

# Thrivent Limited Maturity Bond Fund

**Ticker:** THLIX (Class S) | LBLAX (Class A)

**Inception:** Oct. 29, 1999

**Objective:** Thrivent Limited Maturity Bond Fund seeks a high level of current income consistent with stability of principal.

## Fund key points

Thrivent Limited Maturity Bond Fund is a short-term, diversified fixed-income strategy that invests across multiple sectors in predominantly high quality bonds.

### Broad diversification

Most holdings are in higher quality categories like investment-grade corporates, securitized debt and U.S. Treasuries, but the broad diversification of this strategy allows for additional select investments in higher yielding securities that may add incremental yield to the Fund while minimally increasing volatility.

### Low sensitivity to rate changes

The management team invests primarily in securities with an average life five years or less, which makes the Fund less sensitive to changes in interest rates. The Fund can also own some longer duration securities, pairing them with Treasury futures to potentially hedge away the excess interest rate risk while leaving the incremental yield, which is net of the cost of the futures contracts.

### Treasury futures utilization

Treasury futures can be used to help position the Fund with respect to fluctuations in interest rates and changes to the yield curve, potentially allowing the Fund to take advantage of the price dynamics associated with a flattening or steepening yield curve without changing the desired overall duration.

## Optimizing yield per unit of risk

### Focus on both yield and risk

As with most things in life, it is difficult to get something for nothing. This is certainly true when it comes to the income generated by a bond fund.

Income is typically limited by the level of risk taken, whether risk is measured by price volatility, interest rate or credit exposure.

› Our management team strives to manage the Thrivent Limited Maturity Bond Fund in a way that optimizes the level of income for a given level of risk. The goal is to generate the highest income possible for a given level of risk.



## Management



**Michael G. Landreville, CFA**  
Senior Portfolio Manager

Industry since: 1983  
Thrivent since: 1983  
Fund since: 1999



**Gregory R. Anderson, CFA**  
Senior Portfolio Manager

Industry since: 1993  
Thrivent since: 1997  
Fund since: 2005



**Cortney L. Swensen, CFA**  
Senior Portfolio Manager

Industry since: 2004  
Thrivent since: 2011  
Fund since: 2020



**Jon-Paul (J.P.) Gagne**  
Senior Portfolio Manager

Industry since: 2004  
Thrivent since: 2018  
Fund since: 2021

“Having a broadly diversified fund gives us the opportunity to add some higher yielding securities that can help boost the yield while only slightly increasing volatility.”

## Hypothetical examples: how the fund uses treasury futures

Treasury futures are derivatives that track the prices of specific U.S. Treasury securities, providing exposure to that security for a nominal deposit. Shorting a Treasury future provides the opposite exposure – for example, if the value of the tracked Treasury security rises, the value of the short Treasury future will fall. Below are two examples of how the Fund uses Treasury futures. Keep in mind that the prices of futures contracts can be highly volatile and the loss from investing in them can exceed the initial investment.

### Potentially enhancing yield

› By owning Bond A and shorting the Treasury future, a synthetic bond is initially created with higher yield than and equal duration to Bond B.

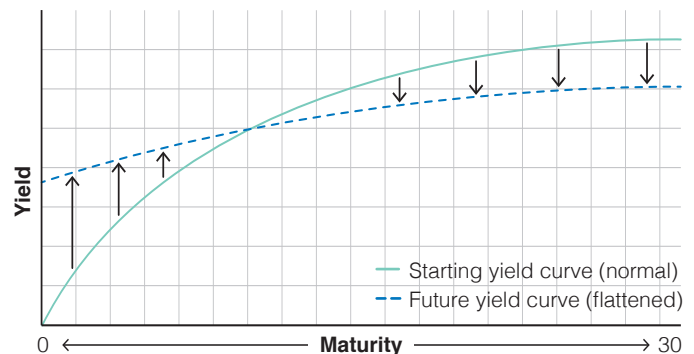
Utilizing futures allows the Fund to hold longer duration corporates and potentially hedge out the interest rate risk, leaving only the spread.

	Bond A	–	Treasury Future	=	Synthetic Bond		Bond B
Duration	7.5	–	5.0	=	2.5		2.5
Yield	3.5	–	1.0	=	2.5		2.0

**50 bps yield advantage over Bond B**

### Yield curve positioning

› When the curve is flattening, the Fund could use Treasury futures to lessen exposure to the front end of the curve and increase exposure on the long end, taking advantage of the changing price dynamics, while maintaining the desired duration target.



Charts are for informational purposes only and do not reflect the performance of any specific fund or security.

**Risks:** The Fund's value is influenced by a number of factors impacting the overall market, in particular debt securities and specific issuers. The value of U.S. government securities may be affected by changes in the credit rating of the U.S. government and may not be fully guaranteed by the U.S. government. 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. In addition to typical risks associated with fixed income and asset-backed securities, collateralized debt obligations are subject to additional 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 not pay its debt. The London Interbank Offered Rate (LIBOR) is being phased out, which brings uncertainty to instruments tied to it. Markets may also be impacted by domestic or global events, including public health threats, terrorism, natural disasters or similar events. The use of futures contracts involves additional risks such as a loss in value in the underlying instrument, which could decrease the Fund's value. High yield securities are subject to increased credit risk as well as liquidity risk. When bond inventories

are low in relation to the market size, there is the potential for decreased liquidity and increased price volatility. The Adviser's assessment of investments may prove incorrect, resulting in losses or poor performance. The Fund may engage in active and frequent trading of portfolio securities in implementing its principal investment strategies, which may result in higher transaction costs and higher taxes. These and other risks are described in the prospectus.

**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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