



THRIVENT HIGH YIELD FUND

LBHIX CLASS S | LBHYX CLASS A

Thrivent High Yield Fund is intended to be a core high yield option that emphasizes bonds in the middle of the high yield credit quality spectrum.

Fund Key Points

"Core B" philosophy

A diversified portfolio of high yield bonds, overweighted to B-rated securities to take advantage of their favorable characteristics, aims to provide the highest yield with the lowest sensitivity to interest rate changes. Securities with a B rating are more vulnerable to default than BB, but less so than CCC-rated issues.

Thorough, fundamental research

Seven experienced credit analysts seek to identify issues with the best potential return within each credit rating and industry, placing emphasis on established companies with strong cash flows and a potential for an improving credit profile.

A collaborative approach

The portfolio manager collaborates with the analysts on industry selection used to position the portfolio. Analyst views, informed by expertise and fundamental research, are taken into consideration when determining industry allocation in the portfolio.

Positioning the Portfolio: A Hypothetical Example

> The high yield credit market is dynamic and our fund management will update the portfolio's risk profile based on the current and expected market environment. Estimated spreads are the output of a model that considers multiple economic factors.

HYPOTHETICAL SPREADS: ESTIMATED VS. OBSERVED



SPREAD SCENARIO	RISK PROFILE	ALLOCATION AND CHANGE
1 Est = Obs	Neutral	BB underweight B overweight CCC underweight
2 Est < Obs	More aggr.	↓ BB lg. underweight B overweight ↑ CCC neutral
3 Est = Obs	Neutral	↑ BB underweight B overweight ↓ CCC underweight
4 Est > Obs	More convs.	↑ BB sm. overweight ↓ B sm. overweight ↓ CCC lg. underweight

FUND OBJECTIVE: Thrivent High Yield Fund seeks high current income, and secondarily growth of capital.

Management



Paul J. Ocenasek, CFA
Senior Portfolio Manager

Industry Since: 1987
Thrivent Since: 1987
Fund Since: 1997

“ We have a great team of very experienced credit analysts here at Thrivent that can be leveraged to generate ideas for various portfolios. We believe it is important to foster a culture that values the input of the professionals closest to the assets they cover.”

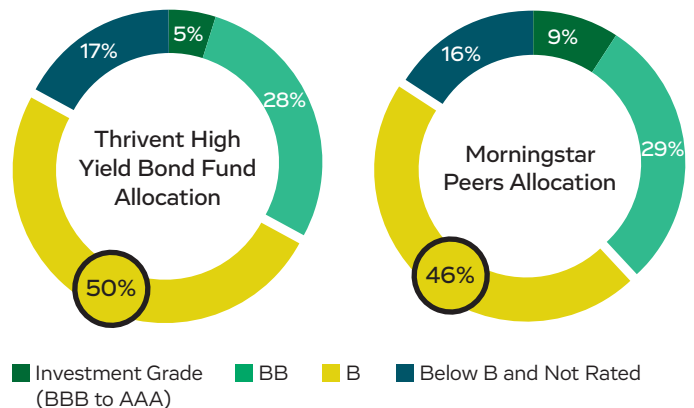
Portfolio Construction: “Core B” Approach

The Thrivent High Yield Fund aims to have strong total returns through a greater allocation to B-rated bonds than its peers.

Why emphasize B-rated bonds? Our experienced management team believes that B-rated bonds can exhibit both favorable yields and interest rate sensitivity. B-rated bonds have historically lower rates of default than CCC-rated bonds and lower downgrade rates than BB-rated bonds.¹

WHEN CONSTRUCTING THE PORTFOLIO, FUND MANAGEMENT FOCUSES ON:

Credit selection | Diversification | Liquidity



The Thrivent High Yield Fund is part of the Morningstar High Yield Bond category. Data presented is average allocations for the 20 years from December 1997 through December 2017. Source: Morningstar

Fund Risks: The Fund primarily invests in high-yield, high-risk bonds, notes, debentures and other debt obligations, or preferred stocks. Credit risk is the risk that an issuer of a debt security may not pay its debt, and high yield securities are subject to increased credit risk as well as liquidity risk. Bond prices may decline during periods of rising interest rates. Leveraged loans are subject to numerous risks, including liquidity, credit, declines in the value of collateral underlying them, and detrimental legal actions against them. Convertible securities are subject to additional risks such as interest rate and market risk. Preferred securities are subject to risks such as credit and liquidity risk. The value of the Fund is influenced by factors impacting the overall market, certain asset classes, certain investment styles, and specific issuers. The Fund may incur losses due to investments that do not perform as anticipated by the investment adviser. Foreign investments involve additional risks, including currency fluctuations, liquidity, political, economic and market instability, and different legal and accounting standards. In periods when dealer inventories of bonds are low in relation to market size, there is the potential for decreased liquidity and increased price volatility in the fixed income markets. Quantitative investing uses models and factors that rely on historical data and may be incomplete. The use of derivatives (such as futures and swaps) involves additional risks and transaction costs, which could leave the Fund in a worse position than if it had not used these instruments. These and other risks are described in the Fund’s prospectus.

¹Source: Standard & Poor’s Global Ratings. “2017 Annual Global Corporate Default Study And Rating Transitions.” April 5, 2018. Available from S&P Ratings online, accessed November 29, 2018.

Investing in a mutual fund 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 are available at ThriventFunds.com or by calling 800-847-4836.



The principal underwriter for Thrivent Mutual Funds is Thrivent Distributors, LLC, a registered broker-dealer, member of FINRA and SIPC. Asset management services provided by Thrivent Asset Management, LLC, an SEC-registered investment adviser. Both entities are wholly-owned subsidiaries of Thrivent Financial.

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