

# Thrivent Core Plus Bond ETF

TCPB

March 31, 2026

## Management



**Kent White, CFA**

VP, Fixed Income

Industry: 1999

Fund: 2025



**Cortney Swensen, CFA**

Senior Portfolio Manager

Industry: 2005

Fund: 2025

## Executive Summary

- During the first quarter, Thrivent Core Plus Bond ETF underperformed the Bloomberg US Aggregate Bond Index by 0.05%, primarily due to our overweight to risk sectors including corporates, non-agency mortgage-backed securities (MBS) and emerging market sovereign debt. Over the last 12 months, the Fund outperformed the index by 0.22%.
- Investment-grade corporate spreads (a proxy for risk) widened 11 basis points (bps) during the quarter, as investors experienced heightened concerns about AI, lending standards (particularly in private credit), and higher oil prices driven by the conflict in Iran.
- Despite spread widening during the quarter, most risk assets still traded rich relative to historical levels, and thus we are not overly excited about valuations. We will remain selective and opportunistic, with the objective of keeping the overall risk level of the Fund relatively unchanged until more attractive levels are on offer. Meanwhile, we will continue to make selective swaps based on fundamental credit stories, relative valuation opportunities or industry themes.

## Performance factors

Thrivent Core Plus Bond ETF underperformed the Bloomberg US Aggregate Bond Index by 0.05% during the first quarter, with the primary detractor being our overweight to risk sectors including corporates, non-agency mortgages, and emerging market sovereign debt. The largest positive contributor relative to the Index was our overweight to agency mortgage-backed securities (MBS), which underperform less than credit in risk-off environments. The overall corporate index widened 11 basis points (bps) due to an increase in investor concerns surrounding AI disruption and issuance, lending standards and software exposure in private credit, and the impact of higher oil prices on the economy. Our duration positioning had a modestly positive impact during the quarter, as we kept the overall length of the portfolio somewhat short of the Index as rates rose.

Over the last 12 months, Thrivent Core Plus Bond ETF outperformed the Bloomberg US Aggregate Bond Index by 0.22%. Positive contributors included our overweight to corporates and securitized along with a long duration position in mid-2025 that we moved toward neutral in Q4 2025. Our 2% allocation to emerging market sovereign bonds helped significantly as the sector performed well in 2025 as the Federal Reserve (Fed) cut rates and the U.S. dollar softened.

The Bloomberg US Aggregate Bond Index, which represents the broad U.S. investment-grade bond market, is composed

of 46% Treasuries, 26% securitized (primarily agency mortgages), 24% investment-grade corporates and 4% government-related securities. Comparatively, at quarter-end the Fund held approximately 21% Treasuries, 35% securitized, 42% corporates and 2% government-related securities. The overall credit ratings of our corporate holdings are lower than the index, with a meaningful overweight to BBB-rated securities. Our “plus” sectors of high yield corporates and emerging market sovereign debt currently compose approximately 5.5% of the Fund, a flat allocation quarter-over-quarter as we consider spread levels to be un compelling for both asset classes. Our non-agency securitized holdings, which unlike agency securitized carry varying degrees of credit risk, are currently at around 11% of the Fund, up 3% quarter-over-quarter. Through our overweight to risk assets, we seek to provide a higher yield and return than the Index. However, we remain flexible as moving between asset classes allows us to toggle risk up or down based on current market conditions and our view on whether risk assets appropriately compensate given our outlook.

## Portfolio outlook

Valuations are more attractive than during the second half of 2025 following a 20 basis point widening in corporate spreads, but still remain within range of all-time tights. We continue to favor swaps within both investment grade and high yield corporates in order to increase exposure to favorable credit stories or attractive new issues, so that our sector allocation remains stable. On the agency mortgage side, we favor specified pools over To-Be-Announced bonds (TBA) in order to obtain exposure to mortgages with favorable collateral characteristics. We look to continue to increase our non-agency securitized holdings, focusing on credits that exhibit strong issuer, structure and collateral characteristics, and any opportunities will be funded with either agency mortgages or investment grade corporates. We anticipate keeping our allocation to Treasury and U.S. government-guaranteed (i.e. agency mortgage) assets around 50% of the Fund, in order to balance safety with carry in this spread environment. Should we experience a meaningful pullback in risk assets in upcoming quarters, we would aim to use these safety assets as a funding source for high yield corporate and emerging market opportunities.

## Performance

For the period ending March 31, 2026 | 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 Core Plus Bond ETF (NAV)	-0.10	-0.10	4.57	N/A	N/A	N/A	5.75
<i>- Expense ratio: net 0.39%, gross 0.39%; Incept. date 2/19/2025</i>							
TCPB Market Price	-0.08	-0.08	4.52	N/A	N/A	N/A	5.89
Bloomberg U.S. Agg Bd Index	-0.05	-0.05	4.35	3.63	0.31	1.70	
Morningstar Intermediate Core-Plus Bond Avg	-0.18	-0.18	4.51	4.29	0.70	2.30	

**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. A fund’s performance for very short time periods may not be indicative of future performance. Market returns are based on the midpoint of the bid/ask spread at market close (typically, 4 p.m. ET) and do not represent returns an investor would receive if shares were traded at other times. Current performance may be lower or higher than the performance data quoted. Visit [thriventETFs.com](http://thriventETFs.com) for performance results current to the most recent month-end.**

**Top 10 Holdings** (excluding derivatives and cash): 21.77% of Fund as of Feb 27 2026: U.S. Treasury Bds: 3.59%, U.S. Treasury Notes: 2.53%, U.S. Treasury Bds: 2.30%, U.S. Treasury Notes: 2.20%, U.S. Treasury Bds: 2.08%, U.S. Treasury Bds: 2.06%, Wi Treasury Note: 2.04%, U.S. Treasury Notes: 2.00%, FNMA 30-Yr Pass-Thru: 1.50%, FHLM Corp: 1.47%

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**Investors:** contact your advisor

**Risks:** The ETF is newly formed and has a limited operating history. Debt securities may decline in price when interest rates rise and/or issuers are no longer able or willing pay their debt. Mortgage-backed and asset-backed securities are influenced by the housing market and assets underlying such securities. U.S. government securities may not be fully backed by the U.S government and issuers may not meet their payment obligations. U.S. government securities’ value may be affected by credit ratings. High yield securities are subject to credit risk and liquidity risk. Performance is influenced by several factors, including the performance of the broader market and financial sector and risks associated with foreign markets, derivatives, and specific issuers. These and other risks are described in the prospectus.

Any indexes shown are unmanaged and do not reflect the typical costs of investing. Investors cannot invest directly in an index. For more information on the index providers and their disclaimers, visit [thriventfunds.com/privacy-and-security/index-provider-notice](https://thriventfunds.com/privacy-and-security/index-provider-notice).

**Bloomberg US Aggregate Bond Index** measures the performance of U.S. investment grade bonds.

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. ©2026 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.

This commentary refers to specific securities which Thrivent ETFs may own. Additional information about the holdings of the ETFs is available on [thriventETFs.com](https://thriventETFs.com).

***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 [thriventETFs.com](https://thriventETFs.com).***

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