

# Thrivent Income Fund

Class S LBIX

March 31, 2026

## Management



**Kent White, CFA**

VP, Fixed Income

Industry: 1999

Fund: 2017



**Cortney Swensen, CFA**

Senior Portfolio Manager

Industry: 2005

Fund: 2023

## Executive Summary

- Thrivent Income Fund outperformed the Bloomberg U.S. Corporate Bond Index during the first quarter of 2026. The Fund's outperformance was driven largely by a positive contribution from security selection in both investment grade and high yield corporate bonds.
- During the quarter the Fund continued to shift more of its exposure from corporate bonds to higher quality sectors of the fixed income market as corporate credit spreads (the difference in yield between a corporate bond and a similar maturity U.S. Treasury bond) hit their richest valuations in nearly three decades.
- While we do not currently find much value in corporate bond valuations, we do believe absolute yield levels for investment grade corporate bonds remain attractive. We continue to maintain a somewhat defensive risk profile.

## Performance factors

Thrivent Income Fund outperformed the Bloomberg U.S. Corporate Bond Index during the first quarter of 2026. The Fund's outperformance was driven largely by a positive contribution from security selection in both investment grade and high yield corporate bonds. The Fund also benefited from its duration positioning as it held a shorter duration profile relative to its benchmark which contributed to performance as interest rates rose during the quarter. The Fund's defensive positioning through overweight positions in U.S. Treasuries and U.S. Agency Mortgage-Backed Securities (MBS) relative to the benchmark was also a positive contributor. Concerns about the Iranian conflict's impact on energy prices and inflation prompted the market to lower their expectations for the number and timing of future rate cuts by the Federal Reserve (Fed) and caused rates to rise across the curve.

The Fund also outperformed the Bloomberg U.S. Corporate Bond Index over the 12-month period ended March 31, 2026. The most significant drivers of the Fund's outperformance over this period were security selection in investment grade corporates and an overweight to high yield corporates. Duration positioning was also a significant contributor to the Fund's outperformance during this period.

During the quarter the Fund continued to shift more of its exposure from corporate bonds to higher quality sectors of the fixed income market as corporate credit spreads hit their richest valuations in nearly three decades. Following the initiation of the conflict in Iran corporate credit spreads cheapened and interest rates increased. We began to decrease our

underweight to corporate bonds towards the end of the first quarter and lengthened our duration profile. However, we remain underweight corporate bonds versus our benchmark. We may continue to add duration if we become more concerned about the trajectory of the U.S. economy.

## Portfolio outlook

Investment grade corporate bonds underperformed similar maturity U.S. Treasuries during the quarter and credit spreads in the U.S. corporate bond market are still trading at levels that we believe do not fully incorporate the multitude of risks in the market or the potential downside risks to the economy. While we do not currently find much value in credit spreads, we do believe absolute yield levels for investment grade corporate bonds remain attractive. We continue to maintain a somewhat defensive risk profile.

## 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 Income Fund — S share  | -0.44    | -0.44 | 4.93   | 5.23    | 1.06    | 3.24     | 4.68            |
| <i>- Expense ratio: net 0.47%, gross 0.47%; Incept. date 10/31/1997</i> |          |       |        |         |         |          |                 |
| Bloomberg U.S. Corp Bd Index  | -0.54    | -0.54 | 4.78   | 4.70    | 0.76    | 2.81     |                 |
| Morningstar Corporate Bond Avg  | -0.55    | -0.55 | 4.69   | 4.84    | 0.91    | 2.79     |                 |

**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](http://thriventfunds.com) for performance results current to the most recent month-end.**

**Top 10 Holdings** (excluding derivatives and cash): 5.57% of Fund as of Feb 27 2026: U.S. Treasury Bds: 0.87%, U.S. Treasury Bds: 0.77%, Sprint Capital Corp: 0.66%, FHLMC 30-Yr. Pass-Thru: 0.51%, FHLMC 30-Yr. Pass-Thru: 0.50%, CCO Holdings, LLC/CCO Holdings Capital Corp: 0.49%, FHLMC 30-Yr. Pass-Thru: 0.49%, Angel Oak Mortgage Trust: 0.45%, Bank of America Corp: 0.42%, Bank of America Corp: 0.41%

**Advisors:** [fp.thriventfunds.com](http://fp.thriventfunds.com) • 800-521-5308 • [sales@thriventfunds.com](mailto:sales@thriventfunds.com) **Investors:** contact your advisor

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**Bloomberg US Corporate Bond Index** measures the investment grade, fixed rate, US taxable corporate bond market.

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.

**Risks:** Debt securities are subject to risks such as declining prices during periods of rising interest rates and credit risk, or the risk that an issuer may not pay its debt. High yield securities are subject to increased credit risk as well as liquidity risk. The use of derivatives (such as futures) involves additional risks and transaction costs. Foreign investments involve additional risks, such as currency fluctuations and political, economic and market instability, which may be magnified for investments in emerging markets. To the extent that the financials sector continues to represent a significant portion of the Fund, The Fund will be sensitive to changes in, and its performance may depend to a greater extent on, factors impacting this sector. U.S. government securities may not be fully guaranteed by the U.S. government and issues may not have the funds to meet their payment obligations. The value of U.S. government securities may be affected by changes in credit ratings, which may be negatively impacted by rising national debt. The Adviser's assessment of investments may prove incorrect, resulting in losses or poor performance. The Fund's value may be affected by factors specific to an issuer within the Fund. When bond inventories are low in relation to the market size, there is the potential for decreased liquidity and increased price volatility. The Fund's value is influenced by the performance of the broader market. The value of mortgage-related and other asset-backed securities will be influenced by the factors affecting the housing market and the assets underlying such securities. 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](http://thriventfunds.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 [thriventfunds.com](http://thriventfunds.com) or by calling 800-847-4836.**

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