

Thrivent Large Cap Value

March 31, 2026

Management



Kurt Lauber, CFA

Senior Portfolio Manager

Industry: 1990

Strategy: 2013



Thomas Lieu, CFA

Senior Portfolio Manager

Industry: 1997

Strategy: 2022

Executive Summary

- For the quarter, stock selection was positive in Materials, Healthcare, and Industrials. Stock selection in Consumer Staples, Consumer Discretionary, and Communications detracted from performance.
- For the trailing 12 months, stock selection in Information Technology, Communications Services, Financials and Utilities were positive. Healthcare and Consumer Staples stock selection detracted from performance.
- The Strategy remains overweight in attractively valued companies and focuses on companies where the team believes the future return on invested capital is not correctly priced into a company's valuation.

Performance factors

Over the past quarter, within Materials, CF Industries, a U.S. based fertilizer company, benefitted from increased global fertilizer prices due to supply declines from the closure of the Strait of Hormuz. Solstice Advanced Materials benefitted from continued adoption of their next-generation refrigerants for HVAC equipment and increased demand for its nuclear fuel, defense and semiconductor products. In Health Care, Johnson & Johnson and Merck outperformed given more positive views of developments in their pipelines. Within Industrials, Honeywell benefitted from strategic portfolio transformation through spinoffs and distinguishing itself in its remaining businesses, aerospace and business automation. Caterpillar benefited from record revenue and backlog, led by energy and transportation equipment demand. The single largest positive contributor of overall performance in the quarter were memory stock holdings, Micron and Samsung. Conversely, stock selection in Consumer Staples, Consumer Discretionary, and Communications detracted from performance. In Consumer Staples, Unilever's deal to combine food business with McCormick to become a pureplay household product company received a poor reception from investors. In Communications, recently added music label companies Warner Music and Universal Music were pressured by the fear of artificial intelligence (AI) music creation. Although digital music service providers (DSPs) should see increased competition from AI, the music labels could benefit from the trend that drives demand and enhanced revenue from signing deals to leverage their vast libraries with new AI DSPs and existing companies like Spotify.

The Strategy outperformed the Russell 1000 Value Index over the past year, driven by strong stock selection in Information Technology, Communications Services, Financials and Utilities. In Technology, Micron Technology and Samsung Electronics benefited from rising memory prices fueled by growing demand for AI-enabled data center servers and

increased memory use in autos, AI handsets, and PCs. TD SYNEX gained from AI server demand through its Hyve initiative and the Windows 10 end-of-life PC upgrade cycle, while IBM's transition toward software-driven growth and advancements in quantum computing supported returns. In Communication Services, Warner Bros. Discovery advanced amid competitive bidding for its media assets involving Netflix and Paramount Skydance, which was finally won by Paramount. Alphabet Company (Google) went from fears that AI would decimate its search business to one of the top beneficiaries of AI due to strong proficiency of its large language model and the impact on enhancing its search business. In Financials, banks and Capital One rebounded as recession fears tied to tariffs eased, while Bank of New York Mellon stood out in asset management with its growing digital asset capabilities. Utilities such as Entergy Corp, Constellation, Vistra Corp, and Duke Energy Corp rose on expectations of higher power demand to support AI data centers, onshoring manufacturing, and electric vehicles. In Health Care, not owning CVS Health—which recovered from prior Medicare issues—and owning UnitedHealth during a period of its Medicare payment issues and operational challenges at Optum Health hurt returns. Zimmer Biomet improved market share with better products but fell short of the CEO's elevated expectations. In Consumer Staples, Coty Inc underperformed due to weaker beauty product demand and inventory destocking following post-COVID stock builds.

Portfolio outlook

Investors' expectations coming into the year were positive on the view of economic improvement based on adjustments to tariff impact, stimulus from lower taxes and expectations that the Federal Reserve would lower rates in 2026. Now that optimism has been replaced with caution as Middle-East conflict drives higher oil prices and potentially higher inflation. Also, some idiosyncratic risks have arisen like the potential negative impacts of AI on various companies' business models and fears over private credit risk. The Strategy's process is to take advantage of these dislocations and confusion by adding value through a stock selection process that focuses on ranking companies on valuation, operating performance, and catalysts. Although market volatility has picked up, valuation spreads have not provided much opportunity to take advantage of a sector's mispricing, thus the Strategy remains very neutral in the sector allocation and looks for stock selection opportunities within sectors and subsectors. Music labels have been added on the belief that AI fears are overblown but the Strategy has not taken advantage of displacement fears in some software companies yet. Even AI winners like Amazon have sold off due to investors' fears of the future return potential on the tremendous data center capital spending taking place, which has allowed the Strategy a chance to overweight this company in the portfolio for the first time. The Strategy's discipline is to trim a company when uncomfortable with valuation or operating performance and sell the entire company holding when uncomfortable with both. The Strategy demonstrated this discipline this quarter with a well-timed trim of memory semiconductor names and selling one position outright. In summary, the Strategy remains overweight attractively valued stocks and focused on companies that can improve returns above those already priced into their stock.

Composite performance

Periods less than one year are not annualized.

Average Annualized Returns ³ Inception date: Jan. 1, 2015	3 months	YTD	1 year	3 years	5 years	10 years	Since Inception
Composite Gross-of-fees ¹	2.64	2.64	20.93	16.70	12.31	13.06	11.32
Net-of-fees ²	1.88	1.88	17.41	13.30	9.04	9.77	8.07
Russell 1000 Value Index	2.10	2.10	15.87	14.31	9.43	10.58	14.31

Top 10 Holdings (excluding derivatives and cash): 24.50% of Strategy as of Feb 28 2026: Samsung Electronics Company, Ltd.: 3.39%, Exxon Mobil Corporation: 2.91%, Wells Fargo & Company: 2.86%, Merck & Company, Inc.: 2.37%, Bank of America Corporation: 2.30%, Microsoft Corporation: 2.28%, Johnson & Johnson: 2.11%, Cisco Systems, Inc.: 1.96%, Alphabet, Inc., Class C: 1.90%, JPMorgan Chase & Company: 1.89%

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Investors: contact your advisor

All data represents past performance and does not guarantee future results.

¹Gross-of-fees returns reflect the deduction of transaction costs but do not include the deduction of advisory fees or other expenses that may be incurred in the management of an actual account. ²Net-of-fees returns reflect the deduction of a model fee of 3.00% (0.25% applied to the monthly gross returns), which represents the highest anticipated fee that could be charged for accounts utilizing this strategy. This model fee is applied for illustrative purposes and may not reflect the actual fees paid by any specific investor. Actual fees may vary based on account size, custodial arrangements, and other factors.

³Assumes reinvestment of capital gains, dividends and interest.

Composite description: The strategy looks to provide investors with consistent, competitive performance through favorable stock selection while monitoring risk. The strategy typically invests in large companies across the value spectrum. Value stocks are companies that trade at a lower price compared to the market average, as measured by valuation ratios that compare the stock's price to the company's earnings and growth trends. Large companies are generally considered to be more stable but may not have the fast growth potential of smaller companies or the ability to respond as quickly to competitive challenges and changing market conditions. Equity securities of large companies can be volatile and unable to respond quickly to new competitive challenges and may not be able to attain a high growth rate. Value investing includes undervalued securities whose value may not rise as quickly as anticipated if the market doesn't recognize their intrinsic value. Securities may be affected by company performance, market conditions, or global events. The strategy may also utilize derivatives to manage market exposure. The use of derivatives (such as futures) involves additional risks and transaction costs.

Holdings and characteristics information is based on a representative, discretionary, unconstrained account that we believe is reflective of the overall strategy. While this account is selected to illustrate typical portfolio characteristics, holdings in other individual accounts may differ due to factors such as account-specific restrictions, platform capabilities, operational considerations, timing of investments, and cash flows. Attribution is based on the gross returns of the representative account versus the composite benchmark and is calculated without the deduction of fees and expenses. The strategy was not available in a separately managed account as of Dec. 31, 2025.

For model-delivered SMAs: The implementation of any model portfolio is at the discretion of the managed account sponsor. Thrivent model portfolio information is for use by third-party advisers managing their clients' accounts. Thrivent Asset Management, LLC ("TAM") will trade in a discretionary representative account before model updates are made available to the sponsor. Under TAM's trade sequencing policy, trade instructions may be delivered after activity completes in the representative account, with timing dependent on the significance of the change. The sponsor retains full discretion over whether and when to implement trades in client accounts. For additional information regarding use of TAM model portfolios, review TAM's Form ADV – [Part 2 Brochure](#).

Portfolio adjustments may result in taxable events for taxable accounts. In addition, short-term trading fees may apply to certain transactions. Thrivent Asset Management, LLC does not provide accounting, legal or tax advice. Please consult a tax or legal advisor.

Any indexes shown are unmanaged and do not reflect the typical costs of investing. Investors cannot invest directly in an index. For index licensing information, visit thriventfunds.com/privacy-security/index-provider-notices.html. Russell 1000 Value Index measures the performance of U.S. large capitalization value-oriented equities.

Due to rounding, some numbers may not equal stated totals.

Investing involves risks, including the possible loss of principal.

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