixed basket of goods bought by a typical consumer, including food, transportation, shelter, utilities, clothing, medical care, entertainment and other items. The CPI, published by the Bureau of Labor Statistics in the Department of Labor, is based at 100 in 1982 and is released monthly. It is widely used as a cost-of-living benchmark to adjust Social Security payments and other payment schedules, union contracts and tax brackets. The CPI is also known as the cost-of-living index.

Core CPI – Consumer Price Index minus the energy and food components.

Important Information , *Continued*

Duration – A bond’s sensitivity to interest rates. Bonds with longer durations experience greater price volatility than bonds with shorter durations.

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.

Fed Funds Rate – The interest rate at which a depository institution lends immediately available funds (balances at the Federal Reserve) to another depository institution overnight.

General Obligation Bond – A municipal bond backed by the credit and “taxing power” of the issuing jurisdiction rather than the revenue from a given project.

M2 – The amount of money in circulation in notes and coin plus non-interest-bearing bank deposits, building-society deposits, and National Savings accounts.

Operation Twist – A monetary policy where, in an attempt to lower long-term interest rates, the Fed sold short-term Treasury bonds and bought long-term Treasury bonds, which pressured the long-term bond yields downward.

Quantitative Easing – The Federal Reserve’s monetary policy used to stimulate the U.S. economy following the recession that began in 2007/08.

SEC Yield – SEC Yield is 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.

Treasuries – U.S. Treasury securities, such as bills, notes and bonds, are negotiable debt obligations of the U.S. government. These debt obligations are backed by the “full faith and credit” of the government and issued at various schedules and maturities. Income from Treasury securities is exempt from state and local, but not federal, taxes.

Thornburg Intermediate Municipal Fund

At Thornburg, our approach to management of the Fund is based on the premise that investors in the Fund seek preservation of capital along with an attractive, relatively stable yield. While aggressive bond strategies may generate stronger returns when the market is turning a blind eye towards risk, they often fail to stack up over longer periods of time.

We apply time-tested techniques to manage risk and provide attractive returns. These include:

- Building a laddered portfolio. Laddering has been shown over time to mitigate reinvestment and interest-rate risk.
- Investing on a cash-only basis without using leverage. While leveraged strategies may enhance returns when market conditions are favorable, they can quickly compound losses when sentiment shifts.
- Conducting in-depth fundamental research on each issue and actively monitoring positions for subsequent credit events.
- Diversifying among a large number of generally high-quality bonds.

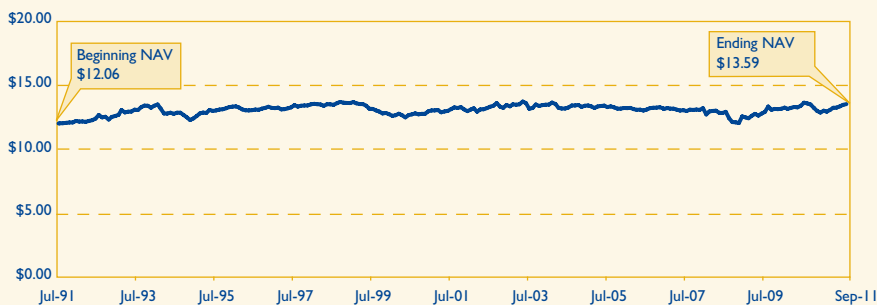
CO-PORTFOLIO MANAGERS



Josh Gonze, Chris Ryon, CFA, and Chris Ihlefeld

LONG-TERM STABILITY OF PRINCIPAL

Net asset value history of A shares from July 22, 1991 through September 30, 2011



IMPORTANT PERFORMANCE INFORMATION

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 800.847.0200.

The maximum sales charge for the Fund's Class A shares is 2.00%. The total annual fund operating expense of Class A shares is 0.97%, as disclosed in the most recent Prospectus.

AVERAGE ANNUAL TOTAL RETURNS

For periods ended September 30, 2011

A Shares (Incep: 7/22/91)	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception
Without sales charge	3.27%	6.93%	4.39%	4.18%	5.24%
With sales charge	1.19%	6.23%	3.97%	3.97%	5.14%

30-DAY YIELDS, A SHARES

As of September 30, 2011

Annualized Distribution Yield	SEC Yield
3.24%	2.42%

KEY PORTFOLIO ATTRIBUTES

As of September 30, 2011

Number of Bonds	356
Effective Duration	5.8 Yrs
Average Maturity	8.5 Yrs

See the entire portfolio in the Schedule of Investments beginning on page 11.

2011

Certified Annual Report

Thornburg Intermediate Municipal Fund

September 30, 2011

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This report is certified under the Sarbanes-Oxley Act of 2002, which requires that public companies, including mutual funds, affirm that the information provided in their annual and semiannual shareholder reports fully and fairly represents their financial position.

Letter to Shareholders



Christopher Ihlefeld
Co-Portfolio Manager

October 14, 2011

Dear Fellow Shareholder:

We are pleased to present the annual report for the Thornburg Intermediate Municipal Fund. The net asset value (NAV) of the Class A shares decreased by 5 cents to \$13.59 per share for the fiscal year ended September 30, 2011. If you were with us for the entire period, you received dividends of 47.6 cents per share. If you reinvested your dividends, you received 48.4 cents per share. Dividends per share were lower for Class C shares and higher for Class I shares to account for varying class-specific expenses. The Class A shares of your Fund produced a total return of 3.27% at NAV over the fiscal year ended September 30, 2011, compared to 4.91% for the BofA Merrill Lynch 7–12 Year U.S. Municipal Securities Index. The main contributor to the difference in performance is that the BofA Merrill Lynch 7–12 Year U.S. Municipal Securities Index has a longer duration than the Thornburg Intermediate Municipal Fund. Duration is a measure of a fund's price sensitivity to changes in interest rates. As interest rates decline, funds with longer durations will enjoy greater price appreciation and additional income. As interest rates increase, funds with longer durations will also incur greater price depreciation (losses).

The Economy and the Federal Reserve (the Fed)

As we started the fiscal year, beginning October 2010, the Federal Reserve Board announced a new wrinkle to its already accommodative stance toward monetary policy. “Quantitative Easing” is a policy of buying bonds and other assets to boost demand and fight off deflation. As we close this fiscal year, the Fed has announced another extraordinary measure known as “Operation Twist.” This policy enhancement calls for the Fed to purchase, by the end of June 2012, \$400 billion of Treasury securities with remaining maturities from 6 to 30 years and to sell an equal amount of Treasury securities with remaining maturities of 3 years or less. This is intended to cause the yield curve (a representation of the prevailing yields of Treasury securities by maturity) to flatten, reducing the yield difference between long-term and short-term Treasury securities. A typical measure of this phenomenon is the difference between the yield of a 10-year Treasury security and the yield of a 30-year Treasury security. The difference in yield between these two securities was 1.38% on September 1, 2011 (30-year Treasury securities yielded 1.38% more than 10-year Treasury securities). The formal announcement of the Fed's new policy directive was on September 21, 2011, and by September 30, 2011, the difference had narrowed to 1.02%. The above change in the relationship between 10-year and 30-year Treasury securities means that longer maturity Treasury securities outperformed shorter maturity Treasury securities.

The Federal Open Market Committee, in its September 21, 2011 release, stated that “economic growth remains slow” and that there are “significant downside risks to the economic outlook, including strains in global financial markets.” These concerns explain why Treasury yields are lower by 0.17% to 1.59% since March 31, 2011. Longer maturity Treasury securities have



Christopher Ryan, CFA
Co-Portfolio Manager



Josh Gonze
Co-Portfolio Manager

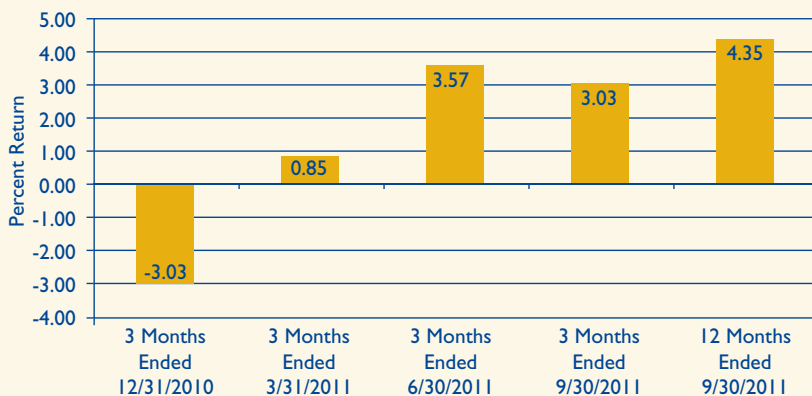
Letter to Shareholders, *Continued*

decreased in yield more than shorter maturity Treasury securities. The “strains in the global financial markets,” have led the Treasury market to experience a “flight to quality” in spite of a downgrade to AA+ by Standard and Poor’s on August 5, 2011. As one of our colleagues has stated, “the world views Treasury securities as the best house in a bad neighborhood.”

We share the Fed’s view that “economic growth remains low,” but there are some reasons for hope. June 2011 gross domestic product (GDP), a measure of a country’s overall economic output, recorded a 1.3% increase, higher than the 0.4% increase recorded in March of 2011. Capacity utilization, a measure of an economy’s usage of its productive resources, was running at 77.4% for the month ended August 31, 2011, slightly higher than the 75.7% recorded on September 30, 2011. Money supply as measured by M2, a broad measure of money and money substitutes, remains elevated. The velocity of M2, a measure of the rate at which money in circulation is used in transactions, continues to decline. Typically rising money supply is viewed as an inflationary threat, as long as velocity remains constant or increases. The combination of rising money supply and decreasing velocity is not inflationary. The one significant difference between this fiscal year end and last fiscal year end is that commercial and industrial loans and leases (loans to corporations, commercial enterprises, and joint ventures) have begun to increase, from a very low base. These loans have increased 7.98% over the 12 months ended September 30, 2011 versus a 10.57% decline for the 12 months ended September 30, 2010. These increases of loans to businesses may be laying the groundwork for a more robust expansion.

The employment picture is still a major concern; with so many Americans either unemployed or underemployed, it’s hard to fathom where demand for goods and service will come from. The unemployment rate is 9.1%, lower than the 9.8% registered in November 2010. In the 12 months ended September 2011, 1.49 million jobs have been created versus the 118,000 lost in the prior 12 months.

CHART 1: BofA MERRILL LYNCH 3–15 YEAR MUNICIPAL INDEX
Periodic Returns during the Period from 9/30/2010 through 9/30/2011



Source: Bloomberg
Past performance does not guarantee future results.

The economic picture is not as bleak as some in the media would paint it. The risks of a double-dip recession seem low but so do the probabilities of a robust recovery. Our outlook for interest rates is much the same as it was last year with one exception; over the next 6–12 months, we believe the Fed will keep short-term interest rates low, but long-term interest rates have and may continue to benefit from Operation Twist. Investors should ready themselves for increased periods of volatility as some of the exogenous forces impacting the United States play themselves out.

The Municipal Market

The calendar year began with various predictions of numerous defaults in the municipal bond market; the term “hundreds of billions of dollars” was used. For the nine months ended September 30, 2011, the municipal bond market experienced \$1.1 billion in defaults, a relatively small amount. This means, if one uses \$200 billion as the low end of the estimate, we have only \$198.9 billion to go by December 31, 2011 for these dire predictions to be achieved. These estimates were overly dramatic but they did add to the volatility of returns experienced throughout fiscal 2011. Chart I shows the volatility of returns generated by the BofA Merrill Lynch 3–15 Year Municipal Index for the 12 months ended September 30, 2011.

Most, if not all, of the other predictions of doom proved equally false. Supply of new issue municipal bonds did not expand as the Build America Bond program expired on December 31, 2010. In fact, the supply of newly issued municipal debt is down 35% through September 30, 2011 versus the same period in 2010. On the credit side, the revenue picture for state and local governments is improving. Revenues are increasing, although they are still below peak levels. Also expenditures are being cut. One example of this is that state and local employment payrolls have been cut by in excess of 500,000 jobs nationwide since August 2008.

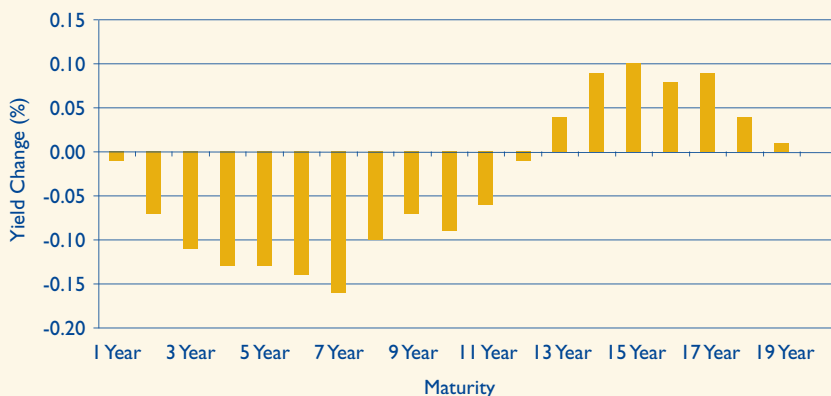
Chart II illustrates how yields have changed over the last 12 months. The largest declines occurred in the maturities shorter than 10 years. The general level of municipal bond yields appear to be moving in sympathy with the yields on Treasury securities, albeit at a different pace.

The major drivers of returns for the fiscal year have been duration (longer is better than shorter as rates declined) and yield curve exposure (allocation of assets to mid-range maturities versus shorter and longer maturities is better). The discipline of the laddered portfolio structure seeks to ensure that investors benefit from these opportunities.

Conclusion

Your Thornburg Intermediate Municipal Fund is a laddered portfolio of 356 municipal obligations from 42 states and territories. We ladder the maturity dates of the bonds in your portfolio so that some of the bonds are scheduled to mature during each of the coming years. Laddering short and intermediate bonds accomplishes two goals. First, the staggered bond maturities contained in a ladder reduce interest-rate risk and dampen the Fund’s price volatility. Second, laddering reduces reinvestment risk by giving the Fund a steady cash flow stream from maturing

CHART II: CHANGES IN AAA GENERAL OBLIGATION BOND YIELDS
9/30/2010 through 9/30/2011



Source: Standard and Poor's 09/30/2011
Past performance does not guarantee future results.

Letter to Shareholders, *Continued*

bonds to reinvest toward the top of the ladder where yields are typically higher. Chart III describes the percentages of your Fund's bond portfolio maturing in each of the coming years. The Fund's adherence to the discipline of the laddered structure served investors well. As you saw in Chart II on the previous page, yields in the shorter segment of the 1–20 year maturity range of the market decreased more than any other segment. By keeping with the discipline of the Fund's laddered structure, we were able to capture a significant portion of that performance.

We plan to continue to search for opportunities in the municipal market, using our fundamental, bottom-up approach to portfolio management and the discipline of the laddered structure. In closing, we would like to thank you for the trust you have placed with us. We will continue to keep that foremost in our minds as we go forward into a new year.

Sincerely



Christopher Ihlefeld
Co-Portfolio Manager
Managing Director

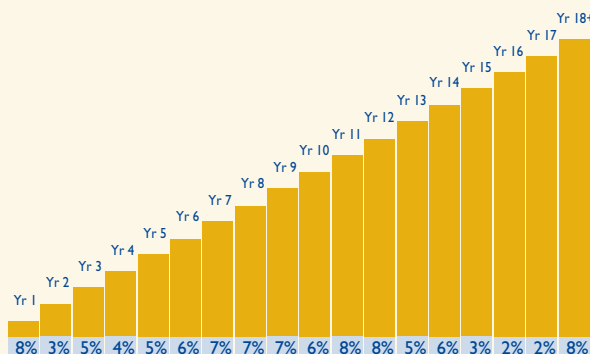


Christopher Ryon, CFA
Co-Portfolio Manager
Managing Director



Josh Gonze
Co-Portfolio Manager
Managing Director

CHART III: % OF PORTFOLIO MATURING



As of 9/30/11. Percentages vary over time.
Data may not add up to 100% due to rounding.

The matters discussed in this report may constitute forward-looking statements made pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995. These include any advisor or portfolio manager prediction, assessment, analysis or outlook for individual securities, industries, investment styles, market sectors and/or markets. These statements involve risks and uncertainties. In addition to the general risks described for each fund in its current prospectus, other factors bearing on these reports include the accuracy of the advisor's or portfolio manager's forecasts and predictions, the appropriateness of the investment strategies designed by the advisor or portfolio manager and the ability of the advisor or portfolio manager to implement their strategies efficiently and successfully. Any one or more of these factors, as well as other risks affecting the securities markets generally, could cause the actual results of any fund to differ materially as compared to its benchmarks.

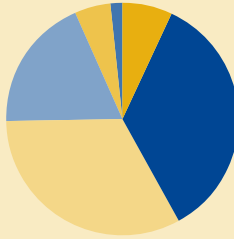
SCHEDULE OF INVESTMENTS

Thornburg Intermediate Municipal Fund

September 30, 2011

SUMMARY OF SECURITY CREDIT RATINGS†

■	AAA/AAA Equivalents	7.1%
■	AA	35.1%
■	A	32.7%
■	BBB	18.7%
■	Not Rated	5.0%
■	Below Invest. Grade	1.4%



We have used ratings from Standard & Poor's (S&P). Where S&P ratings are not available, we have used Moody's Investors Service. Where neither rating is available, we have used ratings from Fitch Ratings. The category of investments identified as "AAA" in this graph includes investments which are pre-refunded or escrowed to maturity. Such investments are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities to satisfy the timely payment of principal and interest and, therefore, are normally deemed to be equivalent to AAA-rated securities.

Issuer-Description	Credit Rating† S&P/ Moody's	Principal Amount	Value
ALABAMA — 1.30%			
Alabama Public School & College Authority, 5.00% due 5/1/2016	NR/Aa1	\$ 2,000,000	\$ 2,339,380
Montgomery Water Works & Sanitary Sewer Board, 4.00% due 9/1/2012	AAA/Aa2	1,120,000	1,157,453
Montgomery Water Works & Sanitary Sewer Board, 4.00% due 9/1/2014	AAA/Aa2	1,310,000	1,432,432
Montgomery Water Works & Sanitary Sewer Board, 5.00% due 9/1/2017	AAA/Aa2	2,185,000	2,589,793
University of Alabama at Birmingham Hospital Revenue, 5.25% due 9/1/2025	A+/A1	2,000,000	2,102,460
ALASKA — 0.69%			
Alaska Municipal Bond Bank, 5.00% due 10/1/2017 (Insured: Natl-Re/FGIC)	A+/Aa2	2,470,000	2,715,938
Anchorage GO, 6.00% due 10/1/2012 (Insured: Natl-Re/FGIC)	AA/NR	125,000	127,761
Valdez Marine Terminal Revenue, 5.00% due 1/1/2021 (BP Pipelines Inc.)	NR/NR	2,000,000	2,260,600
ARIZONA — 4.43%			
Arizona Health Facilities Authority, 5.00% due 7/1/2017 (Catholic Healthcare West)	A/A2	1,450,000	1,611,023
City of Mesa Utility System Revenue, 5.00% due 7/1/2023 (Insured: AGM)	AA+/Aa2	5,000,000	5,766,900
Mohave County IDA, 7.25% due 5/1/2015 (Mohave Prison LLC)	BBB+/NR	4,640,000	4,804,998
Phoenix Civic Improvement Corp., 5.00% due 7/1/2017 (Insured: Natl-Re)	AA/Aa3	1,000,000	1,147,000
Pima County IDA, 6.70% due 7/1/2021 (Arizona Charter Schools)	NR/Baa3	2,570,000	2,570,540
Pima County IDA, 5.00% due 12/1/2030 (Providence Day School Project)	BBB+/NR	2,000,000	1,844,440
Salt Verde Financial Corp. Gas Revenue, 5.25% due 12/1/2022	A/A3	2,000,000	2,008,240
Salt Verde Financial Corp. Gas Revenue, 5.25% due 12/1/2028	A/A3	735,000	710,730
State of Arizona, 5.00% due 7/1/2019 (Insured: AGM)	AA+/Aa3	7,280,000	8,454,992
Tucson GO, 9.75% due 7/1/2012 (ETM)	AA-/NR	400,000	428,360
Tucson GO, 9.75% due 7/1/2013 (ETM)	AA-/NR	500,000	580,585
University Medical Center Corp., 5.00% due 7/1/2015 (Insured: GO of Corp)	BBB+/Baa1	1,000,000	1,071,170
University of Arizona, 5.00% due 8/1/2024	AA-/NR	1,635,000	1,810,975
CALIFORNIA — 9.58%			
Brea Redevelopment Agency, 0% due 8/1/2023 (Tax Allocation-A)	AA-/NR	3,320,000	1,638,088
California Educational Facilities Authority, 5.50% due 4/1/2029 (Pitzer College)	NR/A3	3,000,000	3,181,740
California HFA, 5.125% due 7/1/2022 (Catholic Healthcare West)	A/A2	3,435,000	3,663,050
California Housing Finance Agency, 0% due 8/1/2029 (Insured: AMBAC/FHA/VA)	BBB/Baa2	3,675,000	1,249,463
California Infrastructure & Economic Development Bank, 5.75% due 8/15/2029 (King City High School)	A-/NR	1,500,000	1,577,160
California PCR Solid Waste Disposal, 5.25% due 6/1/2023 put 12/1/2017 (Republic Services, Inc.) (AMT)	BBB/Baa3	2,000,000	2,162,040
California State GO, 5.25% due 9/1/2026	NR/NR	5,000,000	5,485,950
California State Public Works Board Lease, 5.00% due 6/1/2017 (Regents of University of California; Insured: Natl-Re/FGIC)	AA-/Aa2	2,000,000	2,331,700

SCHEDULE OF INVESTMENTS, CONTINUED

Thornburg Intermediate Municipal Fund

September 30, 2011

<u>Issuer-Description</u>	<u>Credit Rating† S&P/ Moody's</u>	<u>Principal Amount</u>	<u>Value</u>
California Statewide Community Development Authority, 6.25% due 8/15/2028 (Enloe Medical Center; Insured: California Mtg Insurance)	A-/NR	\$ 1,050,000	\$ 1,143,314
California Statewide Community Development Authority, 6.00% due 7/1/2030 (Aspire Public Schools)	NR/NR	7,045,000	7,060,640
Carson Redevelopment Agency Tax Allocation, 6.25% due 10/1/2022	A-/NR	1,620,000	1,780,558
Carson Redevelopment Agency Tax Allocation, 6.375% due 10/1/2024	A-/NR	1,300,000	1,412,073
Chico Redevelopment Agency, 5.00% due 4/1/2030 (Chico Amended & Merged Redevelopment; Insured: AMBAC)	A+/NR	4,000,000	3,716,960
Corona-Norco USD COP, 5.00% due 4/15/2018 (Insured: AGM)	AA+/Aa3	1,245,000	1,407,908
Corona-Norco USD COP, 5.00% due 4/15/2021 (Insured: AGM)	AA+/Aa3	1,000,000	1,105,320
El Camino Hospital District, 6.25% due 8/15/2017 (Insured: AMBAC) (ETM)	NR/NR	795,000	924,410
Golden West Schools Financing Authority, 0% due 8/1/2018 (Insured: Natl-Re)	BBB/Baa1	2,140,000	1,432,837
Lee Lake Water District Community Facilities, 5.75% due 9/1/2023	NR/NR	3,000,000	2,877,510
Los Angeles Regional Airport Improvement Corp., 5.00% due 1/1/2017 (LAX Fuel Corp.; Insured: AGM) (AMT)	AA+/Aa3	1,120,000	1,192,453
M-S-R Energy Authority, 6.125% due 11/1/2029	A/NR	2,500,000	2,633,300
Merced Redevelopment Agency, 6.25% due 9/1/2029 (Gateways Redevelopment)	A-/NR	1,500,000	1,560,630
Mojave USD COP, 0% due 9/1/2021 (Insured: AGM)	AA+/NR	1,095,000	676,173
Mojave USD COP, 0% due 9/1/2023 (Insured: AGM)	AA+/NR	1,100,000	584,023
Monterey County COP, 5.25% due 8/1/2021 (Refinancing Project; Insured: AGM)	AA+/Aa3	3,700,000	4,156,506
Redwood City Redevelopment Agency, 0% due 7/15/2023 (Redevelopment Area A-2; Insured: AMBAC)	A-/NR	2,060,000	991,107
San Jose Redevelopment Agency, 5.25% due 8/1/2027 (Merged Area Redevelopment Project)	A/A2	2,400,000	2,334,456
San Jose Redevelopment Agency, 5.375% due 8/1/2028 (Merged Area Redevelopment Project)	A/A2	1,175,000	1,147,576
San Mateo Union High School District GO Unlimited, 0% due 9/1/2019 (Capital Appreciation-Election of 2000-B; Insured: Natl-Re/FGIC)	AA/Aa1	3,000,000	2,200,860
Southeast Resource Recovery Facilities Authority, 5.375% due 12/1/2013 (Insured: AMBAC) (AMT)	A+/A1	1,000,000	1,066,260
Tuolumne Wind Project Authority, 5.875% due 1/1/2029 (Tuolumne Co.)	A+/A2	3,000,000	3,342,900
Turlock Irrigation District, 5.00% due 1/1/2021	A+/A2	1,750,000	1,998,605
Victor Elementary School District GO, 0% due 8/1/2025 (Insured: Natl-Re/FGIC)	A+/Aa3	1,535,000	696,644
Washington USD COP, 5.00% due 8/1/2022 (New High School; Insured: AMBAC)	A/NR	2,010,000	2,116,590
COLORADO — 3.82%			
Adams County, 5.00% due 8/1/2014 (Platte Valley Medical Center; Insured: Natl-Re/FHA 242)	BBB/NR	1,000,000	1,089,310
Adams County Communication Center COP, 5.75% due 12/1/2016 (Adams County Communication Center)	NR/A1	1,265,000	1,296,094
Colorado Educational & Cultural Facilities, 5.25% due 8/15/2019 (Peak to Peak Charter School; Insured: Syncora)	A/NR	1,375,000	1,440,024
Colorado HFA, 5.75% due 1/15/2022 (Vail Valley Medical Center)	A-/NR	1,380,000	1,385,920
Denver City & County Airport, 5.50% due 11/15/2015 (Insured: Natl-Re/FGIC) (AMT)	A+/A1	5,000,000	5,023,650
Denver City & County Housing Authority, 5.20% due 11/1/2027 (Three Towers Rehabilitation; Insured: AGM) (AMT)	NR/Aa3	2,555,000	2,643,684
Denver Convention Center Hotel Authority, 5.25% due 12/1/2023 (Insured: Syncora)	BBB-/Baa3	2,430,000	2,382,761
El Paso County School District GO, 7.10% due 12/1/2013 (State Aid Withholding)	AA-/Aa2	500,000	568,015
Madre Metropolitan District GO, 5.375% due 12/1/2026	NR/NR	2,215,000	1,529,103
North Range Metropolitan District GO, 5.00% due 12/15/2021 (Insured: ACA)	NR/NR	1,500,000	1,301,415
Northwest Parkway Public Highway Authority, 5.20% due 6/15/2014 (Insured: AGM) (ETM)	AA+/Aa3	1,005,000	1,128,484
Park Creek Metropolitan District, 5.25% due 12/1/2020 (Insured: AGM)	AA+/NR	1,120,000	1,288,112
Public Authority for Colorado Energy Gas Revenue, 6.125% due 11/15/2023	A/Baa1	2,000,000	2,109,400
Regional Transportation District, 5.50% due 6/1/2022	A-/Aa3	3,000,000	3,429,990
Southlands Metropolitan District GO, 7.00% due 12/1/2024 pre-refunded 12/1/2014	AA+/NR	1,370,000	1,644,466

SCHEDULE OF INVESTMENTS, CONTINUED

Thornburg Intermediate Municipal Fund

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<u>Issuer-Description</u>	<u>Credit Rating†</u> <u>S&P/ Moody's</u>	<u>Principal</u> <u>Amount</u>	<u>Value</u>
CONNECTICUT — 0.18%			
Connecticut Health & Educational Facility Authority, 5.75% due 7/1/2029 (Ethel Walker School)	BBB-/NR	\$ 1,350,000	\$ 1,362,461
DISTRICT OF COLUMBIA — 2.20%			
District of Columbia Association of American Medical Colleges, 5.00% due 2/15/2017 (Insured: AMBAC) (ETM)	Aa2	1,000,000	1,185,760
District of Columbia COP, 5.25% due 1/1/2014 (Insured: Natl-Re/FGIC)	A/Aa3	2,000,000	2,173,380
District of Columbia COP, 5.00% due 1/1/2020 (Insured: Natl-Re/FGIC)	A/Aa3	3,900,000	4,151,316
District of Columbia GO, 6.00% due 6/1/2015 (Insured: Natl-Re)	A+/Aa2	3,000,000	3,494,550
Metropolitan Airports Authority, 0% due 10/1/2023 (Dulles Toll Road; Insured: AGM)	AA+/Aa3	4,890,000	2,702,263
Metropolitan Airports Authority, 0% due 10/1/2024 (Dulles Toll Road; Insured: AGM)	AA+/Aa3	5,000,000	2,576,350
FLORIDA — 10.05%			
Broward County School Board COP, 5.00% due 7/1/2020 (Insured: AGM)	AA+/Aa3	1,000,000	1,081,250
Collier County Housing Finance Authority MFR, 4.90% due 2/15/2032 put 2/15/2012 (Goodlette Arms; Collateralized: FNMA)	NR/Aaa	1,000,000	1,014,130
Crossings at Fleming Island Community Development, 5.60% due 5/1/2012 (Insured: Natl-Re)	BBB/Baa1	380,000	380,939
Escambia County HFA, 5.95% due 7/1/2020 (Florida Health Care Facility Loan; Insured: AMBAC)	NR/NR	2,405,000	2,509,545
Flagler County School Board COP, 5.00% due 8/1/2020 (Insured: AGM)	AA+/Aa3	2,560,000	2,715,776
Florida Board of Education GO Capital Outlay, 9.125% due 6/1/2014	AAA/Aa1	350,000	383,149
Florida Housing Finance Corp., 4.80% due 1/1/2016 (Homeowner Mtg; Insured: FHA)	AA+/Aa1	190,000	193,317
Florida Municipal Loan Council, 5.00% due 10/1/2020 (Insured: Natl-Re)	A-/Baa1	1,000,000	1,052,190
Florida Municipal Loan Council, 5.00% due 10/1/2024 (Insured: Natl-Re)	A-/Baa1	2,235,000	2,342,883
Florida State Department of Children & Families COP, 5.00% due 10/1/2018 (South Florida Evaluation Treatment)	AA+/NR	2,090,000	2,281,590
Florida State Department of Children & Families COP, 5.00% due 10/1/2019 (South Florida Evaluation Treatment)	AA+/NR	2,255,000	2,438,963
Florida State Department of Environmental Protection, 5.00% due 7/1/2017 (Florida Forever; Insured: Natl-Re/FGIC)	AA-/A1	1,000,000	1,067,510
Gainesville Utilities Systems Revenue, 0.22% due 10/1/2026 put 10/3/2011 (SPA: Suntrust Bank) (daily demand notes)	AA/Aa2	6,105,000	6,105,000
Highlands County HFA, 5.00% due 11/15/2019 (Adventist Health Hospital)	AA-/Aa3	1,100,000	1,195,865
Highlands County HFA, 5.00% due 11/15/2019 (Adventist Health Hospital)	AA-/Aa3	875,000	951,256
Hillsborough County Special Assessment, 5.00% due 3/1/2017 (Insured: Natl-Re/FGIC)	A+/A1	5,630,000	6,157,812
Hollywood Community Redevelopment Agency, 5.00% due 3/1/2021 (Insured: Syncora)	NR/A3	3,000,000	3,145,380
Lakeland Energy System Revenue, 5.00% due 10/1/2018 (Insured: AGM)	AA+/Aa3	2,000,000	2,345,020
Lakeland Energy System Revenue, 5.25% due 10/1/2036	AA-/A1	2,770,000	3,129,408
Manatee County, 5.00% due 10/1/2016 (Insured: AMBAC)	AA-/Aa2	1,000,000	1,095,810
Marion County Hospital District, 5.00% due 10/1/2022 (Munroe Regional Health)	NR/A3	1,000,000	1,039,100
Miami Dade County GO, 6.25% due 7/1/2026 (Building Better Communities)	AA-/Aa2	2,130,000	2,423,408
Miami Dade County School Board COP, 5.00% due 10/1/2021 (Insured: AMBAC)	A/A1	3,035,000	3,337,043
Miami Dade County School Board COP, 5.25% due 5/1/2022 (Insured: AGM)	AA+/Aa3	2,600,000	2,878,382
Miami GO, 5.375% due 9/1/2015 (Insured: Natl-Re)	BBB/A2	1,000,000	1,024,870
Orange County HFA, 6.25% due 10/1/2013 (Orlando Regional Hospital; Insured: Natl-Re)	A/A2	440,000	474,681
Orange County HFA, 5.125% due 6/1/2014 (Mayflower Retirement; Insured: Radian)	NR/NR	770,000	769,962
Orange County HFA, 6.25% due 10/1/2016 (Orlando Regional Hospital; Insured: Natl-Re)	A/A2	2,545,000	2,870,709
Orange County HFA, 5.125% due 10/1/2026 (Orlando Health)	A/A2	2,000,000	2,029,500
Palm Beach County School Board COP, 5.00% due 8/1/2032 put 8/1/2016	NR/Aa3	1,500,000	1,696,200
Sarasota County Public Hospital Board, 7.212% due 10/1/2021 (Miles-Sarasota Memorial Hospital; Insured: Natl-Re)	BBB/A1	2,000,000	1,865,340
South Miami HFA, 5.00% due 8/15/2022 (Baptist Health Group)	AA/Aa2	1,500,000	1,628,700
St. Johns County IDA, 5.85% due 8/1/2024 (Presbyterian Retirement)	NR/NR	4,885,000	4,968,289

SCHEDULE OF INVESTMENTS, CONTINUED

Thornburg Intermediate Municipal Fund

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<u>Issuer-Description</u>	<u>Credit Rating† S&P/ Moody's</u>	<u>Principal Amount</u>	<u>Value</u>
Tampa Bay Water Utilities System Revenue, 5.50% due 10/1/2022 (Insured: Natl-Re/FGIC)	AA+/Aa2	\$ 2,750,000	\$ 3,443,000
Tampa Health Systems, 5.50% due 11/15/2013 (Catholic Health East Group; Insured: Natl-Re)	BBB/Aa3	1,050,000	1,135,775
University of Central Florida COP Convocation Corp., 5.00% due 10/1/2019 (Insured: Natl-Re/FGIC)	BBB/NR	1,135,000	1,151,423
GEORGIA — 1.31%			
Atlanta Water and Wastewater, 5.50% due 11/1/2022 (Insured: Natl-Re/FGIC)	A/A1	530,000	614,328
Atlanta Water and Wastewater, 5.50% due 11/1/2024 (Insured: AGM)	AA+/Aa3	5,000,000	5,605,300
Municipal Electric Authority of Georgia, 6.60% due 1/1/2018 (Insured: Natl-Re)	BBB/A1	3,030,000	3,475,744
HAWAII — 0.12%			
Hawaii Department of Budget & Finance, 6.40% due 7/1/2013 (Kapiolani Health Care; Insured: Natl-Re)	BBB/A3	875,000	899,990
IDAHO — 0.25%			
Boise City IDRB Corp., 5.00% due 5/15/2020 (Western Trailer Co.; LOC: Wells Fargo) (AMT)	NR/Aa3	1,745,000	1,760,059
Madison County Hospital Revenue, 5.25% due 9/1/2030	BB+/NR	115,000	101,235
ILLINOIS — 7.42%			
Chicago Midway Airport Second Lien, 5.00% due 1/1/2019 (Insured: AMBAC) (AMT)	A-/A3	1,210,000	1,263,010
Chicago O'Hare International Airport Revenue Second Lien, 5.75% due 1/1/2018 (Insured: AMBAC) (AMT)	A-/A2	3,050,000	3,077,755
Chicago Tax Increment, 6.25% due 11/15/2013 (Near South Redevelopment; Insured: ACA)	NR/NR	1,550,000	1,554,200
Chicago Tax Increment, 0% due 11/15/2014 (Near South Redevelopment; Insured: ACA)	NR/NR	1,440,000	1,197,821
Chicago Tax Increment Allocation, 5.30% due 1/1/2014 (Lincoln Belmont; Insured: ACA)	NR/NR	2,285,000	2,286,577
Chicago Transit Authority, 5.00% due 12/1/2018	AA/Aa3	1,500,000	1,748,010
Chicago Wastewater Transmission Second Lien, 5.00% due 1/1/2014	A+/Aa3	1,485,000	1,593,509
Cook County GO, 5.25% due 11/15/2024	AA/Aa3	3,000,000	3,255,060
Cook County School District GO, 0% due 12/1/2022 (ETM)	NR/NR	2,000,000	1,457,520
Illinois Educational Facilities Authority, 5.00% due 11/1/2016 (Rush University Medical Center)	A-/A2	1,000,000	1,104,390
Illinois Educational Facilities Authority, 5.75% due 11/1/2028 (Rush University Medical Center)	A-/A2	1,000,000	1,049,710
Illinois Finance Authority, 5.00% due 11/1/2016 (Central DuPage Health)	AA/NR	2,000,000	2,281,480
Illinois Finance Authority, 5.00% due 11/1/2017 (Central DuPage Health)	AA/NR	2,000,000	2,303,780
Illinois Finance Authority, 5.00% due 8/1/2022 (Bradley University; Insured: Syncora)	A/NR	1,000,000	1,053,930
Illinois Finance Authority, 6.125% due 11/1/2023 (Advocate Health)	AA/Aa2	5,000,000	5,937,950
Illinois Finance Authority, 5.00% due 2/1/2027 (Newman Foundation; Insured: Radian)	NR/NR	1,220,000	1,058,887
Illinois HFA, 6.00% due 7/1/2012 (Loyola University Health Systems; Insured: Natl-Re) (ETM)	BBB/NR	230,000	239,994
Illinois HFA, 5.70% due 2/20/2021 (Midwest Care Center; Collateralized: GNMA)	NR/Aaa	750,000	766,297
McHenry & Lake Counties Community Consolidated School District No. 15 GO, 0% due 1/1/2017 pre-refunded 1/1/2017 (Insured: AGM) (ETM)	NR/Aa2	45,000	41,495
McHenry & Lake Counties Community Consolidated School District No. 15 GO, 0% due 1/1/2017 (Insured: AGM)	NR/Aa2	955,000	802,486
Railsplitter Tobacco Settlement Authority, 5.50% due 6/1/2023	A-/NR	4,000,000	4,271,720
Sangamon County School District COP, 5.875% due 8/15/2018 (Hay Edwards; Insured: ACA)	NR/NR	2,600,000	2,603,406
Southern Illinois University, 0% due 4/1/2014 (Insured: Natl-Re)	BBB/A2	1,425,000	1,308,720
Southern Illinois University, 5.00% due 4/1/2014 (Housing & Auxiliary Facilities System; Insured: Natl-Re)	A+/A2	1,350,000	1,439,518
Southern Illinois University, 5.25% due 4/1/2019 (Housing & Auxiliary Facilities System; Insured: Natl-Re)	A+/A2	1,000,000	1,109,030
Southwestern Illinois Development Authority, 0% due 12/1/2024 (Insured: AGM)	AA+/NR	2,975,000	1,500,560
State of Illinois, 5.00% due 6/15/2018 (Build Illinois)	AAA/NR	2,000,000	2,332,620
Tazewell County School District GO, 9.00% due 12/1/2024 (Insured: Natl-Re/FGIC)	NR/A1	1,205,000	1,809,862
University of Illinois, 0% due 4/1/2014 (Insured: Natl-Re)	BBB/Aa2	1,590,000	1,498,209

SCHEDULE OF INVESTMENTS, CONTINUED

Thornburg Intermediate Municipal Fund

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<u>Issuer-Description</u>	<u>Credit Rating† S&P/ Moody's</u>	<u>Principal Amount</u>	<u>Value</u>
Will County Valley View Community Unit School District No. 365 GO, 0% due 11/1/2011 pre-refunded 11/1/2011 (Insured:AGM)	AA+/NR	\$ 1,205,000	\$ 1,204,723
Will County Valley View Community Unit School District No. 365 GO, 0% due 11/1/2011 pre-refunded 11/1/2011 (ETM)	AA+/NR	100,000	99,947
Will County Valley View Community Unit School District No. 365 GO, 0% due 11/1/2011 (Insured:AGM)	AA+/NR	1,660,000	1,659,187
INDIANA — 5.93%			
Allen County Economic Development, 5.75% due 12/30/2015 (Indiana Institute of Technology)	NR/NR	1,355,000	1,400,636
Allen County Jail Building Corp., 5.00% due 4/1/2018 (Insured: Syncora)	NR/Aa2	2,495,000	2,768,951
Allen County Redevelopment District, 5.00% due 11/15/2018	NR/A2	1,560,000	1,701,773
Avon Community School Building Corp. First Mtg, 5.00% due 1/10/2012 (Insured:AMBAC)	A/NR	1,330,000	1,346,213
Carmel Redevelopment Authority Lease, 0% due 2/1/2016 (Performing Arts Center)	AA+/Aa1	1,730,000	1,567,761
Carmel Redevelopment Authority Lease, 0% due 2/1/2021 (Performing Arts Center)	AA+/Aa1	2,000,000	1,399,880
Carmel Redevelopment District, 6.50% due 7/15/2035	NR/NR	2,730,000	2,690,661
Clay Multi-School Building Corp. First Mtg, 4.00% due 7/15/2013 (State Aid Withholding)	AA+/NR	1,290,000	1,351,675
Clay Multi-School Building Corp. First Mtg, 5.00% due 1/15/2018 (State Aid Withholding)	AA+/NR	1,735,000	2,039,215
Fort Wayne Redevelopment Authority, 5.00% due 8/1/2023 (Harrison Square; Insured:AGM)	NR/Aa2	2,290,000	2,497,566
Hobart Building Corp. First Mtg, 6.50% due 7/15/2019 (Insured: Natl-Re) (State Aid Withholding)	AA+/NR	1,000,000	1,254,160
Indiana Bond Bank, 5.25% due 4/1/2023 (Hendricks Regional; Insured:AMBAC)	AA/NR	2,000,000	2,329,080
Indiana Bond Bank Gas Program Revenue, 5.25% due 10/15/2020	NR/Aa3	5,340,000	5,812,590
Indiana Finance Authority, 0.20% due 2/1/2037 put 10/3/2011 (Lease Appropriation; SPA: JPMorgan Chase Bank) (daily demand notes)	AA+/Aa2	4,700,000	4,700,000
Indiana Finance Authority, 4.10% due 11/15/2046 put 11/3/2016 (Ascension Health Credit Group)	AA+/Aa1	1,000,000	1,106,580
Indiana HFA, 5.75% due 9/1/2015 (Methodist Hospital) (ETM)	AA+/A3	575,000	586,948
Noblesville Redevelopment Authority, 5.00% due 8/1/2017 (146th Street Extension)	AA-/NR	1,000,000	1,134,640
Noblesville Redevelopment Authority, 5.00% due 8/1/2020 (146th Street Extension)	AA-/NR	1,000,000	1,093,420
South Bend Community School Corp. First Mtg, 4.00% due 1/15/2012	AA+/NR	1,260,000	1,272,348
South Bend Community School Corp. First Mtg, 4.00% due 7/15/2012 (State Aid Withholding)	AA+/NR	1,510,000	1,548,792
South Bend Community School Corp. First Mtg, 4.00% due 7/15/2012	AA+/NR	1,490,000	1,528,278
Vincennes University, 5.375% due 6/1/2022	NR/Aa3	895,000	1,058,194
West Clark School Building Corp. First Mtg, 5.75% due 7/15/2017 (Insured: Natl-Re/FGIC) (State Aid Withholding)	AA+/NR	1,685,000	1,709,769
IOWA — 0.74%			
Coralville COP, 5.25% due 6/1/2022	NR/A1	2,980,000	3,207,374
Iowa Finance Authority, 6.00% due 7/1/2012 (Trinity Regional Hospital; Insured:AGM)	AA+/Aa3	220,000	227,564
Iowa Finance Authority, 6.00% due 12/1/2018 (Catholic Health Initiatives)	AA/Aa2	2,000,000	2,005,980
KANSAS — 0.15%			
Wyandotte County School District GO, 5.00% due 9/1/2014 (Insured: Natl-Re/FGIC)	NR/A1	1,030,000	1,141,539
KENTUCKY — 0.85%			
Kentucky EDA, 5.85% due 10/1/2015 (Norton Healthcare; Insured: Natl-Re)	BBB/Baa1	2,665,000	2,849,604
Kentucky EDA, 0% due 10/1/2024 (Norton Healthcare; Insured: Natl-Re)	BBB/Baa1	3,630,000	1,798,411
Kentucky EDA, 5.75% due 12/1/2028 (Louisville Arena; Insured:AGM)	AA+/Aa3	1,500,000	1,613,160
LOUISIANA — 3.39%			
Louisiana Local Government Environment Facilities Authority, 5.00% due 3/1/2014 (Independence Stadium)	A/NR	1,000,000	1,074,450
Louisiana Office Facilities Corp., 5.00% due 5/1/2014 (State Capitol)	NR/Aa3	1,000,000	1,085,890
Louisiana Offshore Terminal Authority, 2.125% due 10/1/2037 put 10/1/2015	A/NR	2,500,000	2,497,275

SCHEDULE OF INVESTMENTS, CONTINUED

Thornburg Intermediate Municipal Fund

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<u>Issuer-Description</u>	<u>Credit Rating† S&P/ Moody's</u>	<u>Principal Amount</u>	<u>Value</u>
Louisiana Public Facilities Authority, 5.00% due 7/1/2022 (Black & Gold Facilities; Insured: CIFG)	AA+/Aa3	\$ 1,590,000	\$ 1,664,650
Morehouse Parish PCR, 5.25% due 11/15/2013 (International Paper Co.)	BBB/Baa3	3,000,000	3,180,630
New Orleans Aviation Board, 5.25% due 1/1/2018 (Insured: AGM) (AMT)	AA+/Aa3	1,000,000	1,138,360
New Orleans Aviation Board, 5.25% due 1/1/2020 (Insured: AGM)	AA+/Aa3	2,000,000	2,191,400
Plaquemines Parish Law Enforcement District GO, 5.00% due 9/1/2023	BBB+/NR	1,230,000	1,291,439
Plaquemines Parish Law Enforcement District GO, 5.00% due 9/1/2025	BBB+/NR	1,350,000	1,397,237
Plaquemines Parish Law Enforcement District GO, 5.15% due 9/1/2027	BBB+/NR	1,490,000	1,540,824
Plaquemines Parish Law Enforcement District GO, 5.30% due 9/1/2029	BBB+/NR	1,650,000	1,702,651
Regional Transit Authority Sales Tax Revenue, 5.00% due 12/1/2023 (Insured: AGM)	AA+/Aa3	1,000,000	1,125,680
Regional Transit Authority Sales Tax Revenue, 5.00% due 12/1/2024 (Insured AGM)	AA+/Aa3	1,000,000	1,111,350
St. Tammany Parish Sales Tax Revenue, 5.00% due 6/1/2019 (Insured: CIFG)	A+/NR	1,300,000	1,433,328
St. Tammany Parish Sales Tax Revenue, 5.00% due 6/1/2020 (Insured: CIFG)	A+/NR	1,000,000	1,093,090
Terrebonne Parish Hospital Service District 1, 5.00% due 4/1/2028 (General Medical Center)	A/A2	1,500,000	1,532,295
MASSACHUSETTS — 0.03%			
Massachusetts Housing Finance Agency, 6.125% due 12/1/2011 (Insured: Natl-Re) (AMT)	NR/Baa1	240,000	240,838
MICHIGAN — 6.32%			
City of Troy Michigan GO, 5.00% due 10/1/2016	AAA/NR	1,060,000	1,233,437
Detroit School District GO, 5.25% due 5/1/2026 (School Building & Site Improvement; Insured: AGM/Q-SBLF)	AA+/Aa2	3,150,000	3,250,516
Detroit School District GO, 5.25% due 5/1/2027 (Insured: AGM/Q-SBLF)	AA+/Aa2	1,000,000	1,026,800
Detroit Sewage Disposal Revenue, 5.25% due 7/1/2020 (Insured: Natl-Re)	A+/A1	3,000,000	3,225,930
Detroit Sewage Disposal Revenue, 5.25% due 7/1/2020 (Insured: AGM)	AA+/Aa3	7,720,000	8,644,007
Detroit Water Supply Systems, 5.00% due 7/1/2015 (Insured: AGM)	AA+/Aa3	1,000,000	1,107,530
Detroit Water Supply Systems, 4.25% due 7/1/2016 (Insured: Natl-Re)	BBB/A1	1,100,000	1,163,437
Kalamazoo Hospital Finance Authority, 6.25% due 6/1/2014 (Borgess Medical Center; Insured: FGIC) (ETM)	AA+/Aaa	650,000	741,936
Kalamazoo Hospital Finance Authority, 5.00% due 5/15/2019 (Bronson Hospital; Insured: AGM)	NR/Aa3	2,000,000	2,241,960
Kalamazoo Hospital Finance Authority, 5.00% due 5/15/2022 (Bronson Hospital; Insured: AGM)	NR/Aa3	2,470,000	2,712,999
Kent Hospital Finance Authority, 7.25% due 1/15/2013 (Butterworth Hospital; Insured: Natl-Re) (ETM)	AA/Aa3	295,000	305,611
Michigan Public Educational Facilities Authority, 5.50% due 9/1/2022 (Black River School)	NR/NR	1,110,000	997,601
Michigan Public Educational Facilities Authority, 8.50% due 9/1/2029 (Bradford Academy)	BBB-/NR	1,500,000	1,623,570
Michigan Public School Academy, 8.00% due 8/1/2035 (Will Carleton Charter School)	NR/NR	990,000	944,430
Michigan State Building Authority, 5.25% due 10/15/2017 (Insured: AGM)	AA+/Aa3	2,450,000	2,640,586
Michigan State Building Authority, 0% due 10/15/2025 (Insured: Natl-Re/FGIC)	A+/Aa3	6,000,000	2,876,040
Michigan State Hospital Finance Authority, 5.10% due 6/1/2013 (McLaren Healthcare)	NR/Aa3	525,000	526,444
Michigan State Hospital Finance Authority, 5.00% due 11/15/2024 (Sparrow Obligated Group)	A+/A1	2,140,000	2,204,114
Michigan State Hospital Finance Authority, 5.00% due 7/15/2025 (Oakwood Obligated Group)	A/A2	3,000,000	3,022,710
Michigan Strategic Fund, 5.25% due 10/15/2023 (Michigan House of Representatives Facilities; Insured: AGM)	AA+/Aa3	1,000,000	1,077,500
Royal Oak Hospital Finance Authority, 5.25% due 8/1/2016 (William Beaumont Hospital)	A/A1	2,000,000	2,215,340
Royal Oak Hospital Finance Authority, 8.00% due 9/1/2029 (William Beaumont Hospital)	A/A1	2,540,000	3,003,779
MINNESOTA — 0.93%			
Minneapolis St. Paul Health, 6.00% due 12/1/2018 (Healthpartners Obligated Group)	BBB+/A3	1,000,000	1,071,510
Minnesota Agriculture & Economic Development Board, 5.50% due 2/15/2025 (Essential Healthcare; Insured: AGM)	AA+/NR	2,500,000	2,786,750
St. Cloud Health Care Revenue, 5.00% due 5/1/2014 (Centracare Health System)	NR/A2	835,000	904,856
St. Paul Housing & Redevelopment Authority, 5.25% due 5/15/2020 (Healthpartners Obligated Group)	BBB+/A3	1,965,000	2,083,784

SCHEDULE OF INVESTMENTS, CONTINUED

Thornburg Intermediate Municipal Fund

September 30, 2011

<u>Issuer-Description</u>	<u>Credit Rating† S&P/ Moody's</u>	<u>Principal Amount</u>	<u>Value</u>
MISSISSIPPI — 1.24%			
Medical Center Educational Building Corp., 4.00% due 6/1/2014 (University of Mississippi Medical Center)	AA-/Aa2	\$ 1,240,000	\$ 1,330,049
Mississippi Development Bank Special Obligation, 5.00% due 3/1/2018 (Municipal Energy Agency Power Supply; Insured: Syncora)	NR/Baa2	1,920,000	2,040,960
Mississippi Development Bank Special Obligation, 5.00% due 7/1/2022 (Canton Public Improvement)	NR/NR	1,935,000	2,046,127
Mississippi Development Bank Special Obligation, 5.25% due 8/1/2027 (Department of Corrections)	AA-/NR	3,415,000	3,740,586
MISSOURI — 1.52%			
Kansas City Tax Increment Financing Commission, 5.00% due 3/1/2012 (Maincor Project)	NR/NR	445,000	447,826
Missouri Development Finance Board, 5.00% due 4/1/2019 (Eastland Center)	A-/NR	1,000,000	1,090,690
Missouri Development Finance Board, 5.00% due 4/1/2021 (Eastland Center)	A-/NR	2,000,000	2,145,880
Missouri Development Finance Board, 5.125% due 4/1/2022 (Eastland Center)	A-/NR	2,000,000	2,166,380
Missouri Health & Educational Facilities Authority, 5.00% due 4/1/2019 (Webster University)	NR/A2	2,235,000	2,528,500
Missouri Health & Educational Facilities Authority, 5.00% due 4/1/2021 (Webster University)	NR/A2	2,520,000	2,842,888
NEVADA — 0.15%			
Clark County School District GO, 5.50% due 6/15/2016 (Insured: AGM)	AA+/Aa2	1,000,000	1,077,950
NEW HAMPSHIRE — 1.44%			
Manchester Housing & Redevelopment Authority, 0% due 1/1/2016 (Insured: Radian/ACA)	NR/Caa1	4,990,000	3,343,599
New Hampshire Business Finance Authority, 7.125% due 7/1/2027 put 2/1/2012 (United Illuminating Co.) (AMT)	NR/Baa2	1,000,000	1,019,640
New Hampshire Business Finance Authority PCR, 5.375% due 5/1/2014 (Central Maine Power Co.)	BBB+/NR	3,920,000	4,217,803
New Hampshire Health & Education Facilities, 5.25% due 10/1/2023 (Southern New Hampshire Medical Center)	A-/NR	1,000,000	1,054,390
New Hampshire IDA PCR, 5.90% due 8/1/2018 (CT Light & Power) (AMT)	BBB+/Baa1	1,000,000	1,006,550
NEW JERSEY — 0.78%			
New Jersey EDA, 5.50% due 9/1/2026 (School Facilities Construction; Insured: AMBAC)	A+/A1	2,000,000	2,286,000
Passaic Valley Sewage Commissioners, 5.75% due 12/1/2022 (Sewer System; Insured: GO of Commissioners)	NR/A2	3,000,000	3,488,730
NEW MEXICO — 1.17%			
Farmington PCR, 4.70% due 9/1/2024 (Arizona Public Service Co.)	BBB/Baa2	3,000,000	3,071,910
Las Cruces Shared GRT, 5.00% due 6/1/2030	NR/Aa3	2,040,000	2,219,275
Rio Rancho Public School District No. 94, 5.00% due 8/1/2015 (State Aid Withholding)	NR/Aa1	1,715,000	1,973,211
Santa Fe County Charter School Foundation, 6.50% due 1/15/2026 (ATC Foundation)	NR/NR	1,455,000	1,384,709
NEW YORK — 1.80%			
Erie County IDA, 5.00% due 5/1/2019 (Buffalo City School District)	AA-/Aa3	3,000,000	3,486,030
New York City Municipal Water Financing Authority, 0.25% due 6/15/2039 put 10/3/2011 (General Resolution; SPA: Landesbank Hessen-Thuringen) (daily demand notes)	AA+/Aa2	4,300,000	4,300,000
New York Series H Sub Series H-2 GO, 0.12% due 8/1/2013 put 10/3/2011 (Insured: Natl-Re; SPA: Wachovia Bank N.A.) (daily demand notes)	AA/Aa2	1,000,000	1,000,000
New York State Dormitory Authority, 5.625% due 7/1/2016 (City University System)	AA-/Aa3	1,000,000	1,135,370
New York State Dormitory Authority, 5.00% due 7/1/2017 (Bishop Henry B. Hucles Nursing Home; Insured: SONYMA)	NR/Aa1	850,000	968,184

SCHEDULE OF INVESTMENTS, CONTINUED

Thornburg Intermediate Municipal Fund

September 30, 2011

<u>Issuer-Description</u>	<u>Credit Rating†</u> <u>S&P/ Moody's</u>	<u>Principal</u> <u>Amount</u>	<u>Value</u>
New York State Dormitory Authority, 5.25% due 5/15/2021 (State University Educational Facilities)	AA-/Aa3	\$ 500,000	\$ 580,815
United Nations Development Corp., 5.00% due 7/1/2025	NR/A1	1,700,000	1,862,078
NORTH DAKOTA — 0.34%			
North Dakota Building Authority, 4.25% due 12/1/2015 (Insured: Natl-Re)	AA/Aa2	1,305,000	1,476,046
Ward County Health Care Facilities, 5.125% due 7/1/2021 (Trinity Obligated Group)	BBB+/NR	1,000,000	1,032,670
OHIO — 2.85%			
Cleveland Cuyahoga County Port Authority, 6.25% due 5/15/2016 (LOC: FifthThird Bank)	BBB-/NR	1,060,000	1,070,716
Cleveland Cuyahoga County Port Authority, 5.00% due 10/1/2021 (Cleveland Museum of Art)	AA+/NR	1,330,000	1,525,497
Deerfield Township Tax Increment, 5.00% due 12/1/2016	NR/A1	1,035,000	1,159,821
Deerfield Township Tax Increment, 5.00% due 12/1/2025	NR/A1	1,000,000	1,034,230
Franklin County Convention Facilities Authority, 5.25% due 12/1/2015 (Tax & Lease Revenue Anticipation Bonds; Insured: AMBAC)	AA/Aaa	1,000,000	1,052,560
Hamilton Wastewater Systems, 5.25% due 10/1/2017 (Insured: AGM)	NR/Aa3	1,500,000	1,714,290
Ohio State Air Quality Development Authority, 5.70% due 8/1/2020 (First Energy Generation)	BBB-/Baa3	3,000,000	3,280,470
Ohio State Air Quality Development Authority, 4.85% due 8/1/2040 put 5/1/2012 (Columbus Southern Power; Insured: Natl-Re) (AMT)	BBB/A3	1,500,000	1,531,605
Ohio State Air Quality Development Authority, 5.10% due 11/1/2042 put 5/1/2013 (Columbus Southern Power; Insured: Natl-Re) (AMT)	BBB/A3	3,000,000	3,165,420
Ohio State Higher Educational Facilities, 5.05% due 7/1/2037 put 7/1/2016 (Kenyon College)	A+/A1	1,200,000	1,352,340
Ohio State Water Development Authority PCR, 5.875% due 6/1/2033 put 6/1/2016 (FirstEnergy Corp.)	BBB-/Baa2	1,000,000	1,123,560
Ohio State Water Development Authority PCR, 3.375% due 7/1/2033 put 7/1/2015 (FirstEnergy Corp.)	BBB-/Baa3	3,000,000	3,063,120
OKLAHOMA — 1.29%			
Oklahoma City Municipal Water & Sewer, 0% due 7/1/2013 (Insured: AMBAC)	NR/NR	1,485,000	1,438,831
Oklahoma DFA, 0.14% due 8/15/2033 put 10/3/2011 (Integrus Health; Insured: AGM) (daily demand notes)	AA+/Aa3	1,665,000	1,665,000
Oklahoma State Industries Authority, 5.50% due 7/1/2023 (Oklahoma Medical Research Foundation)	NR/A1	3,730,000	4,105,499
Oklahoma State Power Authority, 5.00% due 1/1/2018 (Insured: AGM)	AA+/Aa3	1,000,000	1,173,550
Tulsa IDA, 5.00% due 12/15/2024 (St. Francis Health Systems)	AA+/Aa2	1,130,000	1,195,111
PENNSYLVANIA — 3.14%			
Allegheny County Hospital Development, 5.00% due 5/15/2019 (University of Pittsburgh Medical Center)	A+/Aa3	2,500,000	2,888,200
Allegheny County IDA, 5.90% due 8/15/2026 (School Facility Development, Inc.)	BBB-/NR	1,200,000	1,169,796
Allegheny County IDA, 6.375% due 8/15/2035 (School Facility Development, Inc.)	BBB-/NR	1,130,000	1,078,054
Chartiers Valley Industrial & Community Development Authority, 5.75% due 12/1/2022 (Asbury Health Center)	NR/NR	900,000	870,075
Lancaster County GO, 0% due 5/1/2014 (Insured: Natl-Re/FGIC)	NR/Aa2	795,000	724,491
Lancaster County GO, 0% due 5/1/2015 (Insured: Natl-Re/FGIC)	NR/Aa2	800,000	689,744
Pennsylvania EDA, 4.625% due 12/1/2018 (Colver Project; Insured: AMBAC) (AMT)	BBB-/Ba1	5,000,000	4,717,550
Pennsylvania Higher Education Facilities Authority, 0% due 7/1/2020 (Insured: AMBAC)	NR/NR	2,032,839	1,067,932
Pennsylvania Turnpike Commission, 0% due 12/1/2030 (Convertible Capital Appreciation)	A-/A3	4,000,000	3,280,560
Philadelphia Hospitals & Higher Educational Facilities Authority, 0.13% due 7/1/2022 put 10/3/2011 (The Children's Hospital; SPA: JPMorgan Chase Bank) (daily demand notes)	AA/Aa2	1,100,000	1,100,000
Philadelphia School District GO, 5.00% due 9/1/2018 (State Aid Withholding)	A+/Aa2	5,000,000	5,671,650

SCHEDULE OF INVESTMENTS, CONTINUED

Thornburg Intermediate Municipal Fund

September 30, 2011

<u>Issuer-Description</u>	<u>Credit Rating†</u> <u>S&P/ Moody's</u>	<u>Principal</u> <u>Amount</u>	<u>Value</u>
RHODE ISLAND — 0.33%			
Rhode Island Health & Education Building Corp., 5.00% due 3/15/2014 (Salve Regina University; Insured: Radian)	NR/NR	\$ 1,065,000	\$ 1,083,489
Rhode Island Health & Education Building Corp., 5.25% due 7/1/2015 (Memorial Hospital; LOC: Fleet Bank)	NR/NR	1,325,000	1,394,072
SOUTH CAROLINA — 3.42%			
Berkeley County School District Installment Lease, 5.00% due 12/1/2019	A/A1	2,000,000	2,184,140
Greenville County School District, 5.50% due 12/1/2021 (Building Equity Sooner)	AA/Aa2	5,000,000	6,096,700
Greenwood School Facilities, Inc., 5.00% due 12/1/2025 (Greenwood School District 50; Insured:AGM)	AA+/Aa3	2,400,000	2,561,016
Lexington One School Facilities Corp. School District 1, 5.00% due 12/1/2019	NR/Aa3	1,000,000	1,097,580
Lexington One School Facilities Corp. School District 1, 5.25% due 12/1/2021	NR/Aa3	1,700,000	1,895,143
Scago Educational Facilities Corp., 5.00% due 12/1/2017 (Colleton School District; Insured:AGM)	AA+/Aa3	1,000,000	1,132,940
Scago Educational Facilities Corp., 5.00% due 4/1/2019 (Spartanburg School District; Insured: AGM)	AA+/Aa3	2,740,000	2,974,325
Scago Educational Facilities Corp., 5.00% due 4/1/2021 (Spartanburg School District; Insured: AGM)	AA+/Aa3	1,000,000	1,072,370
South Carolina Housing Finance & Development Authority, 5.875% due 7/1/2022 (AMT)	NR/Aa1	2,085,000	2,194,316
South Carolina Housing Finance & Development Authority, 5.30% due 7/1/2023 (AMT)	NR/Aa1	980,000	1,026,864
Sumter School Facilities Inc. School District 2, 5.00% due 12/1/2021 (Insured:AGM)	AA+/Aa3	2,855,000	3,044,600
SOUTH DAKOTA — 0.25%			
South Dakota Health & Educational Facilities Authority, 5.00% due 11/1/2024 (Sanford Health)	AA-/A1	1,700,000	1,829,421
TENNESSEE — 1.41%			
Clarksville Natural Gas Acquisition Corp., 5.00% due 12/15/2014	NR/Baa1	1,000,000	1,064,240
Tennessee Energy Acquisition Corp., 5.00% due 2/1/2023	BBB/Baa3	2,500,000	2,453,200
Tennessee Energy Acquisition Corp., 5.25% due 9/1/2023	B/Ba3	7,000,000	6,908,230
TEXAS — 12.00%			
Austin Community College District, 5.50% due 8/1/2023 (Round Rock Campus)	AA/Aa2	2,180,000	2,511,447
Bexar County Health Facilities Development Corp., 6.125% due 7/1/2022 pre-refunded 7/1/2012 (Army Retirement Residence)	NR/NR	1,250,000	1,314,225
Bexar County Health Facilities Development Corp., 5.00% due 7/1/2027 (Army Retirement Residence)	BBB/NR	2,000,000	1,942,520
Bexar Metropolitan Water District Waterworks, 5.00% due 5/1/2021 (Insured: Syncora)	A/A1	1,300,000	1,396,551
Bexar Metropolitan Water District Waterworks, 5.00% due 5/1/2022 (Insured: Syncora)	A/A1	2,300,000	2,454,353
Birdville ISD GO, 0% due 2/15/2012 (Guaranty: PSF)	AAA/Aaa	2,800,000	2,797,004
Bryan Electric Systems, 3.00% due 7/1/2013	A+/A1	1,000,000	1,038,560
Cedar Park Improvement District GO, 5.00% due 2/15/2016 (Insured: Natl-Re)	AA/Aa2	1,000,000	1,088,750
City of Houston, 5.00% due 9/1/2013	A-/A2	1,500,000	1,614,255
City of Houston, 5.00% due 9/1/2013	A-/A2	1,400,000	1,506,638
Dallas County Utilities & Reclamation District, 5.15% due 2/15/2022 (Insured: AMBAC)	BBB+/A3	3,000,000	3,193,440
Dallas/Fort Worth International Airport, 5.00% due 11/1/2015	A+/A1	1,000,000	1,146,810
Duncanville ISD GO, 0% due 2/15/2016 pre-refunded 2/15/2012 (Guaranty: PSF)	AAA/Aaa	2,985,000	2,371,403
Duncanville ISD GO, 0% due 2/15/2016 (Guaranty: PSF)	AAA/Aaa	15,000	11,879
Eagle Mountain & Saginaw Texas Independent School District GO, 2.50% due 8/1/2050 put 8/1/2014 (School Improvements; Guaranty: PSF)	AAA/NR	1,000,000	1,045,850
Gulf Coast Center, 6.75% due 9/1/2020 (Mental Health Retardation Center)	BBB/NR	1,220,000	1,243,680

SCHEDULE OF INVESTMENTS, CONTINUED

Thornburg Intermediate Municipal Fund

September 30, 2011

<u>Issuer-Description</u>	<u>Credit Rating† S&P/ Moody's</u>	<u>Principal Amount</u>	<u>Value</u>
Harris County Cultural Education Facilities Finance Corp., 0.13% due 9/1/2031 put 10/3/2011 Texas Medical Center; LOC: JPMorgan Chase & Co.) (daily demand notes)	AAA/Aa1	\$ 2,000,000	\$ 2,000,000
Harris County Hospital District, 5.00% due 2/15/2015 (Insured: Natl-Re)	A/A1	2,075,000	2,297,627
Houston Airport System Revenue, 5.00% due 7/1/2014	A/NR	1,000,000	1,101,290
Houston Higher Education Finance Corp, 6.50% due 5/15/2031 (Cosmos Foundation, Inc.)	BBB/NR	700,000	747,404
Kimble County Hospital District GO, 5.00% due 8/15/2017	NR/NR	510,000	554,860
Kimble County Hospital District GO, 5.00% due 8/15/2018	NR/NR	525,000	569,090
La Vernia Higher Education Finance Corp., 5.75% due 8/15/2024 (Kipp, Inc.)	BBB/NR	3,000,000	3,138,840
Laredo Sports Venue Sales Tax, 5.00% due 3/15/2018 (Insured: AMBAC)	A+/A1	2,040,000	2,199,365
Lewisville Combination Contract Special Assessment District, 4.75% due 9/1/2012 (Insured: ACA)	NR/NR	505,000	508,368
Mission EDA, 6.00% due 8/1/2020 put 8/1/2013 (Waste Management, Inc.) (AMT)	BBB/NR	3,250,000	3,488,745
Northside ISD GO, 1.75% due 6/1/2037 put 6/1/2013 (Various School Buildings; Guaranty: PSF)	AAA/NR	4,210,000	4,215,094
Pharr Higher Education Finance Authority, 5.75% due 8/15/2024 (Idea Public School)	BBB/NR	5,050,000	5,142,364
Sam Rayburn Municipal Power Agency, 6.00% due 10/1/2016	NR/Baa2	3,500,000	3,614,555
Sam Rayburn Municipal Power Agency, 6.00% due 10/1/2021	NR/Baa2	2,575,000	2,631,753
San Juan Higher Education Finance Authority, 5.75% due 8/15/2024 (Idea Public Schools)	BBB/NR	1,590,000	1,621,975
Stafford Economic Development, 6.00% due 9/1/2017 (Insured: Natl-Re/FGIC)	A+/A1	1,775,000	2,084,063
Texas City Industrial Development Corp., 7.375% due 10/1/2020 (Arco Pipe Line Company)	A/A2	2,450,000	3,092,659
Texas Public Finance Authority Charter School Finance Corp., 6.00% due 2/15/2030 (Cosmos Foundation, Inc.)	BBB/NR	1,750,000	1,793,802
Texas Public Finance Authority Charter School Finance Corp., 5.00% due 8/15/2030 (Idea Public School; Insured: ACA)	BBB/NR	2,000,000	1,796,580
Texas State, 2.50% due 8/30/2012 (Tax & Revenue Anticipation Notes)	SP-1+/Mig1	15,000,000	15,311,850
Texas State Public Finance Authority, 5.00% due 8/15/2023 (Idea Public School; Insured: ACA)	BBB/NR	3,000,000	2,880,390
Uptown Development Authority, 5.50% due 9/1/2029 (Infrastructure Improvement)	BBB/NR	1,250,000	1,292,888
U.S. VIRGIN ISLANDS — 0.72%			
Virgin Islands Public Finance Authority, 6.625% due 10/1/2029	NR/Baa3	5,000,000	5,345,850
UTAH — 0.48%			
City of Herriman, 5.75% due 11/1/2027 (Towne Center Assessment Area)	A/NR	1,000,000	1,085,940
Salt Lake Valley Fire Services, 5.25% due 4/1/2020	NR/Aa2	1,250,000	1,444,012
Utah County Municipal Building Authority, 5.50% due 11/1/2016 pre-refunded 11/1/2011 (Insured: AMBAC)	NR/NR	1,000,000	1,004,590
VIRGINIA — 0.67%			
Fauquier County IDRb, 5.50% due 10/1/2016 (Insured: Radian)	BBB+/NR	1,000,000	1,047,040
Hanover County IDRb Medical Facilities, 6.00% due 10/1/2021 (FirstHealth Richmond Memorial Hospital) (ETM)	BBB/NR	795,000	866,995
Mecklenburg County IDA, 6.50% due 10/15/2017 (Virginia Electric and Power Company)	NR/Baa1	2,000,000	2,010,280
Norton IDA, 6.00% due 12/1/2014 (Norton Community Hospital; Insured: ACA)	NR/NR	1,000,000	1,005,950
WASHINGTON — 2.17%			
Seattle Municipal Power and Light, 5.00% due 2/1/2019	AA-/Aa2	3,000,000	3,604,380
Skagit County Public Hospital District GO, 5.125% due 12/1/2015 (Insured: Natl-Re)	NR/A1	1,900,000	2,164,195
Washington Health Care Facilities, 6.00% due 12/1/2014 (Catholic Health Services; Insured: Natl-Re)	AA/Aa2	1,735,000	1,741,454
Washington Health Care Facilities, 6.00% due 12/1/2015 (Catholic Health Services; Insured: Natl-Re)	AA/Aa2	1,945,000	1,951,749
Washington Health Care Facilities, 5.25% due 8/15/2024 (Multicare Systems; Insured: AGM)	AA+/Aa3	1,000,000	1,085,010
Washington Health Care Facilities, 6.25% due 8/1/2028 (Highline Medical Centers; Insured: FHA 242)	A+/NR	3,985,000	4,526,602

SCHEDULE OF INVESTMENTS, CONTINUED

Thornburg Intermediate Municipal Fund

September 30, 2011

<u>Issuer-Description</u>	<u>Credit Rating† S&P/ Moody's</u>	<u>Principal Amount</u>	<u>Value</u>
Washington Housing Finance Commission, 5.875% due 7/1/2019 (Kline Galland Center; Insured: Radian)	NR/NR	\$ 1,000,000	\$ 1,001,150
WEST VIRGINIA — 0.22%			
West Virginia Hospital Finance Authority, 5.00% due 6/1/2020 (United Hospital Center; Insured: AMBAC)	A+/A2	1,530,000	1,614,028
WISCONSIN — 1.15%			
Wisconsin Health & Educational Facilities, 5.75% due 8/15/2020 (Eagle River Memorial Hospital Inc.; Insured: Radian)	NR/NR	925,000	930,504
Wisconsin Health & Educational Facilities Authority, 5.00% due 7/1/2021 (Agnesian Healthcare)	A-/A3	2,170,000	2,303,259
Wisconsin Health & Educational Facilities Authority, 5.50% due 7/1/2025 (Agnesian Healthcare)	A-/A3	5,000,000	<u>5,263,800</u>
TOTAL INVESTMENTS — 98.23% (Cost \$697,370,276)			\$ 726,704,481
OTHER ASSETS LESS LIABILITIES — 1.77%			<u>13,068,799</u>
NET ASSETS — 100.00%			<u>\$ 739,773,280</u>

Footnote Legend

† Credit ratings are unaudited. Rating changes may have occurred subsequent to the reporting period end.

Portfolio Abbreviations

To simplify the listings of securities, abbreviations are used per the table below:

ACA	Insured by American Capital Access		
AGM	Insured by Assured Guaranty Municipal Corp.		
AMBAC	Insured by American Municipal Bond Assurance Corp.	IDRB	Industrial Development Revenue Bond
AMT	Alternative Minimum Tax	ISD	Independent School District
CIFG	CIFG Assurance North America Inc.	LOC	Letter of Credit
COP	Certificates of Participation	Mtg	Mortgage
DFA	Development Finance Authority	MFR	Multi-Family Revenue
EDA	Economic Development Authority	Natl-Re	Insured by National Public Finance Guarantee Corp.
ETM	Escrowed to Maturity	PCR	Pollution Control Revenue Bond
FGIC	Insured by Financial Guaranty Insurance Co.	PSF	Guaranteed by Permanent School Fund
FHA	Insured by Federal Housing Administration	Q-SBLF	Qualified School Board Loan Fund
FNMA	Collateralized by Federal National Mortgage Association	Radian	Insured by Radian Asset Assurance
GNMA	Insured by Government National Mortgage Association	SONYMA	State of New York Mortgage Authority
GO	General Obligation	SPA	Stand-by Purchase Agreement
GRT	Gross Receipts Tax	Syncora	Insured by Syncora Guarantee Inc.
HFA	Health Facilities Authority	VA	Veterans Affairs
IDA	Industrial Development Authority	USD	Unified School District

See notes to financial statements.

STATEMENT OF ASSETS AND LIABILITIES

Thornburg Intermediate Municipal Fund

September 30, 2011

ASSETS

Investments at value (cost \$697,370,276) (Note 2)	\$ 726,704,481
Cash	1,195,537
Receivable for investments sold	4,880,763
Receivable for fund shares sold	2,082,670
Interest receivable	9,401,406
Prepaid expenses and other assets	31,276
	<hr/>
Total Assets	744,296,133

LIABILITIES

Payable for investments purchased	2,500,000
Payable for fund shares redeemed	819,921
Payable to investment advisor and other affiliates (Note 3)	483,357
Accounts payable and accrued expenses	115,144
Dividends payable	604,431
	<hr/>
Total Liabilities	4,522,853

NET ASSETS

\$ 739,773,280

NET ASSETS CONSIST OF:

Distribution in excess of net investment income	\$ (3,781)
Net unrealized appreciation on investments	29,334,205
Accumulated net realized gain (loss)	(6,136,137)
Net capital paid in on shares of beneficial interest	716,578,993
	<hr/>
	<u>\$ 739,773,280</u>

NET ASSET VALUE:

Class A Shares:

Net asset value and redemption price per share
(\$381,839,197 applicable to 28,088,809 shares of beneficial
interest outstanding - Note 4)

\$ 13.59

Maximum sales charge, 2.00% of offering price

0.28

Maximum offering price per share

\$ 13.87

Class C Shares:

Net asset value and offering price per share*
(\$125,511,642 applicable to 9,221,123 shares of beneficial
interest outstanding - Note 4)

\$ 13.61

Class I Shares:

Net asset value, offering and redemption price per share
(\$232,422,441 applicable to 17,119,919 shares of beneficial
interest outstanding - Note 4)

\$ 13.58

* Redemption price per share is equal to net asset value less any applicable contingent deferred sales charge.

See notes to financial statements.

STATEMENT OF OPERATIONS

Thornburg Intermediate Municipal Fund

Year Ended September 30, 2011

INVESTMENT INCOME:

Interest income (net of premium amortized of \$3,345,242) \$ 32,164,706

EXPENSES:

Investment advisory fees (Note 3)	3,444,777
Administration fees (Note 3)	
Class A Shares	476,270
Class C Shares	150,898
Class I Shares	104,108
Distribution and service fees (Note 3)	
Class A Shares	952,541
Class C Shares	719,642
Transfer agent fees	
Class A Shares	143,173
Class C Shares	59,048
Class I Shares	84,730
Registration and filing fees	
Class A Shares	37,246
Class C Shares	28,569
Class I Shares	26,713
Custodian fees (Note 3)	134,566
Professional fees	42,571
Accounting fees	28,705
Trustee fees	16,152
Other expenses	57,186
Total Expenses	6,506,895
Less:	
Expenses reimbursed by investment advisor (Note 3)	(100,214)
Fees paid indirectly (Note 3)	(1,404)
Net Expenses	6,405,277
Net Investment Income	25,759,429

REALIZED AND UNREALIZED GAIN (LOSS)

Net realized gain (loss) on investments	347,891
Net change in unrealized appreciation (depreciation) on investments	(4,587,013)
Net Realized and Unrealized Loss	(4,239,122)
Net Increase in Net Assets Resulting from Operations	\$ 21,520,307

See notes to financial statements.

STATEMENTS OF CHANGES IN NET ASSETS

Thornburg Intermediate Municipal Fund

	Year Ended September 30, 2011	Year Ended September 30, 2010
INCREASE (DECREASE) IN NET ASSETS FROM		
OPERATIONS:		
Net investment income	\$ 25,759,429	\$ 22,874,886
Net realized gain (loss) on investments	347,891	(1,218,528)
Net unrealized appreciation (depreciation) on investments	(4,587,013)	14,346,155
	<hr/>	<hr/>
Net Increase (Decrease) in Net Assets Resulting from Operations	21,520,307	36,002,513
DIVIDENDS TO SHAREHOLDERS:		
From net investment income		
Class A Shares	(13,661,413)	(13,616,758)
Class C Shares	(3,975,988)	(3,446,376)
Class I Shares	(8,122,028)	(5,811,752)
FUND SHARE TRANSACTIONS (NOTE 4):		
Class A Shares	(25,338,872)	65,256,428
Class C Shares	(2,034,648)	45,484,026
Class I Shares	30,234,435	73,966,608
	<hr/>	<hr/>
Net Increase (Decrease) in Net Assets	(1,378,207)	197,834,689
NET ASSETS:		
Beginning of Year	<hr/> 741,151,487	<hr/> 543,316,798
End of Year	<hr/> \$ 739,773,280	<hr/> \$ 741,151,487

See notes to financial statements.

NOTE 1 – ORGANIZATION

Thornburg Intermediate Municipal Fund (the “Fund”) is a diversified series of Thornburg Investment Trust (the “Trust”). The Trust is organized as a Massachusetts business trust under a Declaration of Trust dated June 3, 1987 and is registered as a diversified, open-end management investment company under the Investment Company Act of 1940, as amended. The Fund is currently one of sixteen separate series of the Trust. Each series is considered to be a separate entity for financial reporting and tax purposes and bears expenses directly attributable to it. The Fund’s primary investment objective is to obtain as high a level of current income exempt from federal individual income taxes as is consistent, in the view of the Fund’s investment advisor, with the preservation of capital. The Fund’s secondary objective is to reduce expected changes in its share price compared to long-term bond portfolios.

The Fund currently offers three classes of shares of beneficial interest outstanding: Class A, Class C, and Institutional Class (Class I). Each class of shares of the Fund represents an interest in the same portfolio of investments, except that (i) Class A shares are sold subject to a front-end sales charge collected at the time the shares are purchased and bear a service fee, (ii) Class C shares are sold at net asset value without a sales charge at the time of purchase, but are subject to a contingent deferred sales charge upon redemption within one year of purchase, and bear both a service fee and a distribution fee, (iii) Class I shares are sold at net asset value without a sales charge at the time of purchase, and (iv) the respective classes may have different reinvestment privileges and conversion rights. Additionally, the Fund may allocate among its classes certain expenses, to the extent allowable to specific classes, including transfer agent fees, government registration fees, certain printing and postage costs, and administrative and legal expenses. Currently, class specific expenses of the Fund are limited to service and distribution fees, administration fees, and certain registration and transfer agent expenses.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies of the Trust are as follows:

Valuation of Investments: Debt obligations have a primary market over the counter and are valued by an independent pricing service approved by the Trustees of the Trust. The pricing service ordinarily values debt obligations at quoted bid prices. When quotations are not available, debt obligations are valued at evaluated prices determined by the pricing service using methods which include consideration of yields or prices of debt obligations of comparable quality, type of issue, coupon, maturity and rating, and indications as to value from dealers and general market conditions. Short-term obligations having remaining maturities of 60 days or less are ordinarily valued at amortized cost, which approximates market value.

In any case where a pricing service fails to provide a price for a debt obligation held by the Fund, the valuation and pricing committee determines a fair value for the obligation using procedures approved by the Trustees. Additionally, in any case where management believes that a price provided by a pricing service for a debt obligation may be unreliable, the valuation and pricing committee decides whether or not to use the pricing service’s valuation or to determine a fair value for the obligation.

In determining fair value for any portfolio security or other investment, the valuation and pricing committee seeks to determine the amount that an owner of the investment might reasonably expect to receive upon a sale of the investment. However, because fair value prices are estimated prices, the valuation and pricing committee’s determination of fair value for an investment may differ from the value that would be realized by the Fund upon a sale of the investment, and that difference could be material to the Fund’s financial statements. The valuation and pricing committee’s determination of fair value for an investment may also differ from the prices obtained by other persons (including other mutual funds) for the investment.

Valuation Measurements: Various inputs are used in determining the value of the Fund’s investments. These inputs are summarized in the three levels listed below:

Level 1: Quoted prices in active markets for identical investments.

Level 2: Other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment rates, credit risk, etc.).

Level 3: Significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments).

NOTES TO FINANCIAL STATEMENTS, CONTINUED

Thornburg Intermediate Municipal Fund

September 30, 2011

The following table displays a summary of the inputs used to value the Fund's net assets as of September 30, 2011. In any instance when valuation inputs from more than one level are used to determine the fair value of a specific investment, the investment is placed in the level of the table based upon the lowest level input that is significant in determining the fair value of the investment:

	Fair Value Measurements at September 30, 2011			
	Total	Level 1	Level 2	Level 3
Assets				
Investments in Securities				
Municipal Bonds	\$ 726,704,481	\$ -	\$ 726,704,481	\$ -
Total Investments in Securities	\$ 726,704,481	\$ -	\$ 726,704,481	\$ -

Other Notes: It is the policy of the Fund to recognize significant transfers between Levels 1, 2 and 3 and to disclose those transfers at the beginning of the reporting period. The Fund recognized no significant transfers between levels for the year ended September 30, 2011.

Federal Income Taxes: It is the policy of the Trust to comply with the provisions of the Internal Revenue Code applicable to "regulated investment companies," and to distribute to shareholders substantially all taxable (if any) and tax exempt income of the Fund. Therefore, no provision for federal income tax is required.

Management reviews each uncertain tax position believed to be material to the preparation of the Fund's financial statements, to assess if it is more likely than not that the position would be sustained upon examination, based upon the technical merits of the position. As of September 30, 2011, management has not identified any such position for which a liability must be reflected in the Statement of Assets and Liabilities. The Fund's tax returns remain subject to examination for three years after filing.

When-Issued and Delayed Delivery Transactions: The Fund may engage in when-issued or delayed delivery transactions. To the extent the Fund engages in such transactions, it will do so for the purpose of acquiring portfolio securities consistent with the Fund's investment objectives and not for the purpose of investment leverage or to speculate on interest rate and/or market changes. At the time the Fund makes a commitment to purchase a security on a when-issued or delayed delivery basis, the Fund will record the transaction and reflect the value in determining its net asset value. When effecting such transactions, assets of an amount sufficient to make payment for the portfolio securities to be purchased will be segregated on the Fund's records on the trade date. Securities purchased on a when-issued or delayed delivery basis do not earn interest until the settlement date.

Dividends: Net investment income of the Fund is declared daily as a dividend on shares for which the Fund has received payment. Dividends are paid monthly and are reinvested in additional shares of the Fund at net asset value per share at the close of business on the dividend payment date, or at the shareholder's option, paid in cash. Net realized capital gains, to the extent available, will be distributed at least annually.

General: Securities transactions are accounted for on a trade date basis. Interest income is accrued as earned. Premiums and discounts on securities purchased are amortized to call dates or maturity dates of the respective securities. Realized gains and losses from the sale of securities are recorded on an identified cost basis. Net investment income (other than class specific expenses) and realized and unrealized gains and losses are allocated daily to each class of shares based upon the relative net asset value of outstanding shares (or the value of the dividend-eligible shares, as appropriate) of each class of shares at the beginning of the day (after adjusting for the current capital shares activity of the respective class). Expenses common to all Funds are allocated among the Funds comprising the Trust based upon their relative net asset values or other appropriate allocation methods.

Guarantees and Indemnifications: Under the Trust's organizational documents, its officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Fund. Additionally, in the normal course of business the Trust enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown. However, based on experience, the Trust expects the risk of loss to be remote.

Use of Estimates: The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent

assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

NOTE 3 – INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Pursuant to an investment advisory agreement, Thornburg Investment Management, Inc. (the “Advisor”) serves as the investment advisor and performs services to the Fund for which the fees are payable at the end of each month. For the year ended September 30, 2011, these fees were payable at annual rates ranging from .50 of 1% to .275 of 1% per annum of the average daily net assets of the Fund depending on the Fund’s asset size. The Trust also has entered into administrative services agreements with the Advisor, whereby the Advisor will perform certain administrative services for the shareholders of each class of the Fund’s shares, and for which fees will be payable at an annual rate of up to .125 of 1% per annum of the average daily net assets attributable to each class of shares. For the year ended September 30, 2011, the Advisor contractually reimbursed certain class specific expenses and administrative fees of \$1,152 for Class A shares, and \$99,062 for Class C shares.

The Trust has an underwriting agreement with Thornburg Securities Corporation (the “Distributor,” an affiliate of the Advisor), which acts as the distributor of the Fund’s shares. For the year ended September 30, 2011, the Distributor has advised the Fund that it earned net commissions aggregating \$5,002 from the sale of Class A shares, and collected contingent deferred sales charges aggregating \$20,975 from redemptions of Class C shares of the Fund.

Pursuant to a service plan under Rule 12b-1 of the Investment Company Act of 1940, the Fund may reimburse to the Advisor an amount not to exceed .25 of 1% per annum of the average daily net assets attributable to each class of shares of the Fund for payments made by the Advisor to securities dealers and other financial institutions to obtain various shareholder and distribution related services. For the year ended September 30, 2011, there were no 12b-1 service plan fees charged for Class I shares. The Advisor may pay out of its own resources additional expenses for distribution of the Fund’s shares.

The Trust has also adopted a distribution plan pursuant to Rule 12b-1, applicable only to the Fund’s Class C shares, under which the Fund compensates the Distributor for services in promoting the sale of Class C shares of the Fund at an annual rate of up to .35 of 1% per annum of the average daily net assets attributable to Class C shares. Total fees incurred by the Distributor for each class of shares of the Fund under their respective Service and Distribution Plans for the year ended September 30, 2011, are set forth in the Statement of Operations.

The Trust has an agreement with the custodian bank to indirectly pay a portion of the custodian’s fees through credits earned by the Fund’s cash on deposit with the bank. This deposit agreement is an alternative to overnight investments. Custodial fees have been adjusted to reflect amounts that would have been paid without this agreement, with a corresponding adjustment reflected as fees paid indirectly in the Statement of Operations. For the year ended September 30, 2011, fees paid indirectly were \$1,404.

Certain officers and Trustees of the Trust are also officers or directors of the Advisor and Distributor. The compensation of independent Trustees is borne by the Trust.

NOTE 4 – SHARES OF BENEFICIAL INTEREST

At September 30, 2011, there were an unlimited number of shares of beneficial interest authorized. Transactions in shares of beneficial interest were as follows:

	Year Ended September 30, 2011		Year Ended September 30, 2010	
	Shares	Amount	Shares	Amount
Class A Shares				
Shares sold	5,028,226	\$ 66,853,658	9,814,228	\$131,038,400
Shares issued to shareholders in reinvestment of dividends	685,893	9,091,944	646,545	8,623,256
Shares repurchased	(7,682,668)	(101,284,474)	(5,551,397)	(74,405,228)
Net increase (decrease)	(1,968,549)	\$(25,338,872)	4,909,376	\$ 65,256,428

NOTES TO FINANCIAL STATEMENTS, CONTINUED

Thornburg Intermediate Municipal Fund

September 30, 2011

	Year Ended September 30, 2011		Year Ended September 30, 2010	
	Shares	Amount	Shares	Amount
Class C Shares				
Shares sold	2,153,415	\$ 28,743,629	4,194,765	\$ 56,036,321
Shares issued to shareholders in reinvestment of dividends	199,501	2,647,910	166,872	2,229,614
Shares repurchased	(2,539,929)	(33,426,187)	(957,579)	(12,781,909)
Net increase (decrease)	<u>(187,013)</u>	<u>\$ (2,034,648)</u>	<u>3,404,058</u>	<u>\$ 45,484,026</u>
Class I Shares				
Shares sold	7,875,098	\$ 104,437,154	7,702,918	\$ 103,259,087
Shares issued to shareholders in reinvestment of dividends	389,907	5,164,406	314,775	4,195,091
Shares repurchased	(6,042,219)	(79,367,125)	(2,512,352)	(33,487,570)
Net increase (decrease)	<u>2,222,786</u>	<u>\$ 30,234,435</u>	<u>5,505,341</u>	<u>\$ 73,966,608</u>

NOTE 5 - SECURITIES TRANSACTIONS

For the year ended September 30, 2011, the Fund had purchase and sale transactions of investment securities (excluding short-term investments) of \$133,989,715 and \$126,415,737, respectively.

NOTE 6 – INCOME TAXES

At September 30, 2011, information on the tax components of capital is as follows:

Cost of investments for tax purposes	<u>\$ 697,387,323</u>
Gross unrealized appreciation on a tax basis	\$ 32,639,216
Gross unrealized depreciation on a tax basis	<u>(3,322,058)</u>
Net unrealized appreciation (depreciation) on investments (tax basis)	<u>\$ 29,317,158</u>

At September 30, 2011, the Fund did not have any undistributed net ordinary income or undistributed capital gains.

For the year ended September 30, 2011, \$11,597 of capital loss carryforwards from prior years expired.

At September 30, 2011, the Fund had tax basis capital losses, which may be carried forward to offset future capital gains. To the extent such carryforwards are used, capital gain distributions may be reduced to the extent provided by regulations.

Such capital loss carryforwards expire as follows:

2012	\$ 4,297,982
2013	39,577
2017	391,762
2018	533,767
2019	<u>856,003</u>
	<u>\$ 6,119,091</u>

NOTES TO FINANCIAL STATEMENTS, CONTINUED

Thornburg Intermediate Municipal Fund

September 30, 2011

The Regulated Investment Company Modernization Act of 2010 (the "Act") was signed into law on December 22, 2010. The Act makes changes to a number of tax rules impacting the Fund. Under the Act, future capital losses generated by the Fund may be carried over indefinitely, but these losses must be used prior to the utilization of any pre-enactment capital losses. Since pre-enactment capital losses may only be carried forward for eight years, there may be a greater likelihood that all or a portion of a Fund's pre-enactment capital losses will expire unused. In general, the provisions of the Act will be effective for the Fund's fiscal year ending September 30, 2012.

In order to account for book/tax differences, the Fund decreased accumulated net realized loss by \$11,597, decreased net capital paid in on shares of beneficial interest by \$13,052, and decreased distribution in excess of net investment income by \$1,455. These reclassifications have no impact on the net asset value of the Fund. Reclassifications resulted from the expiration of capital loss carryforwards and non-deductible taxes paid.

The tax character of distributions paid for the years ended September 30, 2011, and September 30, 2010, was as follows:

	2011	2010
Distributions from:		
Tax exempt income	\$ 25,608,742	\$ 22,755,331
Ordinary income	150,687	119,555
Total Distributions	<u>\$ 25,759,429</u>	<u>\$ 22,874,886</u>

OTHER NOTES:

Risks: The Fund's investments subject it to risks including, but not limited to, credit risk, interest rate risk, management risk, market and economic risk, and liquidity risk. Please see the Fund's prospectus for a discussion of the risks associated with an investment in the Fund.

Subsequent Events: Fund management believes no events have occurred between September 30, 2011 and the date of issuance of the financial statements, which require adjustment to, or disclosure in the accompanying financial statements.

FINANCIAL HIGHLIGHTS

Thornburg Intermediate Municipal Fund

PER SHARE PERFORMANCE (for a share outstanding throughout the Year)+

Unless Otherwise Noted, Periods are Fiscal Years Ended Sept. 30,	Net Asset Value Beginning of Year	Net Investment Income (Loss)	Net Realized & Unrealized Gain (Loss) on Investments	Total from Investment Operations	Dividends from Net Investment Income	Dividends from Net Realized Gains	Total Dividends	Net Asset Value End of Year
Class A Shares								
2011 ^(b)	\$ 13.64	0.48	(0.05)	0.43	(0.48)	-	(0.48)	\$ 13.59
2010 ^(b)	\$ 13.40	0.49	0.24	0.73	(0.49)	-	(0.49)	\$ 13.64
2009 ^(b)	\$ 12.47	0.54	0.93	1.47	(0.54)	-	(0.54)	\$ 13.40
2008 ^(b)	\$ 13.15	0.52	(0.68)	(0.16)	(0.52)	-	(0.52)	\$ 12.47
2007 ^(b)	\$ 13.30	0.51	(0.15)	0.36	(0.51)	-	(0.51)	\$ 13.15
Class C Shares								
2011	\$ 13.65	0.44	(0.04)	0.40	(0.44)	-	(0.44)	\$ 13.61
2010	\$ 13.42	0.45	0.24	0.69	(0.46)	-	(0.46)	\$ 13.65
2009	\$ 12.48	0.50	0.94	1.44	(0.50)	-	(0.50)	\$ 13.42
2008	\$ 13.16	0.48	(0.68)	(0.20)	(0.48)	-	(0.48)	\$ 12.48
2007	\$ 13.31	0.47	(0.15)	0.32	(0.47)	-	(0.47)	\$ 13.16
Class I Shares								
2011	\$ 13.62	0.52	(0.04)	0.48	(0.52)	-	(0.52)	\$ 13.58
2010	\$ 13.39	0.53	0.23	0.76	(0.53)	-	(0.53)	\$ 13.62
2009	\$ 12.45	0.57	0.94	1.51	(0.57)	-	(0.57)	\$ 13.39
2008	\$ 13.13	0.56	(0.68)	(0.12)	(0.56)	-	(0.56)	\$ 12.45
2007	\$ 13.28	0.55	(0.15)	0.40	(0.55)	-	(0.55)	\$ 13.13

(a) Not annualized for periods less than one year.

(b) Sales loads are not reflected in computing total return.

+ Based on weighted average shares outstanding.
See notes to financial statements.

FINANCIAL HIGHLIGHTS, CONTINUED

Thornburg Intermediate Municipal Fund

RATIOS TO AVERAGE NET ASSETS

Net Investment Income (Loss) (%)	Expenses, After Expense Reductions (%)	Expenses, After Expense Reductions and Net of Custody Credits (%)	Expenses, Before Expense Reductions (%)
3.59	0.95	0.95	0.95
3.68	0.97	0.97	0.97
4.26	0.98	0.98	0.98
3.95	0.96	0.95	0.96
3.84	0.99	0.98	0.99
3.29	1.24	1.24	1.32
3.39	1.24	1.24	1.73
3.99	1.24	1.24	1.76
3.67	1.25	1.24	1.75
3.59	1.24	1.24	1.78
3.90	0.63	0.63	0.63
3.99	0.65	0.65	0.65
4.59	0.66	0.66	0.68
4.28	0.64	0.63	0.64
4.16	0.67	0.67	0.73

SUPPLEMENTAL DATA

Total Return (%) ^(a)	Portfolio Turnover Rate (%)	Net Assets at End of Year (Thousands)
3.27	18.33	\$ 381,839
5.61	9.87	\$ 409,844
12.12	15.15	\$ 337,037
(1.33)	22.00	\$ 311,435
2.74	22.55	\$ 333,800
3.05	18.33	\$ 125,512
5.25	9.87	\$ 128,449
11.90	15.15	\$ 80,571
(1.61)	22.00	\$ 59,243
2.48	22.55	\$ 53,890
3.67	18.33	\$ 232,422
5.87	9.87	\$ 202,859
12.56	15.15	\$ 125,709
(1.02)	22.00	\$ 171,848
3.06	22.55	\$ 125,890

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Thornburg Intermediate Municipal Fund

To the Trustees and Shareholders of
Thornburg Intermediate Municipal Fund

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Thornburg Intermediate Municipal Fund (one of the portfolios constituting Thornburg Investment Trust, hereafter referred to as the “Fund”) at September 30, 2011, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as “financial statements”) are the responsibility of the Fund’s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at September 30, 2011 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

New York, New York
November 21, 2011

EXPENSE EXAMPLE

Thornburg Intermediate Municipal Fund

September 30, 2011 (Unaudited)

As a shareholder of the Fund, you incur two types of costs:

- (1) transaction costs, including
 - (a) sales charges (loads) on purchase payments, for Class A shares;
 - (b) a deferred sales charge on redemptions of any part or all of a purchase of \$1 million of Class A shares within 12 months of purchase;
 - (c) a deferred sales charge on redemptions of Class C shares within 12 months of purchase;
- (2) ongoing costs, including management fees; distribution and/or service (12b-1) fees; and other Fund expenses.

This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on a \$1,000 investment beginning on April 1, 2011, and held until September 30, 2011.

ACTUAL EXPENSES

For each class of shares, the first line of the table at right provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line for your class of shares under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

For each class of shares, the second line of the table at right provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

	Beginning Account Value 4/1/11	Ending Account Value 9/30/11	Expenses Paid During Period† 4/1/11–9/30/11
Class A Shares			
Actual	\$1,000.00	\$1,064.90	\$ 4.87
Hypothetical*	\$1,000.00	\$1,020.35	\$ 4.76
Class C Shares			
Actual	\$1,000.00	\$1,063.30	\$ 6.41
Hypothetical*	\$1,000.00	\$1,018.85	\$ 6.28
Class I Shares			
Actual	\$1,000.00	\$1,067.40	\$ 3.29
Hypothetical*	\$1,000.00	\$1,021.89	\$ 3.22

† Expenses are equal to the annualized expense ratio for each class (A: 0.94%; C: 1.24%; I: 0.64%) multiplied by the average account value over the period, multiplied by 183/365 to reflect the one-half year period.

* Hypothetical assumes a rate of return of 5% per year before expenses.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees, or exchange fees. Therefore, the second line of the table for each class of shares is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

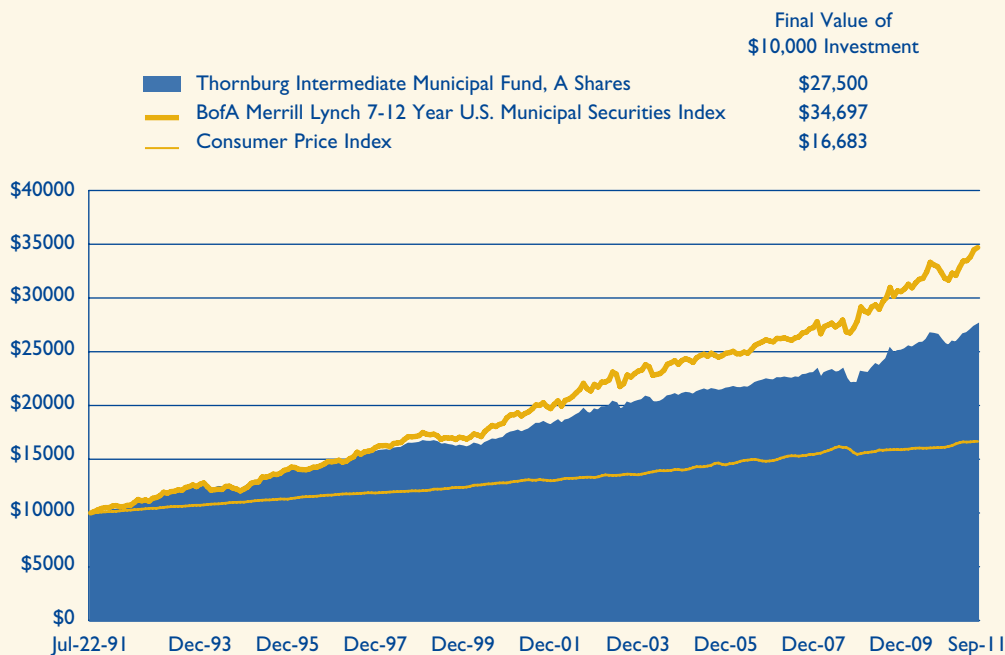
INDEX COMPARISON

Thornburg Intermediate Municipal Fund

September 30, 2011 (Unaudited)

GROWTH OF A HYPOTHETICAL \$10,000 INVESTMENT

Thornburg Intermediate Municipal Fund versus BofA Merrill Lynch 7-12 Year U.S. Municipal Securities Index and Consumer Price Index (July 22, 1991 to September 30, 2011)



AVERAGE ANNUAL TOTAL RETURNS

For the periods ended September 30, 2011 (with sales charge)

	1 Yr	5 Yrs	10 Yrs	Since Inception
A Shares (Incep: 7/22/91)	1.19%	3.97%	3.97%	5.14%
C Shares (Incep: 9/1/94)	2.45%	4.12%	3.88%	4.34%
I Shares (Incep: 7/5/96)	3.67%	4.73%	4.53%	4.89%

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 800.847.0200. The performance data and graph do not reflect the deduction of taxes that a shareholder would pay on distributions or the redemption of Fund shares. Returns reflect the reinvestment of dividends and capital gains as well as applicable sales charges. Class A shares are sold with a maximum sales charge of 2.00%. Class C shares assume deduction of a 0.60% contingent deferred sales charge (CDSC) for the first year only. There is no sales charge for Class I shares.

TRUSTEES AND OFFICERS

Thornburg Intermediate Municipal Fund

September 30, 2011 (Unaudited)

Name, Age, Position Held with Fund Year Elected	Principal Occupation(s) During Past Five Years	Other Directorships Held by Trustee
INTERESTED TRUSTEES⁽¹⁾⁽²⁾⁽⁴⁾		
Garrett Thornburg, 65 Chairman of Trustees, Trustee since 1987 ⁽³⁾	Chairman and controlling shareholder and, until 2008, CEO of Thornburg Investment Management, Inc. (investment advisor); Chairman, CEO, and controlling shareholder of Thornburg Securities Corporation (securities dealer); CEO until 2007 and Chairman until 2009 of TMST, Inc. (f/k/a Thornburg Mortgage, Inc.) (real estate investment trust); President and Sole Director of Thornburg Mortgage Advisory Corporation (investment manager to TMST, Inc.).	None
Brian J. McMahon, 55 Trustee since 2001, Member of Governance & Nominating Committee & Operations Risk Oversight Committee, President since 1997 ⁽⁵⁾⁽⁶⁾	CEO since 2008, President, Managing Director, Chief Investment Officer, and Portfolio Manager of Thornburg Investment Management, Inc.	None
INDEPENDENT TRUSTEES⁽¹⁾⁽²⁾⁽⁴⁾		
David A. Ater, 66 Trustee since 1994, Member of Audit Committee & Governance & Nominating Committee	Principal in Ater & Associates, Santa Fe, NM (developer, planner and broker of residential and commercial real estate); owner, developer and broker for various real estate projects.	None
David D. Chase, 70 Trustee since 2000, Chairman of Audit Committee	Managing Member of Vestor Associates, LLC, Santa Fe, NM (private equity fund); Managing Member of CS Group, LLC, Santa Fe, NM (merchant bank).	None
Eliot R. Cutler, 65 Trustee since 2004 & Nominating Committee, Chairman of Governance	Senior Counsel and, until 2009, Partner in Akin, Gump, Strauss, Hauer & Feld LLP (law firm) in Washington, D.C. and Beijing, China.	None
Susan H. Dubin, 62 Trustee since 2004, Member of Audit Committee	President of Dubin Investments, Ltd., Greenwich, CT (private investment fund); Director and officer of various charitable organizations.	None
Owen D. Van Essen, 57 Trustee since 2004, Member of Governance & Nominating Committee & Chairman of Operations Risk Oversight Committee	President of Dirks, Van Essen & Murray, Santa Fe, NM (newspaper mergers and acquisitions).	None

TRUSTEES AND OFFICERS, CONTINUED

Thornburg Intermediate Municipal Fund

September 30, 2011 (Unaudited)

Name, Age, Position Held with Fund Year Elected	Principal Occupation(s) During Past Five Years	Other Directorships Held by Trustee
James W. Weyhrauch, 52 Trustee since 1996, Member of Audit Committee & Operations Risk Oversight Committee	Real estate broker, Santa Fe Properties, Santa Fe, NM; Vice Chairman of Nambe LLC, Santa Fe, NM (manufacturing & design company).	None
OFFICERS OF THE FUND (WHO ARE NOT TRUSTEES)⁽¹⁾⁽⁶⁾⁽⁷⁾		
George T. Strickland, 48 Vice President since 1996, Treasurer since 2007 ⁽⁶⁾	Portfolio Manager, Vice President, and Managing Director of Thornburg Investment Management, Inc.	Not applicable
William V. Fries, 72 Vice President since 1995	Portfolio Manager, Vice President, and Managing Director of Thornburg Investment Management, Inc.	Not applicable
Leigh Moiola, 44 Vice President since 2001	Vice President, Managing Director, and Director of Marketing of Thornburg Investment Management, Inc.	Not applicable
Alexander Motola, 41 Vice President since 2001	Portfolio Manager, Vice President, and Managing Director of Thornburg Investment Management, Inc.	Not applicable
Wendy Trevisani, 40 Vice President since 1999	Portfolio Manager and Managing Director of Thornburg Investment Management, Inc.	Not applicable
Joshua Gonze, 48 Vice President since 1999	Portfolio Manager since 2007, Managing Director, and Associate Portfolio Manager until 2007 of Thornburg Investment Management, Inc.	Not applicable
Christopher Ihlefeld, 41 Vice President since 2003	Portfolio Manager since 2007, Managing Director, and Associate Portfolio Manager until 2007 of Thornburg Investment Management, Inc.	Not applicable
Leon Sandersfeld, 45 Vice President since 2003	Managing Director since 2007 and Fund Accounting Director of Thornburg Investment Management, Inc.	Not applicable
Sasha Wilcoxon, 37 Vice President since 2003 Secretary since 2007 ⁽⁶⁾	Managing Director since 2007, Director of Operations, and Vice President of Thornburg Investment Management, Inc.	Not applicable
Edward Maran, 53 Vice President since 2004	Portfolio Manager and Managing Director of Thornburg Investment Management, Inc.	Not applicable
Vinson Walden, 41 Vice President since 2004	Portfolio Manager and Managing Director of Thornburg Investment Management, Inc.	Not applicable
Thomas Garcia, 40 Vice President since 2006	Vice President since 2011, Managing Director, Head Equity Trader, and Associate Portfolio Manager of Thornburg Investment Management, Inc.	Not applicable
Lei Wang, 40 Vice President since 2006	Portfolio Manager and Managing Director of Thornburg Investment Management, Inc.	Not applicable

TRUSTEES AND OFFICERS, CONTINUED

Thornburg Intermediate Municipal Fund

September 30, 2011 (Unaudited)

Name, Age, Position Held with Fund Year Elected	Principal Occupation(s) During Past Five Years	Other Directorships Held by Trustee
Connor Browne, 32 Vice President since 2006	Portfolio Manager and Managing Director of Thornburg Investment Management, Inc.	Not applicable
Jason Brady, 37 Vice President since 2007	Vice President since 2011, Portfolio Manager since 2007, Managing Director since 2007, and Associate Portfolio Manager 2006–2007 of Thornburg Investment Management, Inc.	Not applicable
Lewis Kaufman, 35 Vice President since 2007	Portfolio Manager since 2007, Managing Director since 2007, and Associate Portfolio Manager until 2009 of Thornburg Investment Management, Inc.	Not applicable
Christopher Ryon, 55 Vice President since 2008	Portfolio Manager since 2009, Managing Director since 2009, and Associate Portfolio Manager 2008–2009 of Thornburg Investment Management, Inc.; Principal of Vanguard Funds until 2008.	Not applicable
Lon Erickson, 36 Vice President since 2008	Portfolio Manager since 2010, Managing Director since 2010, and Associate Portfolio Manager 2008–2010 of Thornburg Investment Management, Inc.; Senior Analyst of State Farm Insurance until 2008.	Not applicable
Kathleen Brady, 51 Vice President since 2008	Senior Tax Accountant since 2007 of Thornburg Investment Management, Inc.; Chief Financial Officer of Vestor Partners, LP (private equity fund) until 2007.	Not applicable
Jack Gardner, 57 Vice President since 2008	Managing Director since 2007 of Thornburg Investment Management, Inc.; President since 2008 and National Sales Director of Thornburg Securities Corporation.	Not applicable
Laura Hillstrom, 44 Vice President since 2009	Chief Administrative Officer since 2009, Vice President and Managing Director, and Director of Information Systems until 2009 of Thornburg Investment Management, Inc.	Not applicable

- (1) Each person's address is 2300 North Ridgetop Road, Santa Fe, New Mexico 87506.
- (2) The Fund is one of sixteen separate investment "Funds" or "series" of Thornburg Investment Trust (the "Trust"), which comprises the Thornburg mutual fund complex and is organized as a Massachusetts business trust. Thornburg Investment Management, Inc. is the investment advisor to, and manages, the sixteen Funds of the Trust. Each Trustee oversees the sixteen Funds of the Trust.
- (3) Mr. Thornburg is considered an "interested" Trustee under the Investment Company Act of 1940 because he is the sole director and controlling shareholder of Thornburg Investment Management, Inc., the investment advisor to the sixteen active Funds of the Trust, and is the sole director and controlling shareholder of Thornburg Securities Corporation, the distributor of shares for the Trust.
- (4) Each Trustee serves in office until the election and qualification of a successor.
- (5) Mr. McMahon is considered an "interested" Trustee because he is the chief executive officer and president of Thornburg Investment Management, Inc.
- (6) The Trust's president, secretary, and treasurer each serves a one-year term or until the election and qualification of a successor; each other officer serves at the pleasure of the Trustees.
- (7) Assistant vice presidents, assistant secretaries and assistant treasurers are not shown.

The Statement of Additional Information for each Fund of the Trust includes additional information about the Trustees and is available, without charge and upon request, by calling 1-800-847-0200.

PORTFOLIO PROXY VOTING**Policies and Procedures:**

The Trust has delegated to Thornburg Investment Management, Inc. (the “Advisor”) voting decisions respecting proxies for the Fund’s voting securities. The Advisor makes voting decisions in accordance with its Proxy Voting Policy. A description of the Policy is available (i) without charge, upon request, by calling the Advisor toll-free at 1-800-847-0200, (ii) on the Thornburg website at www.thornburg.com, and (iii) on the Securities and Exchange Commission’s website at www.sec.gov.

Information regarding how proxies were voted is available on or before August 31 of each year for the twelve months ending the preceding June 30. This information is available (i) without charge, upon request by calling the Advisor toll-free at 1-800-847-0200, (ii) on the Thornburg website at www.thornburg.com, and (iii) on the Securities and Exchange Commission’s website at www.sec.gov.

TAX INFORMATION

For the tax year ended September 30, 2011, dividends paid by the Fund of \$25,608,742 (or the maximum allowed) are tax exempt dividends for federal income tax purposes.

The information and distributions reported herein may differ from the information and distributions reported to the shareholders for the calendar year ending December 31, 2011. Complete information will be reported in conjunction with your 2011 Form 1099.

AVAILABILITY OF QUARTERLY PORTFOLIO SCHEDULE

The Fund files with the Securities and Exchange Commission schedules of its portfolio holdings on Form N-Q for the first and third quarters of each fiscal year. The Fund’s Forms N-Q are available on the Commission’s website at www.sec.gov, or may be reviewed and copied at the Commission’s Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The Fund also makes this information available on its website at www.thornburg.com/ download or upon request by calling 1-800-847-0200.

STATEMENT RESPECTING RENEWAL OF INVESTMENT ADVISORY AGREEMENT

Thornburg Investment Management, Inc. (the “Advisor”) provides investment management services to Thornburg Intermediate Municipal Fund pursuant to an investment advisory agreement. The Trustees consider the renewal of this agreement annually, and most recently determined to renew the agreement on September 13, 2011.

In anticipation of their recent consideration of the advisory agreement’s renewal, the independent Trustees met in May 2011 to discuss the Trustees’ evaluation of the Advisor’s performance and to specify the information the Advisor would present to the Trustees for their review. The Advisor’s chief investment officer subsequently reviewed portions of the information with the Trustees and addressed questions presented by the Trustees at a meeting session scheduled for that purpose, and the independent Trustees thereafter met in independent session to consider the Advisor’s presentation and various specific issues respecting their consideration of the advisory agreement’s renewal. Following these sessions, the Trustees met to consider a renewal of the agreement, and the independent Trustees voted unanimously at that meeting to renew the agreement for an additional term of one year.

The information below summarizes certain factors considered by the Trustees in connection with the determination to renew the advisory agreement. In determining to renew the agreement, the Trustees did not identify any single factor as controlling, and this summary does not describe all of the matters considered by the Trustees in making their determination.

Quality of Services; Fund Investment Performance. The Trustees evaluated the nature, extent and quality of services provided by the Advisor under the advisory agreement, and evaluated the investment performance of the Fund.

In connection with their general supervision of the Advisor, and as an important element of their annual consideration of a renewal of the advisory agreement, the Trustees received and considered reports from the Advisor throughout the year. These reports addressed a wide variety of topics, including particularly the Advisor’s selection of investments and execution of the Fund’s investment strategies. In addition, the Trustees considered information provided to them at their request in anticipation of their annual evaluation of the Advisor’s services, including (i) the Fund’s absolute investment performance and achievement of stated objectives, (ii) the Advisor’s commentary on the Fund’s investment performance in the context of the Fund’s objectives and reasonable expectations, and business,

market and economic conditions, (iii) measures of the Fund's investment performance over various periods of time relative to two categories of municipal debt mutual funds selected by independent mutual fund analyst firms, and relative to a broad-based securities index, and (iv) comparative measures of portfolio volatility, risk and return.

The Trustees also considered their perceptions of portfolio management personnel developed in formal and informal meetings throughout the year, the Advisor's staffing and other resources, the Advisor's performance of accounting and other services, the Advisor's observance of compliance and regulatory requirements, the Advisor's responsiveness to the Trustees, and other factors.

In evaluating the quantitative and performance data presented, the Trustees noted (among other aspects of the data) performance data for the eleven most recent calendar years, which showed that the Fund had produced positive investment returns in accordance with expectations in ten of eleven years, that the Fund's return for the most recent calendar year had exceeded the average return of the mutual fund category for which calendar year data was presented, and that the Fund's returns had exceeded or had been comparable to the average returns of the category in most of the preceding ten calendar years. Other noted quantitative data showed that the Fund's investment returns fell within the top third of performance for the first fund category for the one-year, three-year and five-year periods ended with the second quarter of the current year, and that the Fund's returns fell within or near the top third of performance for the second fund category for the same periods. Measures of portfolio volatility, risk and relative return considered by the Trustees demonstrated that the Fund's performance relative to these measures had continued to fulfill expectations in current conditions.

The Trustees concluded, based upon these and other considerations, that the nature, extent and quality of the Advisor's services were sufficient and that the Advisor had satisfactorily pursued the Fund's stated investment objectives. The Trustees further concluded that the investment performance of the Fund was satisfactory in the context of the Fund's objectives and policies, and prevailing market conditions.

Fees and Expenses; Profitability of Advisor; Economies of Scale; Ancillary Benefits. The Trustees evaluated the level of the management fee charged by the Advisor to the Fund, and in this connection, reviewed the profitability of the Advisor, economies of scale potentially available to the Fund and whether the Advisor received any ancillary benefits from its relationship with the Fund.

In evaluating the level of the management fee, the Trustees considered the fees charged by the Advisor and the other expenses charged to the Fund in light of the nature and quality of services provided, comparison of the actual Advisor's fee and Fund expenses to the statement of fees and expenses in the Fund's prospectuses, and comparisons of the Advisor's fee and other Fund expenses to median and average fees and expenses charged to two groups of municipal debt mutual funds assembled by independent mutual fund analyst firms. Comparative fee and expense data noted by the Trustees showed that the management fee charged to the Fund was comparable to the median and average fee levels for one fund group and was slightly higher than the median and average fee levels for the second group, and that the Fund's expense ratio was somewhat higher than the median expense ratios and comparable to or slightly higher than the average expense ratios for the two groups. The Trustees did not identify these differences as significant. The Trustees considered information about the fees charged by the Advisor to other investment management clients, together with information about fees charged by other advisors to different clients, and analysis of the differences between the requirements of institutional clients and mutual funds and the consequently different investment management services rendered, respectively, to institutional clients and mutual funds. The Trustees confirmed their previous observations that the differences between the fees charged by the Advisor to different types of clients did not appear exceptional, and that the fee rates charged by investment advisors to institutional clients had limited relevance to the evaluation of fee rates charged to mutual funds, because of the significant differences between the respective requirements of institutional clients and mutual funds, the differences between the respective services rendered to institutional clients and mutual funds, and the different circumstances in which the respective fee levels are determined.

In reviewing the profitability of the Advisor, the Trustees considered costs incurred by the Advisor and data comparing the profitability of the Advisor to other investment management firms. The information provided did not indicate that the Advisor's profitability was unusual, and the Trustees noted the adequacy of the Advisor's resources and service capabilities. In reviewing the extent to which economies of scale would be realized by the Fund as it grows and whether fee levels reflect economies of scale, the Trustees considered the breakpoint structure for advisory fees chargeable to the Fund, the demonstrated economies of scale enjoyed by the Fund and other Funds of the Trust as they had grown in size, and economies of scale realized by other mutual funds. The information provided demonstrated to the Trustees that the Fund may reasonably be expected to realize economies of scale as the Fund grows in size, due to the advisory agreement's breakpoint fee structure and other factors. In reviewing potential benefits to the Advisor because of its relationship to the Fund, the Trustees considered the Advisor's receipt of certain research services from broker dealers, and the benefits to both the Fund and the Advisor of the Advisor's expansion of its staffing, compliance and systems capabilities and other

OTHER INFORMATION, CONTINUED

Thornburg Intermediate Municipal Fund

September 30, 2011 (Unaudited)

resources to serve a broader variety of investment management clients. No unusual or unfair benefits to the Advisor from its relationship to the Fund were identified by the Trustees.

The Trustees concluded, based upon their consideration of these and other factors, that the management fee charged to the Fund by the Advisor was fair and reasonable in view of the nature, extent and quality of the services provided by the Advisor, the clear disclosure of fees and expenses in the Fund's prospectuses, the investment performance of the Fund, and comparisons of fees and expenses charged to the Fund to fees and expenses charged to other mutual funds.

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Trustees' Statement to Shareholders

Not part of the Certified Annual Report

September 13, 2011

The Trustees believe current and prospective shareholders should know how we discharge our responsibilities in supervising the Funds' investment advisor and in reviewing the advisor's contract for renewal. Since 2005, we have issued a statement which sets out clearly the three principal guidelines that we follow in supervising the Trust's investment advisor on your behalf. In accordance with our customary practice, in September of this year we again reviewed our statement and concluded we should reissue this statement outlining the principal features of our supervision of the advisor's performance of investment management services for the Funds.

We begin with the premise that each shareholder selected his or her Fund because its investments are managed by the investment advisor identified in the prospectus and in accordance with the objective and policies described in the prospectus. We realize, as each of you do, that if you believe that your Fund's stated objective and policies no longer serve your personal investment goals, you can sell your shares and leave the Fund.

Therefore, we believe that our primary supervisory task – our principal obligation to you – is to assess the nature and quality of the advisor's services, and to confirm that the advisor actively and competently pursues the Fund's objective, in accordance with the policies set out in the prospectus. To do this, we meet regularly with management to review your Fund's portfolio and to discuss the advisor's specific actions and judgments in pursuing the Fund's objective. We do not substitute our own judgment for the advisor's decisions in selecting investments; the advisor is paid to exercise its informed judgment on investment decisions, and we seek to confirm, in reviewing the advisor's performance, that the advisor is doing just that.

Second, while we are conscious of costs and the effect that costs have on shareholders' returns, we do not seek the lowest fees or expense ratio as our sole or primary objective. We try to make sure that your Fund's fees and costs are reasonable in relationship to the services rendered and that they are generally in line with those charged by other expert investment advisors, consistent with our belief that the Fund's investors searched for and expect that expertise and attention and have decided to pay a reasonable price for it. We do not put the management contract "out to bid" as a matter of course, and we would not do so unless we had concluded that the advisor materially had failed to pursue the Fund's objectives in accordance with its policies, or for other equally important reasons. We believe that any other approach would be inconsistent with your interests and contrary to your expectations when you bought shares of the Fund in the first place.

Finally, because we believe that most Thornburg Fund shareholders have invested with a long-term perspective, we try not to focus too much on the fashions of the moment and on short-term performance. The market will not favor any specific investment objective or set of policies at all times and under all economic circumstances. A fund will experience periods of both high and low returns relative to other funds and other investments. Even if one of our Funds is not favored by the market at a particular time, we believe that the advisor is nonetheless obliged to remain true to the Fund's objective and policies, and we watch to see that it does so.

Retirement and Education Accounts

Thornburg Investment Management offers retirement and education savings accounts that can help you meet a variety of planning challenges. For account applications or further information on any of the accounts below, please call 1-800-847-0200 or go to www.thornburg.com/ira. Your financial advisor can help you determine which plan is right for you.

Individual Retirement Accounts

Individual Retirement Accounts (IRAs) provide a tax-advantaged means to save money for the future. For a detailed outline of the difference between retirement accounts, see www.thornburg.com/ira. Rollovers are available. Call 1-800-847-0200 for more information.

Traditional IRAs – Contributions to Traditional IRAs are tax deductible for eligible individuals, and withdrawals are taxed as additional ordinary income. You may contribute to an IRA if you receive compensation and are under 70½, even if you are covered by an employer retirement plan. Deductible contributions are subject to certain qualifications. Please consult your tax advisor.

Roth IRAs – Under a Roth IRA, there is no tax deduction for contributions, but there is no income tax on qualified withdrawals. For a more detailed comparison of Traditional and Roth IRAs, please see our web site at www.thornburg.com/ira.

SEP IRAs – Simplified Employee Pension (SEP) IRAs are established by employers. The employer is allowed a tax deduction for contributions made to the SEP Plan and makes contributions to each eligible employee's SEP IRA on a discretionary basis.

SIMPLE IRAs – Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) is designed to give small business owners a simplified method to establish and contribute to a retirement plan for employees. The employer is allowed a tax deduction for contributions and makes either matching or non-elective contributions to each eligible employee's SIMPLE IRA. Employees may make salary deferral contributions.

Coverdell Education Savings Account

These savings accounts are designed to provide a way to save money for higher education expenses. In an Education Savings Account, earnings and interest grow tax-free, and qualified withdrawals used to pay for eligible higher-education expenses are tax- and penalty-free.

Funds Available

The following funds are available in the accounts listed above:

- Thornburg International Value Fund
- Thornburg Value Fund
- Thornburg Core Growth Fund
- Thornburg Investment Income Builder Fund
- Thornburg Global Opportunities Fund
- Thornburg International Growth Fund
- Thornburg Developing World Fund
- Thornburg Limited Term U.S. Government Fund
- Thornburg Limited Term Income Fund
- Thornburg Strategic Income Fund



The Firm

Thornburg Investment Management is a privately held investment management company based in Santa Fe, New Mexico with assets under management of \$70 billion. Founded in 1982, the firm manages seven equity funds, nine bond funds, and separate portfolios for select institutions and individuals.

Investment Philosophy

We seek to preserve and increase the real wealth of the Funds' shareholders after accounting for inflation, taxes, and investment expenses. We're committed to disciplined investing and managing risk in all market environments.

Portfolio Holdings Disclosure

We believe you should know about your portfolio. Our web site keeps investors informed of the Funds' equity holdings. Go to www.thornburg.com/funds for commentary on our equity fund holdings.

Co-Ownership of Funds

We invest side-by-side with the Funds' shareholders. Our employees have invested \$248 million in Thornburg products.

Thornburg Equity Funds

Thornburg's equity research uses a fundamental and comprehensive analytical approach. Thornburg equity funds focus on a limited number of securities so that each holding can impact performance. The equity team searches for firms believed to have a promising future and seeks to buy shares of those companies at a discount to their intrinsic value.

- Thornburg Value Fund
- Thornburg International Value Fund
- Thornburg Core Growth Fund
- Thornburg Investment Income Builder Fund
- Thornburg Global Opportunities Fund
- Thornburg International Growth Fund
- Thornburg Developing World Fund

Thornburg Bond Funds

Thornburg Investment Management applies a disciplined philosophy to fixed-income management. Since the launch of our first fixed-income fund over 25 years ago, we have been conducting fundamental, bottom-up research in an effort to identify bonds which we believe provide the best return for a given level of risk. We are very organic in our approach, avoiding leverage or complex strategies which could backfire in periods of market uncertainty.

- Thornburg Limited Term Municipal Fund
- Thornburg Intermediate Municipal Fund
- Thornburg California Limited Term Municipal Fund
- Thornburg New Mexico Intermediate Municipal Fund
- Thornburg New York Intermediate Municipal Fund
- Thornburg Strategic Municipal Income Fund
- Thornburg Limited Term U.S. Government Fund
- Thornburg Limited Term Income Fund
- Thornburg Strategic Income Fund

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.

For additional information, please visit www.thornburg.com

Thornburg Investment Management, Inc. 2300 North Ridgetop Road, Santa Fe, NM 87506

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Thornburg **Investment Management**[®]
Strategies for Building Real Wealth

This Annual Report is submitted for the general information of shareholders of the Fund. It is not authorized for distribution to prospective investors in the Fund unless preceded or accompanied by an effective prospectus.

Investment Advisor:
Thornburg Investment Management[®]
800.847.0200

Distributor:
Thornburg Securities Corporation[®]
800.847.0200

TH079

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Wait not**



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