

Thrivent Mid Cap Growth Fund

Q2 2021 Commentary

TMCGX (Class S) • June 30, 2021

Management



David Lettenberger, CFA
Senior Portfolio Manager

Industry since: 1993
Thrivent since: 2013
Fund since: 2020



Siddharth Sinha, CFA
Senior Portfolio Manager

Industry since: 2012
Thrivent since: 2015
Fund since: 2020

Key Personnel



Patrick Farley, CFA
Senior Portfolio Manager

Industry since: 2018
Thrivent since: 2018
Fund since: 2021

Kirk Streckfus, CFA
Senior Portfolio Manager

Industry since: 2003
Thrivent since: 2019
Fund since: 2020

Performance factors

Thrivent Mid Cap Growth Fund delivered absolute returns during the quarter of 7.30%, below the 11.07% return of the Russell Midcap® Growth Index. The primary driver of the underperformance was stock selection in Healthcare, Industrials and Consumer Discretionary. Stock selection hurt in Healthcare due to a sell-off in high growth/high valuation

Executive summary

- The Fund underperformed the Russell Midcap® Growth Index in the second quarter and over the past 12 months.
- During the quarter, stock selection in Healthcare, Industrials and Consumer Discretionary hurt performance. On a trailing 12-month basis, stock selection was strongest in Industrials and Financials but was partially offset by weakness in Healthcare.
- Fund remains overweight cyclical growth in sectors such as Industrials, Materials and Financials as well as in Healthcare.

stocks early in the quarter. Guardant Health is a name that saw its stock price drop, but is a leading precision oncology company with strong long-term growth prospects as its blood based tests for cancer detection, treatment selection and disease monitoring gain wider adoption. Further, a strong rally by mRNA vaccine provider Moderna Inc, which isn't owned in the fund, also hurt relative performance in Healthcare. In Industrials, United Rentals Inc. hurt the Fund's performance as the stock corrected during the quarter after a significant stretch of strong outperformance. Stock selection helped in application software, especially in Elastic NV, the 3rd largest position in the Fund, as the stock rallied on strong near-term results and as investors gained confidence that recent moves by competitor Amazon (which isn't owned in the Fund) have had minimal impact on the firms near term or long-term prospects.

The Fund continues to maintain an overweight position in the more cyclical Industrial, Materials and Financial sectors and went overweight in Healthcare during the quarter. The Fund took advantage of the high growth/valuation software sell-off in the prior quarter to initiate new positions during the quarter in software names such

as Bill.com Holdings, Five9 Inc., HubSpot Inc and Paycom Software. The Fund also initiated position in Cooper Companies Inc and Carlisle Companies Inc. and exited Atlassian Corp, Bright Horizons Family Solutions, Inc., Nice Ltd and ServiceNow Inc.

Thrivent Mid Cap Growth Fund generated solid returns for the trailing 12 months. The Fund's return of 42.79% was behind the Russell Midcap® Growth Index return of 43.77%. Stock selection was strong across Industrials, Financials, Consumer Discretionary, Consumer Staples and Materials. Stock selection lagged in the Healthcare and slightly in Information Technology and Real Estate.

Portfolio outlook

The portfolio management team continues to identify and invest in those companies with sustainable growth opportunities and strong competitive advantages that can execute regardless of the market or economic environment. As noted above, the Fund maintains an overweight position in cyclical growth sectors given current and expected market and economic dynamics. In addition, given the broad correction during the first half in high

growth and high valuations stocks, especially in the Technology and Healthcare sectors, we believe the correction presents an opportunity to evaluate new secular growth stocks in these sectors that fit the Fund mandate. As highlighted in the previous

sections, the Fund did take advantage of the correction to initiate new software positions as well as add to existing Information Technology positions and assume an overweight position in Healthcare.

Thrivent Mid Cap Growth Fund performance

Class S shares | For the period ending June 30, 2021

Average annualized returns (%) Periods less than one year are not annualized.	3 months	YTD	1 year	Since Inception Feb. 28, 2020
Thrivent Mid Cap Growth Fund Class S share; Expense ratio: 0.90% net, ¹ 3.38% gross	7.30	7.30	42.79	45.38
Russell MidCap® Growth Index²	11.07	10.44	43.77	—
Lipper Mid Cap Growth Median	7.73	8.98	43.76	—
Lipper rank %	57 (235 of 415)	74 (301 of 411)	58 (227 of 392)	—

¹The Adviser has contractually agreed, for a period of one year from the date of the most recent prospectus, to waive certain fees and/or reimburse certain expenses associated with the Fund. Refer to the Fees & Expenses table in the Fund's [prospectus](#). If this waiver had not been in effect, performance would have been lower.

Financial Professionals: contact us at sales@thriventfunds.com or call 800-521-5308

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

²Russell Midcap® Growth Index measures the performance of U.S. medium-capitalization growth-oriented equities.

Risks: Medium-sized companies often have greater price volatility, lower trading volume, and less liquidity than larger, more established companies. The Fund's value is influenced by factors impacting the overall market, certain asset classes, certain investment styles, and specific issuers. Markets may also be impacted by domestic or global events, including public health threats, terrorism, natural disasters or similar events. 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. 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 the Fund(s) may own. This information should not be considered investment advice or a recommendation of any particular security, strategy or product. A complete listing of the holdings for each of the Thrivent Mutual Funds is available on thriventfunds.com.

The Lipper median represents the median annualized total return for all reported funds in the classification. Lipper medians do not include sales

charges/fees. If included, returns would have been lower. All rankings are based on total return and do not reflect sales charges. The lower the Lipper percentile ranking, the better the fund performed against its peers. Source for ranking is Lipper, Inc., a Thomson Reuters company. Lipper assigns each fund to a category after scrutinizing its portfolio and assessing the fund manager's flexibility and aggressiveness. Once return figures have been determined, Lipper ranks the relative performance of all funds in a particular category against their respective peer group.

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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