

Thrivent Large Cap Growth Fund

Q1 2025 Commentary

THLCX (Class S) • March 31, 2025

Management



Lauri Brunner

Senior Portfolio Manager

Industry: 1993
Firm: 2007
Fund: 2018



Jaimin Soni

Senior Portfolio Manager

Industry: 2008
Firm: 2019
Fund: 2022



Nicolas Horns

Portfolio Manager

Industry: 2008
Firm: 2021
Fund: 2025

Executive Summary

- Thrivent Large Cap Growth Fund slightly underperformed the Russell 1000 Growth Index for the quarter.
- For the last twelve months, the Fund underperformed the Index.
- Security selection was the main driver of underperformance for both periods.
- The Consumer Staples sector had the strongest performance for trailing twelve months, despite being the biggest drag on performance in the first quarter. Information Technology sector performance lagged the most for past twelve months. For the quarter, Industrials was the strongest sector.

Performance factors

Thrivent Large Cap Growth Fund underperformed the Russell 1000 Growth Index in the first quarter, primarily from negative stock selection in Consumer Staples as we did not own stocks of companies like Costco and Coca-Cola which have defensive characteristics and performed better than the rest of the benchmark. The Fund's ownership of Walmart in this sector helped but was not enough to offset the drag. The Real Estate sector was the 2nd biggest underperformer in the quarter. The Fund owns shares of Equinix which is a data center REIT. After good performance in 2024, stocks of data center REITs like Equinix were weak in the quarter as the market is concerned about potential slowdown in Artificial Intelligence related capex spend (capital expenditures) by hyperscalers. The Fund does not own any Telecom REITs which have performed better and were a headwind to performance. The Industrials sector was the strongest in the quarter helped by gains in Uber and Fastenal. After choppy performance in 2024, Uber stock was the top performer for the Fund for the quarter. The solid start has come partly from solid operating performance which has translated to rising earnings estimates and partly from activist investor involvement supporting the current management team. Uber has also partnered with Waymo in several cities where Waymo provides the technology and autonomous vehicles for customers booking rides on Uber's platform. This initiative shows that Uber can participate in a rides industry which is starting to slowly incorporate autonomous vehicles. We believe that Uber's ability to execute in their large rides and delivery end markets can drive stock performance over the long term and remain overweight. Shares of Fastenal, an industrial supplies company, benefited in the quarter from stable operating performance and improving sentiment as the current administration takes steps to support U.S. manufacturing activity.

For the last twelve months, Consumer Staples has been the best sector with much of the outperformance in the sector coming from the Fund's ownership of Walmart. Throughout this period, Walmart delivered same store sales growth ahead of consensus expectations driven by a mix of transactions and ticket price. In addition, profitability has improved as Walmart operating margins are up on a year-over-year basis. Consumer Discretionary was the 2nd best sector for the Fund benefiting from strong performance in DoorDash and Expedia. The positive attribution in the Consumer areas was offset by weakness in Information Technology where the Fund lost ground in Semiconductors and Hardware. Advanced Micro Devices (AMD) was the biggest drag on Fund performance as their data center revenues have grown nicely but failed to meet consensus expectations. The Fund's underweight in Apple was another headwind as the stock has outperformed.

Portfolio outlook

Sales and profit growth expectations for large-cap companies at the intersection of technology and the consumer have been 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 Federal Reserve has held the Federal Funds rate stable after reducing by a combined 1.00% over 3 meetings as they see inflation begin to normalize. But the demand environment remains uncertain. 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 Portfolio. 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 31, 2025 • 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	-10.08	-10.08	3.81	7.73	17.53	13.54	7.02
- Expense ratio: 0.74%; Incept. date 10/29/1999							
Russell 1000 Growth Index	-9.97	-9.97	7.76	10.10	20.09	15.12	
S&P 500® Grwth Index	-8.47	-8.47	10.46	7.74	18.70	13.99	
Morningstar Large Growth Avg	-8.49	-8.49	5.01	7.76	16.99	12.61	

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) 58.89% of Fund, as of Feb 28 2025: NVIDIA Corp: 9.18%, Apple, Inc.: 8.51%, Amazon.com, Inc.: 8.13%, Microsoft Corp: 7.64%, Meta Platforms, Inc.: 6.97%, Alphabet, Inc., Class C: 6.17%, Visa, Inc.: 4.08%, Broadcom, Inc.: 2.92%, Eli Lilly & Co: 2.72%, Tesla, Inc.: 2.57%

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.

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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.

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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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