thrivent Asset Management

Mutual Funds

Thrivent Large Cap Value Fund

Q1 2025 Commentary

TLVIX (Class S) • March 31, 2025

Management

Kurt Lauber, CFA
Senior Portfolio Manager

Industry: 1990
Firm: 2004
Fund: 2013

Thomas Lieu, CFA
Senior Portfolio Manager

Industry: 1997
Firm: 2019
Fund: 2022

Executive Summary

• Thrivent Large Cap Value underperformed the Russell 1000 Value Index in the quarter but underperformed for the last twelve-months.
• For the quarter, stock selection was positive in Technology, Financials, and Consumer Discretionary sectors. Stock selection in Industrials and Communication Services detracted from performance.
• For the year, stock selection in Utilities, Consumer Discretionary and Technology was positive. Industrials, Energy, and Health Care stock selection detracted performance.
• Buying attractively valued companies vs owning expensive ones has been costly over the last year, but that reversed late in the first quarter. The Fund remains over-weight in attractively valued companies and has been able to offset some of the relatively poor performance of cheaply valued stocks by continuing to focus on companies that can improve returns that are not correctly priced into a company's valuation.

Performance factors

Thrivent Large Cap Value Fund had positive stock selection this quarter in all sectors but Industrials and Communications Services. Positive stock selection was led by investments in Technology, Financials, and Consumer Discretionary. Technology benefited from owning International Business Machine Corp, Cisco, Samsung Electronics and Qualcomm while avoiding many of the expensive semiconductor and software companies. IBM has benefited from re-positioning its software and service offerings to take advantage of the digital and artificial intelligence technology trends that have emerged in tech while still being priced at a discount. In Financial, Bank of New York and Charles Schwab Corp operations improved while other areas of capital markets that were priced for a strong investment banking and initial public offering cycle did not meet high expectations. In Consumer Discretionary, Sony Group Corporations and Yum China outperformed. Sony is starting to benefit from the long-term company transition to more of a gaming, music and entertainment company from predominately a game-console company. Industrials remains the largest area of poor stock selection. Although ground transportation and freight stocks continue drag on performance, last year's strong performer Delta Airlines detracted from stock selection with a harsh reversal in the quarter on signs of weakening travel demand.

The Fund underperformed for the year as stock selection in Industrials, Energy, and Health Care detracted from performance. In Industrials, the freight recession has negatively impacted the performance of J. B. Hunt, CSX Corp and United Parcel Service through declining freight demand, falling rates and overcapacity. Being over-weight defense names and not owning aerospace, especially aftermarket parts was a drag on performance. In Energy, investors' negative view on Devon Energy's length and cost of oil inventory and Conoco Phillips' acquisition of Marathon Petroleum had a negative impact on selection. Stock selection in Utilities, Consumer Discretionary and Technology was positive. In Utilities, Entergy Corp, Duke Energy Corp and Vistra Corp benefited from improvement in the outlook for power demand after a decade of flat growth. More energy is needed to run artificial intelligence (AI) data centers, move manufacturing onshore and run electric vehicles.

Portfolio outlook

Value stocks and valuation as a tool to aid the investment process both improved in the first quarter vs the previous year. The Fund remains over-weight attractively valued companies and has been able to overcome some of the short comings of pure valuation investing by continuing to focus on bottom-up stock selection and companies that can improve their return on invested capital to levels that are not correctly priced into a company's valuation. In an environment where all Indexes' valuations are above their long-term average and government policy adds to market volatility, a sell discipline is important. Thrivent Large Cap Value Fund's is to sell a company when uncomfortable with valuation or operating performance and sell the entire company holding when uncomfortable with both. In summary, the Fund remains overweighted in attractively valued stocks and focused on companies that can improve returns above those already priced into their stock.

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 Value Fund — S share	2.01	2.01	5.95	7.31	18.95	10.05	7.10
- Expense ratio: 0.56%; Incept. date 10/29/1999							
Russell 1000 Value Index	2.14	2.14	7.18	6.64	16.15	8.79	
S&P 500® Value Index	0.28	0.28	4.21	9.32	17.21	10.11	
Morningstar Large Value Avg	1.49	1.49	6.62	6.86	16.55	8.91	

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) 23.56% of Fund, as of Feb 28 2025: Wells Fargo & Co: 3.43%, Bank of America Corp: 2.65%, Exxon Mobil Corp: 2.65%, Cisco Syst, Inc.: 2.32%, Johnson & Johnson: 2.32%, Philip Morris Int'l Inc: 2.19%, J.P. Morgan Chase & Co: 2.08%, Entergy Corp: 2.06%, UnitedHealth Grp Inc: 1.95%, Verizon Comm Inc: 1.91%

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

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

S&P 500® Value Index measures the performance of the value 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.

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. 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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