

# SHORT DURATION MUNICIPAL STRATEGY

QUARTERLY FACT SHEET | 31 MARCH 2025

**\$118.2M**

Total Strategy Assets\*

**1 Apr 14**

Inception Date

**AA-**

Average Credit Quality

**1–2.5**

Years Typical Duration Range

## INVESTMENT STRATEGY

The Strategy is an actively managed diversified portfolio of municipal bonds with an average maturity of less than 5 years and average duration range of 1.0 to 2.5 years. All bonds are investment grade at time of purchase. The Strategy applies a relative value framework, focusing on fundamentals and valuations to identify inefficiencies in the market. Team members are responsible for credit research, portfolio construction, trading, and risk oversight and have the flexibility to source ideas across sector, geography, and issuer. The Strategy maintains exposure across the maturity spectrum in order to manage duration, hedge against interest rate fluctuations, and limit taxable events.

## PORTFOLIO MANAGERS

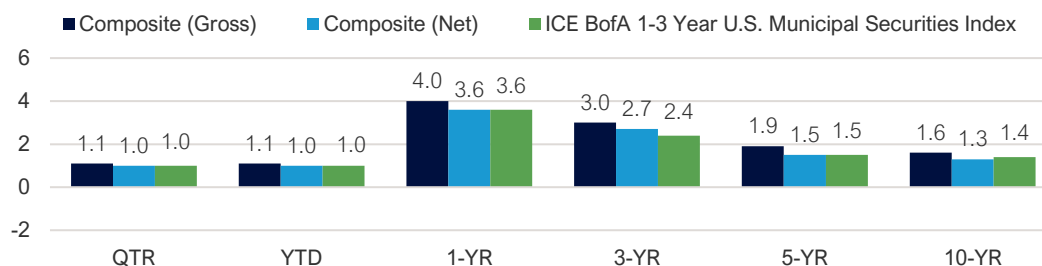
**David Ashley, CFA**  
Began with firm in 2011.  
Industry experience since 2008.  
Supported by the entire Thornburg investment team.

**Eve Lando, JD**  
Began with firm in 2019.  
Industry experience since 2001.

**Craig Mauermann**  
Began with firm in 2021.  
Industry experience since 1993.

## INVESTMENT RESULTS

### ANNUALIZED RETURNS (%)



### CALENDAR YEAR RETURNS (%)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Composite (Gross)	3.20	4.27	-1.48	0.44	1.66	2.73	1.68	1.60	0.72	0.74
Composite (Net)	2.80	3.89	-1.84	0.09	1.34	2.37	1.33	1.25	0.38	0.34
ICE BofA 1-3 Year U.S. Municipal Securities Index	2.63	3.35	-2.03	0.34	2.16	2.88	1.76	0.99	0.33	0.76
Excess Return (Gross)	0.57	0.92	0.55	0.10	-0.50	-0.15	-0.08	0.61	0.39	-0.02

In US\$ terms. Returns may increase or decrease as a result of currency fluctuations. Periods less than one year are not annualized.

Performance data for the Short Duration Municipal Strategy is from the Short Duration Municipal Composite, inception date of 1 April 2014. The Short Duration Municipal Composite includes all non-wrap discretionary accounts invested in the Short Duration Municipal Strategy. Returns are calculated using a time-weighted and asset-weighted calculation. Returns reflect the reinvestment of income and capital gains. Periods less than one year are not annualized. Individual account performance will vary. The performance data quoted represents past performance; it does not guarantee future results. Gross of fee returns are net of transaction costs. Net of fee returns are net of transaction costs and investment advisory fees. Thornburg Investment Management Inc.'s fee schedule is detailed in Part 2A of its ADV brochure. Performance results of the firm's clients will be reduced by the firm's management fees. For example, an account with a compounded annual total return of 10% would have increased by 159% over ten years. Assuming an annual management fee of 0.75%, this increase would be 142%.

## STRATEGY PROFILE

### BENCHMARK

ICE BofA 1-3 Years U.S. Municipal Securities Index

### eVESTMENT UNIVERSE

U.S. Municipal Fixed Income – Short Duration

### MATURITY

Dollar-weighted average maturity normally <5 years  
Maximum Bond Maturity: 5 yrs

### DURATION

Dollar-weighted average duration is normally <5 years  
Average duration range: 1–2.5 years

### CREDIT QUALITY

All purchases must be investment grade at the time of purchase.  
Average credit quality: A to AA+

### HOLDINGS INFORMATION

15-30 bonds (account size dependent)  
0-5% individual position limit

### EXPECTED TURNOVER RANGE

No minimum or maximum  
Average annual range: 15-40%

### CASH EXPOSURE

0-10% (under normal market conditions)  
Average range: 1–3%

### ISSUER EXPOSURE

0-5%

### SECTOR EXPOSURE

There is no stated limit. However, under normal market conditions, no more than 25% of the portfolio will be invested in any one sector.

### INDUSTRY EXPOSURE

There is no stated limit. However, under normal market conditions, no more than 25% of the portfolio will be invested in any one industry.

## AVAILABLE VEHICLES

Separate Accounts  
U.S. Mutual Fund  
Retail Managed Accounts

\*Includes U.S. Mutual Fund, Separate Accounts and Institutional Accounts.

## PORTFOLIO CHARACTERISTICS

### PORTFOLIO STATISTICS

	REP. ACCT.
Weighted Average Coupon	4.4%
Weighted Average Price	\$101.3
Average Effective Maturity	1.8 Yrs
Average Effective Duration	1.4 Yrs
Average Credit Quality	AA-

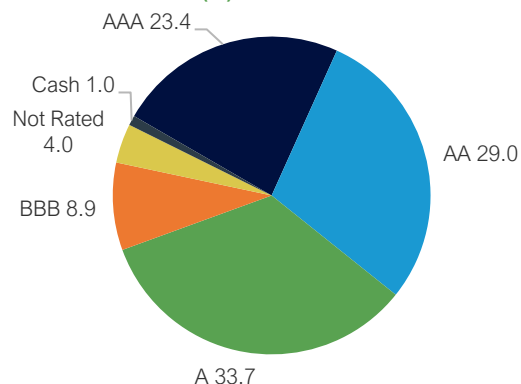
### TOP TEN SECTORS (%)

Multi-Family	24.3
Industrial Development/Pollution Control	16.7
Gas	10.5
Hospital	9.3
School District General Obligation	6.8
Public Power	4.6
Airport	3.5
School District - App	3.5
Local General Obligation	3.2
Dedicated Tax	2.3

### TOP TEN STATES (%)

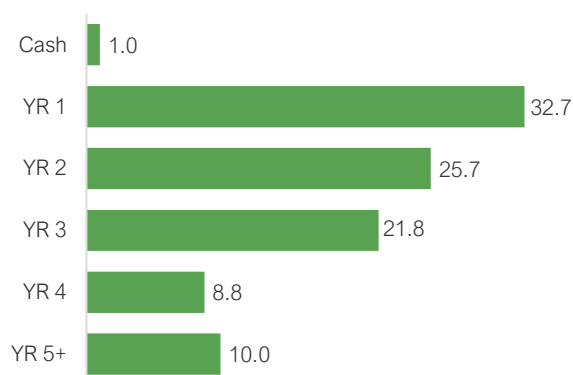
Texas	14.4
California	7.9
Illinois	7.6
Florida	6.3
Wisconsin	5.1
Pennsylvania	4.9
Tennessee	4.6
Kentucky	4.2
Indiana	3.5
New York	3.4

### CREDIT QUALITY 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. Credit quality ratings use the highest rating available from either S&P Global Ratings or Moody's Investors Service. Where neither rating is available, we have used ratings from other nationally recognized statistical rating organizations (NRSROs). "NR"= Not Rated.

### MATURITY BREAKDOWN (%)



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\*\*Includes assets under management (\$45.5B) and assets under advisement (\$1.2B).

## IMPORTANT INFORMATION

*The performance data quoted represents past performance; it does not guarantee future results.*

Unless otherwise noted, the source of all data, charts, tables and graphs is Thornburg Investment Management, Inc. as of 31 March 2025.

Investments in the Strategy carry risks, including possible loss of principal. Carefully consider the Strategy's investment objectives, risks, and expenses before investing. There is no guarantee that the portfolio will meet its investment objectives.

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Portfolio holdings and characteristics shown herein are from a representative account managed within the investment composite. The representative account is selected based on account characteristics that Thornburg believes accurately represent the investment strategy as a whole. Should these characteristics change materially, Thornburg may select a different representative account. Holdings may change daily and may vary among accounts, which may contribute to different investment results. The representative account information is supplemental to the strategy's composite and GIPS compliant presentation.

Diversification does not assure or guarantee better performance and cannot eliminate the risk of investment losses. Portfolio characteristics are derived using currently available data from independent research resources that are believed to be accurate. Portfolio attributes can and do vary. Portfolios invested in a limited number of holdings may expose an investor to greater volatility. There is no guarantee that the Strategy will meet its investment objectives or expectations. Cash may also include cash equivalents and currency forwards.

This material may contain "forward-looking statements" such as prospects or expectations that are based on Thornburg's views and assumptions and are subject to known or unknown risks and uncertainties. Actual events or results or the actual performance of a product or service may differ significantly from those expressed or implied in such forward-looking statements. No reliance should be placed on forward-looking statements.

Weighted Average Coupon is a weighted average of the underlying coupon interest rates of mortgage loans or other loans backing asset-backed securities or mortgage-backed securities, as of the issue date, using the balance of each mortgage as the weighting factor.

Average price is the mean price of an asset or security observed over some period of time. It is calculated by finding the simple arithmetic average of closing prices over a specified time period.

Average Effective Maturity - Average length of time until fixed income securities held by a fund reach maturity and are repaid.

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.

Average Credit Quality - A weighted average of all credit ratings in the portfolio. The average is calculated by Perform using NRSRO ratings. Cash and non-rated U.S.-backed securities are assigned a value above AAA. Other non-rated securities are excluded from the calculation.

The ICE BofA 1-3 Year U.S. Municipal Securities Index (ICE BofA 1-3 Yr US Muni) is a subset of the ICE BofA U.S. Municipal Securities Index including all securities with a remaining term to final maturity less than 3 years.

Portfolio construction will have significant differences from that of a benchmark index in terms of security holdings, industry weightings, asset allocations and number of positions held, all of which may contribute to performance, characteristics and volatility differences. The index shown is unmanaged, reflect total returns and assume the reinvestment of all income in U.S. dollars. It does not reflect any management fees or brokerage expenses associated with a portfolio's returns. Returns for an actual portfolio may differ from those of an index due to (among other things) differences in timing and the amount invested and fees and expenses. Investors may not make direct investments into any index.

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1 April 2014 (inception) through 31 December 2023

# 2023 GIPS® Composite Report

## THORNBURG SHORT DURATION MUNICIPAL COMPOSITE

Period	COMPOSITE RETURNS		INDEX RETURNS	3-YR ANNUALIZED STANDARD DEVIATION		DISPERSION	AS OF 31 DEC		
	Gross	Net	ICE BofA 1-3 Year US Municipal Securities Index	Composite	ICE BofA 1-3 Year US Municipal Securities Index	Internal Equal Wtd.	Number Of Accounts	Composite Assets (MM)	Total Firm Assets (MM)
2023	4.27%	3.90%	3.35%	2.07%	2.37%	0.19%	6	135	41,675
2022	-1.48%	-1.84%	-2.03%	1.68%	1.98%	N/M	2	215	41,463
2021	0.44%	0.09%	0.34%	0.93%	1.05%	N/M	2	209	47,092
2020	1.66%	1.34%	2.16%	0.92%	1.10%	N/M	2	259	43,516
2019	2.73%	2.37%	2.88%	0.57%	0.87%	0.58%	7	349	42,660
2018	1.68%	1.33%	1.76%	0.63%	0.97%	0.08%	11	360	40,510
2017	1.60%	1.25%	0.99%	0.62%	0.88%	N/M	9	101	48,784
2016	0.72%	0.38%	0.33%	N/A	N/A	N/M	1	92	48,937
2015	0.74%	0.34%	0.76%	N/A	N/A	N/M	1	47	54,809
2014*	0.78%	0.47%	0.47%	N/A	N/A	N/M	1	35	64,492

\* Represents return data from 1 April 2014 (inception) through 31 December 2014.

N/A - Not available. Thirty-six monthly composite returns are not available due to the composite's inception date.

N/M - Not meaningful. A statistical measure of internal dispersion for composites with five or fewer accounts (included for the entire year) is not considered meaningful.

1. Thornburg Investment Management, Inc. claims compliance with the Global investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Thornburg Investment Management, Inc. has been independently verified for the periods 1 July 1998 through 31 December 2023. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.
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3. Valuations are computed and performance is reported in United States dollars.
4. The three-year annualized ex-post standard deviation measures the variability of the composite gross returns and the benchmark returns over the preceding 36-month period. Internal dispersion is calculated using the equal-weighted standard deviation of annual gross returns of those accounts included in the composite for the entire year.
5. The performance data quoted represents past performance; it does not guarantee future results.
6. The Short Duration Municipal Composite includes all non-wrap discretionary accounts invested in the Short Duration Municipal Strategy. The strategy seeks current income through short-term, high-quality municipal bonds, with low interest rate exposure. The strategy invests principally in a laddered maturity portfolio of municipal obligations issued by states and state agencies, local governments and their agencies and by certain United States territories and possessions. The strategy's portfolio is "laddered" by investing in obligations of different maturities so that some obligations mature during each of the coming years. The strategy seeks to reduce changes in its portfolio value compared to longer duration fixed income portfolios by maintaining a portfolio of investments with a dollar-weighted average duration of normally no more than three years.
7. The ICE BofA 1-3 Year U.S. Municipal Securities Index is a subset of the ICE BofA U.S. Municipal Securities Index including all securities with a remaining term to final maturity less than 3 years. The performance of any index is not indicative of the performance of any particular investment. 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.
8. Portfolio construction will have significant differences from that of a benchmark index in terms of security holdings, industry weightings, asset allocations and number of positions held, all of which may contribute to performance, characteristics and volatility differences. Investors may not make direct investments into any index.
9. Returns reflect the reinvestment of income and capital gains. Net returns shown are net of actual investment advisory fees. The standard fee schedule currently in effect is: 0.25% from \$1 million to \$5 million, 0.22% on next \$5 million, 0.20% on next \$15 million, 0.18% on next \$25 million, 0.15% over \$50 million. Fees may be negotiated in lieu of the standard fee schedule.
10. Prior to 1 February 2020, the composite was named the Low Duration Municipal Composite.
11. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.
12. Inception of the composite was 1 April 2014. The composite was created in April 2014. A list of composite and limited distribution pooled fund descriptions, a list of broad distribution pooled funds, and policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.