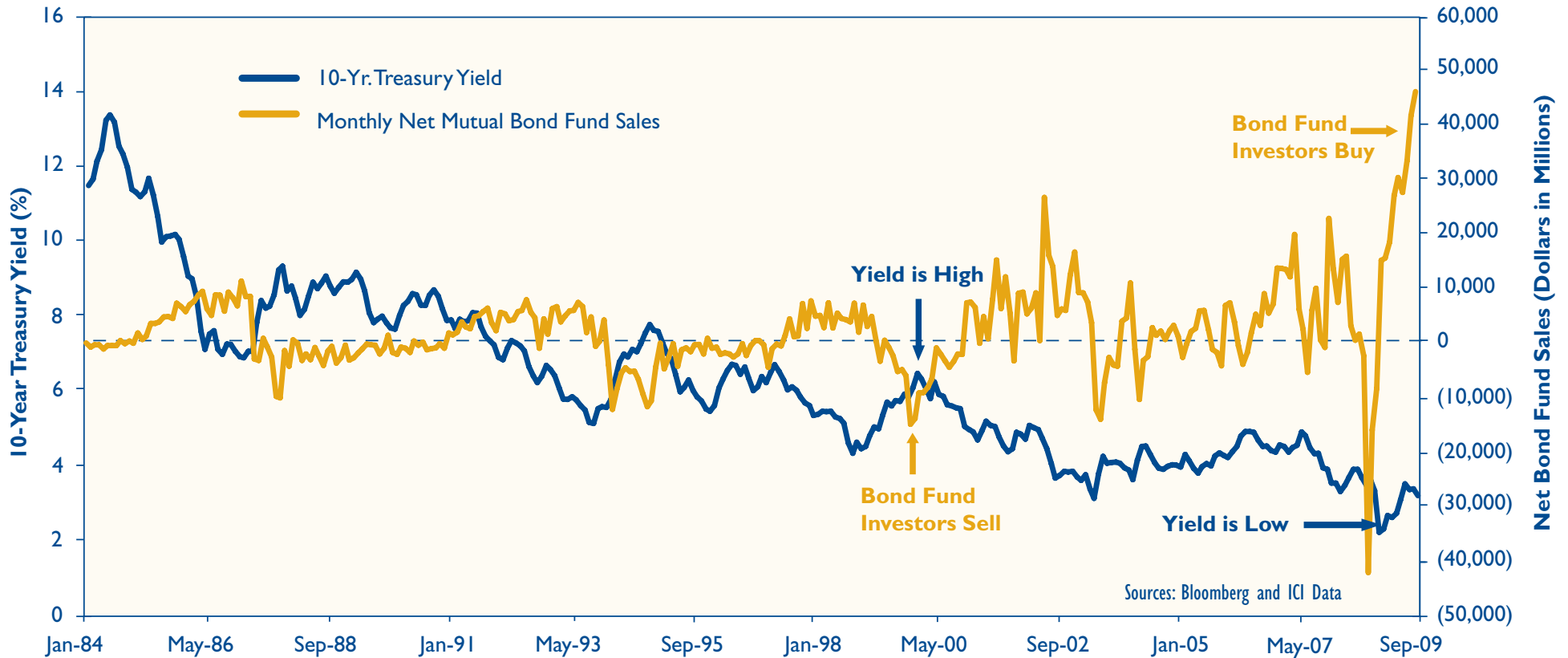


Problem: Investors Buy & Sell Bond Funds at the Wrong Time

- This chart provides a long-term comparison of sales of bond mutual funds to 10-year Treasury yields.
- Investors have historically had a tendency to buy bond funds when interest rates are low (and prices high) and then exit bond funds after interest rates rise and prices fall.

Monthly Net Mutual Bond Fund Sales vs. 10-Year Treasury Yield
(January 1984 – September 2009)



Past performance does not guarantee future results.

Solution: A Core Bond Portfolio from Thornburg

At Thornburg Investment Management, we believe most investors view bonds as a relatively conservative investment, seeking a steady income while keeping risk in check. Our core bond funds strive to **provide long-term preservation of principal, a steady stream of income, low volatility, and low correlation to equities.**

To achieve these goals, Thornburg takes a comprehensive approach to risk management. This discipline involves a careful assessment of credit factors to achieve a sensible balance of risk and reward. We also strive to limit reinvestment and market price risk by laddering short- and intermediate-term bonds. Issuer risk for non-government issues is managed through fundamental credit research as well as maintenance of well-diversified portfolios. For over 25 years, in periods of both rising and falling interest rates, our fixed income team has consistently applied this active management strategy.

THORNBURG BOND FUNDS

NUMBER	SYMBOL	CUSIP	FUND NAME	INCEPTION DATE
140	LTMFX	885-215-459	Limited Term Municipal Fund Class A	9/28/84
640	LTMCX	885-215-442	Limited Term Municipal Fund Class C	9/1/94
210	LTMIX	885-215-434	Limited Term Municipal Fund Class I	7/5/96
141	LTCAX	885-215-426	California Limited Term Municipal Fund Class A	2/19/87
641	LTCCX	885-215-418	California Limited Term Municipal Fund Class C	9/1/94
211	LTCIX	885-215-392	California Limited Term Municipal Fund Class I	4/1/97
142	LTUSX	885-215-103	Limited Term U.S. Government Fund Class A	11/16/87
642	LTUCX	885-215-830	Limited Term U.S. Government Fund Class C	9/1/94
212	LTUIX	885-215-699	Limited Term U.S. Government Fund Class I	7/5/96
442	LTURX	885-215-491	Limited Term U.S. Government Fund Class R3	7/1/03
148	THNYX	885-215-665	New York Intermediate Municipal Fund Class A	9/5/97
193	THIMX	885-215-202	Intermediate Municipal Fund Class A	7/22/91
643	THMCX	885-215-780	Intermediate Municipal Fund Class C	9/1/94
213	THMIX	885-215-673	Intermediate Municipal Fund Class I	7/5/96
194	THNMX	885-215-301	New Mexico Intermediate Municipal Fund Class A	6/18/91
644	THNDX	885-215-624	New Mexico Intermediate Municipal Fund Class D	6/1/99
219	THNIX	885-215-285	New Mexico Intermediate Municipal Fund Class I	2/1/07
196	THIFX	885-215-509	Limited Term Income Fund Class A	10/1/92
646	THICX	885-215-764	Limited Term Income Fund Class C	9/1/94
206	THIIX	885-215-681	Limited Term Income Fund Class I	7/5/96
496	THIRX	885-215-483	Limited Term Income Fund Class R3	7/1/03

There is no guarantee that the Funds will meet their investment objectives.

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

Thornburg Funds are distributed by
Thornburg Securities Corporation®

2300 Ridgetop Road, Santa Fe, NM 87506

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.

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. 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. Investments in the Funds are not FDIC insured, nor are they deposits of or guaranteed by a bank or any other entity.

U.S. Treasury bonds are used to finance borrowing by the U.S. government. In return for purchasing the bond, the government pays the owner of the bond interest, called the coupon rate. The note can be sold prior to its maturity in the secondary market. Since the prevailing interest rate when a bond is re-sold will usually be different than the coupon rate, the price of the bond must adjust so that the financial return (yield-to-maturity) is consistent with prevailing interest rates.