

Thrivent Large Cap Growth Fund

Q1 2024 Commentary

THLCX (Class S) • March 28, 2024

Management



Lauri Brunner

Senior Portfolio Manager

Industry: 1993
Firm: 2007
Fund: 2018



Jaimin Soni

Senior Portfolio Manager

Industry: 2008
Firm: 2019
Fund: 2022

Executive Summary

- Thrivent Large Cap Growth Fund outperformed the Russell 1000 Growth Index for the quarter and for the past 12 months.
- Security selection was the main driver of outperformance for both periods.
- The Information Technology sector was the biggest contributor to performance while the Health Care sector lagged the most.

Performance factors

Thrivent Large Cap Growth Fund had a solid quarter outperforming the Russell 1000 Growth Index. The Information Technology sector was the main driver of positive performance. The Fund continued to benefit from an underweight position in Apple as the stock has underperformed. The second-best contribution to the Fund came from an overweight position in NVIDIA which has meaningfully outperformed the benchmark. Demand for NVIDIA's semiconductor chips has outpaced supply as corporations and sovereign governments across the world look to use them in data centers to power artificial intelligence applications. The Health Care and Real Estate sectors recorded the biggest negative performance. In Health Care, the adoption of weight loss medications continues to be a key driver impacting the sector. The Fund benefited from this theme by owning Novo Nordisk which has been the first to market with its obesity medications such as Wegovy and Ozempic. However, the performance gained was more than offset by not owning Eli Lilly, whose stock outperformed Novo Nordisk on the launch of its own competitor obesity drug named Zepbound. The Health Care sector also lagged due to the underperformance of Zoetis, a provider of animal health products. Adoption challenges to Zoetis' recently launched pain medication for dogs in the U.S. and competitive concerns in other core franchises impacted its earnings estimates and sentiment.

Over the last year, the Fund reported solid results outperforming the Russell 1000 Growth Index. The Information Technology sector led the outperformance for this duration as well, benefiting from an underweight in Apple and an overweight in NVIDIA. The Industrials sector was the second-best performer and benefited from ownership of Uber Technologies. Improvement in margins coupled with growth in its rides and delivery businesses has helped Uber outperform. The Health Care and Financials sector lagged the most over the last 12 months. Not owning Eli Lilly was the biggest headwind to performance in Health Care, and underperformance in Paypal stock weighed on the Financials sector.

Portfolio outlook

Sales and profit growth expectations for large-cap companies at the intersection of technology and the consumer have endured negative resets and are on the path to stabilization. Large cap companies, mainly in technology-led sectors, are controlling costs through reduction in force initiatives and cancelation of unprofitable projects. The demand environment remains uncertain as the Federal Reserve attempts to rein in inflation with high-interest rates. We believe the companies that balance cost efficiencies and maintain their focus on growth initiatives can set the stage for an improved profit outlook going forward. Our investment process continues along the same path with ongoing refinements. We view our regular meetings with the large-cap analysts as crucial to our process of researching existing names (operating developments) and considering new names to add to the Fund. In terms of refinements, we are spending more time on risk management and factor reviews which will help us limit unintended exposures. Fundamentally we believe investors will favor large-cap growth companies with strong organic growth opportunities, large and/or expanding target addressable markets, and operating initiatives that reflect data-driven insights to serve their end markets.

Performance

For the period ending March 28, 2024 • Periods less than one year are not annualized.

Average annualized returns (%)	3 months	YTD	1 year	3 years	5 years	10 years	Since Inception
Thrivent Large Cap Growth Fund — S share - Expense ratio: 0.76%; Incept. date 10/29/1999	12.91	12.91	44.52	9.88	16.89	14.63	7.16
Russell 1000 Growth Index	11.41	11.41	39.00	12.50	18.52	15.98	
S&P 500® Grwth Index	12.75	12.75	33.73	10.19	15.78	14.56	
Morningstar Large Growth Avg	11.92	11.92	36.45	7.95	14.89	13.24	

Learn more: thriventfunds.com • Advisors: 800-521-5308 | sales@thriventfunds.com • Investors: 800-847-4836 | contact your advisor

Top 10 Holdings (excluding derivatives and cash) 51.75% of Fund, as of Feb 29 2024: Microsoft Corp: 10.74%, Amazon.com, Inc.: 8.34%, NVIDIA Corp: 7.68%, Alphabet, Inc., Class C: 5.35%, Apple, Inc.: 5.21%, Meta Platforms, Inc.: 5.20%, ServiceNow, Inc.: 2.44%, Advanced Micro Devices Inc: 2.36%, Home Depot, Inc.: 2.24%, Tesla, Inc.: 2.19%

Any indexes shown are unmanaged and do not reflect the typical costs of investing. Investors cannot invest directly in an index.

Russell 1000® Growth Index measures the performance of U.S. large capitalization growth-oriented equities.

S&P 500® Growth Index measures the performance of the growth stocks in the S&P 500 Index.

The Morningstar average represents the average total return annualized when greater than one year for all reported funds in the category. Morningstar averages do not include sales charges/fees. If included, returns would have been lower. ©2024 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

Risks: Large companies may be unable to respond quickly to new competitive challenges and may not be able to attain a high growth rate. The Fund's value is influenced by a number of factors, including the performance of the broader market and risks specific to the Fund's asset classes, investment styles, and issuers. Foreign investments involve additional risks, such as currency fluctuations and political, economic and market instability. The Adviser's assessment of investments may prove incorrect, resulting in losses or poor performance. A non-diversified portfolio is generally more susceptible to the risk that events or developments affecting a particular issuer or industry will significantly affect performance results. Common stocks of companies that rely extensively on technology, science or communications in their product development or operations may be more volatile than the overall stock market and may or may not move in tandem with the overall stock market. These and other risks are described in the prospectus.

This commentary may refer to specific securities which Thrivent Mutual Funds may own. A complete listing of the holdings for each of the Thrivent Mutual Funds is available on thriventfunds.com.

All data represents past performance. Past performance does not guarantee future results. The investment return and principal value of the investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance data quoted. Call 800-847-4836 or visit thriventfunds.com for performance results current to the most recent month-end.

Investing involves risks, including the possible loss of principal. The prospectus and summary prospectus contain more complete information on the investment objectives, risks, charges and expenses of the fund, and other information, which investors should read and consider carefully before investing. Prospectuses and summary prospectuses are available at thriventfunds.com or by calling 800-847-4836.

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