

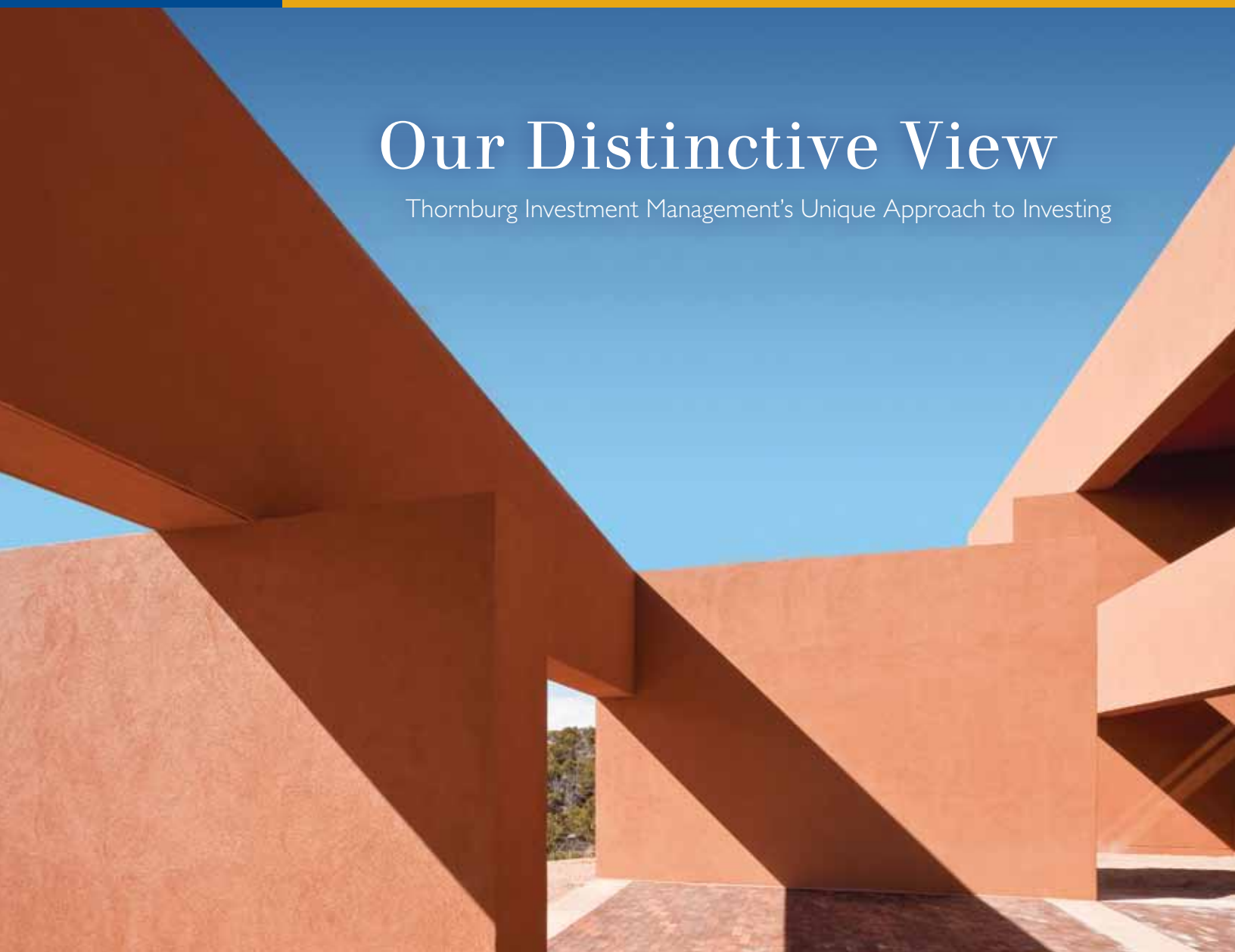


Investment Management®

Strategies for Building Real Wealth

Our Distinctive View

Thornburg Investment Management's Unique Approach to Investing



29 years of providing investors with
Strategies for Building *Real* Wealth



At Thornburg Investment Management, we have always taken our role as investment advisor very seriously. Thornburg has consistently focused on helping investors build real wealth, after inflation, taxes, and investment expenses. Whether our clients select one investment product or a diversified portfolio utilizing multiple Thornburg investments, our goal has remained the same: providing investors with strategies for building real wealth.



A History of Stewardship

Throughout Thornburg Investment Management's 29-year history, our focus on investors has been the cornerstone of our investment management business. Instead of directing our attention towards marketing and gathering assets under management, our efforts have been focused on two things – generating strong investment returns and servicing our clients. We operate under the belief that if you do those things well, the rest will take care of itself. This commitment to our investors has enabled Thornburg to earn an enviable reputation for both strong historical performance and responsible stewardship.

The Strength of Aligned Interests

When employees of an investment firm are willing to invest in the products they help manage, it demonstrates to shareholders that the employees believe in the strength of their philosophy and management team.

As of March 31, 2011, Thornburg employees have approximately \$285 million of their own money invested in our products. Our interests are firmly aligned with our investors because we share the same goal of building real wealth from our investment strategies.





Thornburg Investment Management Trading Floor

A Unique Perspective

Santa Fe is known as “the City Different,” and Thornburg's investment professionals take pride in developing our own independent perspective. While we send our research teams across the globe, follow the research of Wall Street analysts, and visit company managements regularly, we insist on reaching our own conclusions about the value of an investment. Operating outside the clamor of the major financial centers allows us to ignore the static and focus on the fundamentals.

Investment Focus vs. Marketing Focus

Asset management firms can be described as having either an investment focus (seeking strong returns for investors) or a marketing focus (oriented towards gathering assets under management). Those with a marketing focus are often characterized as having funds in nearly every major asset class for maximum asset gathering capability.

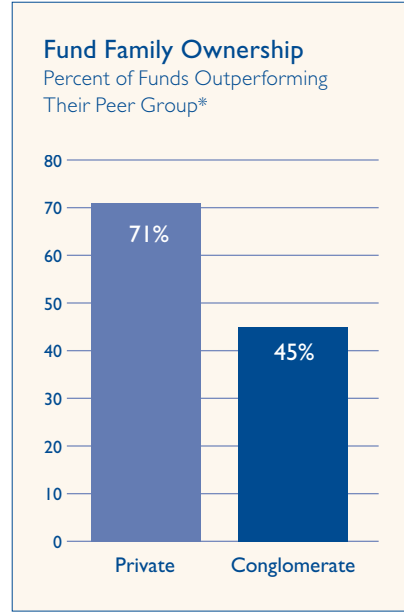
We take a different view – we aren't trying to be all things to all investors and we aren't looking to launch the trendy product of the day. Rather, we ask ourselves two questions when contemplating a new product. First, does this make fundamental investment sense over the long term? Second, do we have the expertise to manage this product to our high standards?

Private Ownership

Mutual funds exist for the benefit of their owners: the fund shareholders. When a mutual fund family is privately owned, it can focus on generating strong, long-term returns for shareholders. When the fund family is part of a larger conglomerate organization, however, short-term, bottom-line performance goals can cloud long-term investment decision making.

One of the major factors mentioned in a *Financial Analysts Journal* article* as detrimental to shareholders was the “conglomeratization” of the industry. A study done by Fidelity Investments on 54 of the largest asset managers, showed that the 13 fund families under private ownership offered funds which, on average, were more likely to outperform their peers than those offered by firms owned by conglomerates. Ranked by relative returns, public firms held 32 of the bottom 34 spots on the list.

Thornburg’s private ownership structure allows us to avoid being driven solely by short-term results, from both a business and an investment standpoint. Instead, our ability to look beyond the upcoming quarter gives us the flexibility to seek out the best long-term investment opportunities for our clients.



Meeting Investor’s Long-Term Needs

At Thornburg, we strive to deliver consistent investment results for our shareholders. Our past success in this endeavor is grounded in our culture of placing investors first. While markets come in and out of favor, we believe that this commitment will enable us to service our most valued constituency – our investors – for the next 29 years and beyond.

* Source: Financial Analysts Journal, Nov/Dec 2005, “The Relentless Rules of Humble Arithmetic” (This is the most recent data available.)



Garrett Thornburg
Chairman

“Thornburg Investment Management has a clear mission: to preserve and increase the real wealth of our investors. We seek to accomplish this through a range of equity strategies that redefine traditional measures of value and growth and through a family of bond strategies that focus on quality, stability, and minimizing risk over time.

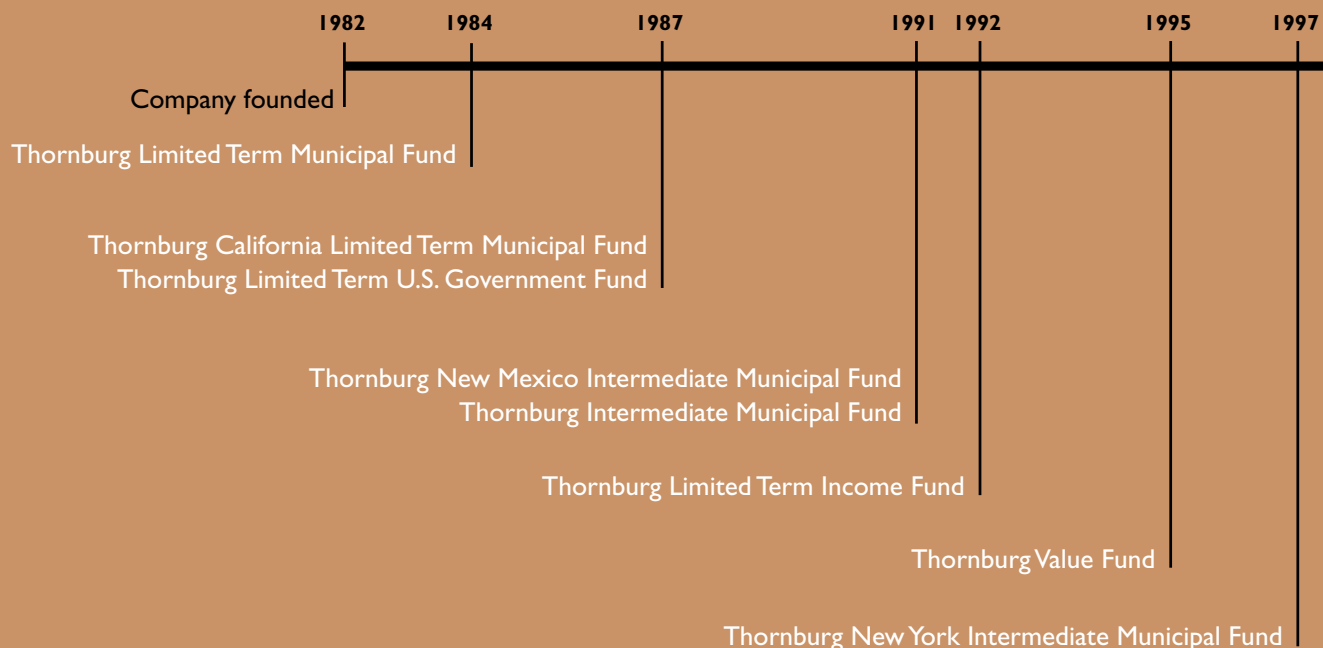
Thornburg employs a comprehensive approach to equity investing, which is more inclusive than the traditional deep value or high growth approach to stock selection.



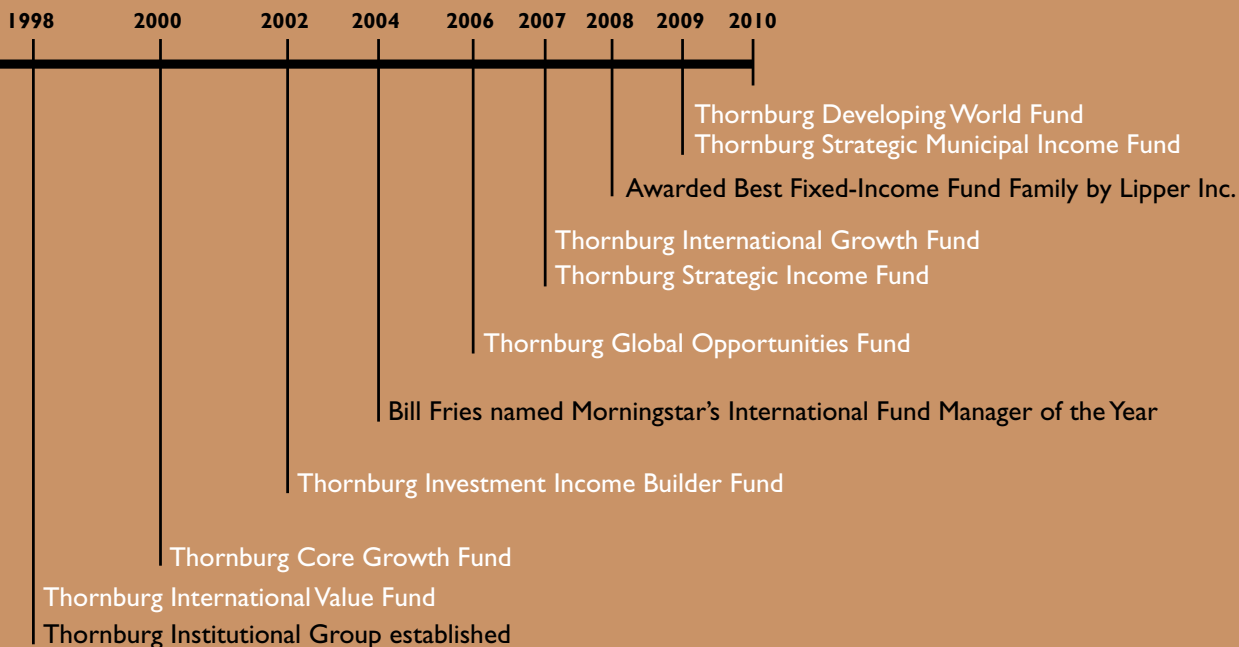
Brian McMahon
CEO and
Chief Investment Officer

On the bond side, we have always had a highly disciplined approach, seeking to provide both an attractive return and relative stability of principal.”

Our History



- Thornburg Investment Management is a privately-owned company with assets under management of \$80 billion, as of March 31, 2011. The firm manages seven equity funds, nine bond funds, and separate portfolios for select institutions and individuals.
- We seek to preserve and increase the real wealth of shareholders after accounting for inflation, taxes, and investment expenses.
- Thornburg is committed to disciplined investing and managing risk in all market environments.



- We invest side-by-side with our shareholders. Our employees have invested approximately \$285 million, as of March 31, 2011, in Thornburg Funds.
- We believe in transparency. Our award-winning web site keeps investors informed of the funds' equity holdings. Visit www.thornburg.com/funds for portfolio manager commentary on our equity fund holdings.
- Thornburg Investment Management offers retirement and education savings accounts that can help you meet a variety of planning challenges. For additional information, please visit www.thornburg.com/ira.

Thornburg Equity Funds

Thornburg offers equity funds to meet enduring investment needs with active portfolio management. The manner in which we manage our equity funds does not fit neatly into a predefined style box. Rather, we employ a flexible, yet disciplined, approach, blazing a wide path in the search for strong, risk-adjusted returns.

Thornburg Value Fund *(Incep. 10/2/95)*

Share Classes: A (TVAFX), C (TVCFX), Institutional (TVIFX), and Retirement
Co-Portfolio Managers: Connor Browne, CFA, and Edward E. Maran, CFA

Thornburg International Value Fund *(Incep. 5/28/98)*

Share Classes: A (TGVAX), C (THGCX), Institutional (TGVIX), and Retirement
Co-Portfolio Managers: William V. Fries, CFA, Wendy Q. Trevisani, and Lei Wang, CFA

Thornburg Core Growth Fund *(Incep. 12/27/00)*

Share Classes: A (THCGX), C (TCGCX), Institutional (THIGX), and Retirement
Portfolio Manager: Alexander M.V. Motola, CFA

Thornburg Investment Income Builder Fund *(Incep. 12/24/02)*

Share Classes: A (TIBAX), C (TIBCX), Institutional (TIBIX), and Retirement
Co-Portfolio Managers: Brian J. McMahon and Jason Brady, CFA

Thornburg Global Opportunities Fund *(Incep. 7/28/06)*

Share Classes: A (THOAX), C (THOCX), Institutional (THOIX), and Retirement
Co-Portfolio Managers: Brian J. McMahon and W. Vinson Walden, CFA

Thornburg International Growth Fund *(Incep. 2/1/07)*

Share Classes: A (TIGAX), C (TIGCX), Institutional (TINGX), and Retirement
Portfolio Manager: Alexander M.V. Motola, CFA

Thornburg Developing World Fund *(Incep. 12/16/09)*

Share Classes: A (THDAX), C (THDCX), and Institutional (THDIX)
Portfolio Manager: Lewis Kaufman, CFA

Investments in the Funds carry risks, including possible loss of principal. Investing outside the United States, especially in emerging markets, entails special risks, such as currency fluctuations, illiquidity, and volatility. Investments in small capitalization companies may increase the risk of greater price fluctuations. Funds investing in bonds have the same interest rate, inflation and credit risks that are associated with the underlying bonds owned by a fund. The principal value of bonds will fluctuate relative to changes in interest rates, decreasing when interest rates rise. Investments in the Funds are not FDIC insured, nor are they deposits of or guaranteed by a bank or any other entity. There is no guarantee that the Funds will meet their investment objectives.

Equity Fund Highlights

- Apply a fundamental, comprehensive approach to investment research.
- Invest only when and where the most compelling values are perceived.
- Focus on a limited number of securities.
- Diversify across industries, market caps, geographic boundaries, and proprietary baskets to reduce risk.
- Perform independent analysis.



Portfolio Managers

Back row, left to right: Vinson Walden, Lei Wang, Alex Motola, Brian McMahon, Edward Maran. Front row: Connor Browne, Lewis Kaufman, Wendy Trevisani, Bill Fries, Jason Brady.

Thornburg Bond Funds

Most investors view bonds as a relatively conservative investment and seek a steady income while keeping risk in check. 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 leverages or complex strategies which could backfire in periods of market uncertainty.

Municipal Funds

Thornburg Limited Term Municipal Fund *(Incep. 9/28/84)*

Share Classes: A (LTMFX), C (LTMCX), and Institutional (LTMIX)

Thornburg Intermediate Municipal Fund *(Incep. 7/22/91)*

Share Classes: A (THIMX), C (THMCX), and Institutional (THMIX)

Thornburg California Limited Term Municipal Fund *(Incep. 2/19/87)*

Share Classes: A (LTCAX), C (LTCCX), and Institutional (LTCIX)

Thornburg New Mexico Intermediate Municipal Fund *(Incep. 6/18/91)*

Share Classes: A (THNMX), D (THNDX), and Institutional (THNIX)

Thornburg New York Intermediate Municipal Fund *(Incep. 9/5/97)*

Share Classes: A (THNYX) and Institutional (TNYIX)

Thornburg Strategic Municipal Income Fund *(Incep. 4/1/09)*

Share Class: A (TSSAX), C (TSSCX), and Institutional (TSSIX)

Co-Portfolio Managers: Josh Gonze, Christopher Ihlefeld, and Chris Ryon, CFA

Income Funds

Thornburg Limited Term U.S. Government Fund *(Incep. 1/1/6/87)*

Share Classes: A (LTUSX), C (LTUCX), Institutional (LTUIX), and Retirement

Portfolio Manager: Jason Brady, CFA

Thornburg Limited Term Income Fund *(Incep. 10/1/92)*

Share Classes: A (THIFX), C (THICX), Institutional (THIIX), and Retirement

Co-Portfolio Managers: Jason Brady, CFA, and Lon Erickson, CFA

Thornburg Strategic Income Fund *(Incep. 12/19/07)*

Share Classes: A (TSIAX), C (TSICX), and Institutional (TSIIX)

Co-Portfolio Managers: Jason Brady, CFA, and George Strickland



Fundamental, Bottom-Up Credit Research

- Determine universe of bonds based on individual fund objectives.
- Examine relative valuation of fixed-income sectors.
- Fundamental credit research on individual issues.
- Goal is to identify bonds that the portfolio managers believe provide the highest return for a given level of risk.

Investments in the Funds 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 owned by a fund. The principal value of bonds will fluctuate relative to changes in interest rates, decreasing when interest rates rise. This effect is more pronounced for longer term bonds. Unlike bonds, bond funds have ongoing fees and expenses. Funds invested in mortgage backed securities may bear additional risk. Investments in lower rated and unrated bonds may be more sensitive to default, downgrades, and market volatility; these investments may also be less liquid than higher rated bonds. Investments in derivatives are subject to the risks associated with the securities or other assets underlying the pool of securities, including illiquidity and difficulty in valuation. Investments in equity securities are subject to additional risks, such as greater market fluctuations. Special risks may be associated with investments outside the United States, especially in emerging markets, including currency fluctuations, illiquidity and volatility. Investments in the Funds are not FDIC insured, nor are they deposits of or guaranteed by a bank or any other entity. There is no guarantee that the Funds will meet their investment objectives.

Portfolio Managers

Left to right: Lon Erickson, Jason Brady, Josh Gonze, George Strickland, Christopher Ryon, Christopher Ihlefeld

Institutional Group

For institutional investors and high net worth individuals, Thornburg Investment Management provides a diverse and carefully constructed series of separately managed account strategies and commingled funds that are managed by the same investment teams that have guided Thornburg's mutual funds since 1984.

To build close relationships with clients and advisors, a service program has been developed that keeps both informed of investment progress. All strategies, to varying degrees, can be tailored to an investor's individual needs. A team of professionals within the Institutional Group communicates with the portfolio management teams to help ensure we're working to meet our clients' investment objectives. As of March 31, 2011, the Institutional Group was responsible for client accounts totaling approximately \$29 billion in assets under management.

Equity Strategies

- All Cap Growth
- Developing World
- Domestic Equity
- Global Equity Income
- Global Opportunities
- International Equity
- International ADR
- International Growth
- International Growth ADR
- Socially Screened International Equity
- Ultra Focused Domestic Equity
- Ultra Focused International Equity

Fixed Income Strategies

- Limited Term Municipal
- Intermediate Municipal
- International Income
- Limited Term Income
- Limited Term U.S. Government
- Strategic Income
- Strategic Municipal Income

Visit www.thornburg.com/sa for additional information.



Retirement Group

The Thornburg Retirement Group provides “investment only” strategies for retirement plan advisors and plan sponsors. Thornburg mutual funds are available as an investment option in conjunction with many of the premier open architecture and bundled service 401(k) plan platforms in the industry.

Our experienced team of retirement plan professionals is dedicated to helping plan sponsors develop a strategy to effectively create and follow a judicious decision-making process based on industry best practices. From our educational-based seminars, books, and analytical investment tools, Thornburg strives to be a leader in providing the resources for plan sponsors to identify and prudently manage their fiduciary responsibilities.

Thornburg offers a unique combination of experienced retirement plan professionals, real value-added strategies, and innovative asset management for investment professionals and plan trustees.

Funds Available

- Thornburg Value Fund
Share Classes: R3 (TVRFX), R4 (TVIRX), and R5 (TVRRX)
- Thornburg International Value Fund
Share Classes: R3 (TGVRX), R4 (THVRX), and R5 (TIVRX)
- Thornburg Core Growth Fund
Share Classes: R3 (THCRX), R4 (TCGRX), and R5 (THGRX)
- Thornburg Investment Income Builder Fund
Share Classes: R3 (TIBRX), R4 (TIBGX), and R5 (TIBMX)
- Thornburg Global Opportunities Fund
Share Classes: R3 (THORX), R4 (THOVX), and R5 (THOFX)
- Thornburg International Growth Fund
Share Classes: R3 (TIGVX), R4 (TINVX), and R5 (TINFX)
- Thornburg Limited Term U.S. Government Fund
Share Class: R3 (LTURX)
- Thornburg Limited Term Income Fund
Share Class: R3 (THIRX)

Visit www.thornburg.com/fp for additional information.

Retirement and Education Savings Accounts

Thornburg Investment Management offers retirement and education savings accounts that can help you meet a variety of planning challenges. Your financial advisor can help you determine which plan is right for you.

Individual Retirement Accounts (IRA)

IRAs provide a tax-advantaged means to save money for the future. For a detailed outline of the different types of retirement accounts, see www.thornburg.com/ira. Rollovers are available.

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

Share classes A and C of the following funds are available in the accounts listed above:

- 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 Limited Term U.S. Government Fund
- Thornburg Limited Term Income Fund
- Thornburg Strategic Income Fund

Visit www.thornburg.com/ira for additional information.

Headquartered in Santa Fe, New Mexico, Thornburg Investment Management advises nine bond funds, seven equity funds, and separate portfolios for institutions and high net worth individuals. As of March 31, 2011, Thornburg had \$80 billion in assets under management.

We focus on preserving and increasing the real wealth of our shareholders after accounting for inflation, taxes, and investment expenses. Thornburg offers strategies for building real wealth emanating from our disciplined investment style focused on risk management and clients' long-term goals.

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.

Established in 1988, the Morningstar Fund Manager of the Year Award recognizes portfolio managers who demonstrate excellent investment skill and the courage to differ from the consensus. To qualify for the award, managers must have not only a great year, but also must have a record of delivering outstanding long-term performance and of aligning their interests with shareholders'. The Fund Manager of the Year Award winners are chosen based upon Morningstar's proprietary research and in-depth evaluation by its senior analysts.

Lipper Award for Best Fixed-Income Fund Family is for the three-year period, among 41 eligible firms in the Fixed-Income Large Firm universe as of 12/31/07. 2008 Lipper Fund Awards were granted to the family in each Lipper classification that consistently delivered the strongest risk-adjusted performance as of 12/31/07 (calculated with dividends reinvested and without sales charges). Lipper's large firm universe is comprised of fund families with more than \$28 billion in total net assets. Only fund families with at least five bond funds were eligible for the fixed-income fund family award. The firm did not win the most recent award.

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