

MARCH 31, 2018

THRIVENT MID CAP STOCK FUND

Class S Shares | A Quarterly Update from the Portfolio Management Team

Q1 2018
COMMENTARY

🕒 This commentary from the Fund's portfolio management team summarizes the performance of the Thrivent Mid Cap Stock Fund. The managers explain the impact of economic factors, offer their outlook, and outline the Fund's positioning for the future.

MANAGEMENT



Brian J. Flanagan, CFA
Senior Portfolio Manager

Industry Since: 1993
Fund Since: 2004

KEY PERSONNEL



Brett Schwiesow, CFA
Portfolio Manager

Industry Since: 1995
Fund Since: 2008



Chad Miller, CFA
Portfolio Manager

Industry Since: 2010
Fund Since: 2013

Performance Factors

Thrivent Mid Cap Stock Fund had negative absolute return during the first quarter of 2018, but relative performance was still strong. The Fund was down -0.74% for the quarter while the S&P MidCap 400 Index was down -0.77% and the Lipper Mid Cap Core Median was down -1.17%. The Fund ranked in the 34th percentile of its Lipper peer group for the quarter. Over the past year, the Fund ranked in the 12th percentile of its Lipper peer group, with a return of 13.93% vs 9.27% for the Lipper median. The S&P MidCap 400 Index was up 10.97% over the past year. The Fund has ranked in the 2nd percentile of its Lipper peer group over each of the past three, five and ten-year time periods. The Fund had solid contributions from the financial, information technology, and materials sectors which were somewhat offset by the consumer discretionary and industrial sectors. Within the financial sector, Interactive Brokers Group and E*TRADE Financial both benefited from the increased market volatility. Red Hat and Twitter led the information technology sector as Red Hat's technology stack helped companies move to a hybrid-cloud environment, and Twitter's business turnaround gained some momentum. Rising steel prices buoyed

Steel Dynamics within the materials sector. Dish Networks buffered the Fund's consumer discretionary returns as investors grew impatient with the firm's spectrum strategy. Finally, Oshkosh Corporation and Southwest Airlines dragged down the industrial sector relative performance.

Portfolio Outlook

The market is glued to every data point to determine where we currently are in the business cycle. Employment is strong and improving, consumer and business confidence remains elevated, and corporations are producing cash flow at a record rate. GDP growth is accelerating toward three percent plus real growth, the Federal Reserve is gradually raising interest rates, money supply growth is slowing from eight percent to under four percent, and the purchasing managers index is in record high territory. All this data suggests the economic expansion is in the latter innings with the two biggest question marks being inflation and policy uncertainty (tariffs). In this environment, the Fund has a barbell strategy with many growth investments that can expand through a slowing economy and many less expensive cyclical holdings that should benefit if the economic expansion continues.

Thrivent Mid Cap Stock Fund Performance

Class S Shares | For the period ending March 31, 2018

Trailing Returns	3-Month	YTD	1-Year	3-Year	5-Year	10-Year
Thrivent Mid Cap Stock Fund Expense ratio: 0.72%	-0.74	-0.74	13.93	14.12	15.57	11.30
S&P MidCap 400® Index	-0.77	-0.77	10.97	8.96	11.97	10.90
Lipper Mid Cap Core Median	-1.17	-1.17	9.27	6.91	10.50	8.89
Lipper Rank %	34 153 of 455	34 153 of 455	12 50 of 439	2 6 of 344	2 4 of 297	2 4 of 203

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Risks: The Fund primarily invests in securities of mid-sized companies, which often have greater price volatility, lower trading volume, and less liquidity than larger, more established companies. 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.

This article refers to specific securities which Thrivent Mid Cap Fund owns. This information should not be considered investment advice or a recommendation of any particular security, strategy or product. Investment decisions should always be made based on an investor's specific financial needs, objectives, goals, time horizon, and risk tolerance. 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 or 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 in a mutual fund involves risks, including the possible loss of principal. The prospectus contains more complete information on the investment objectives, risks, charges and expenses of the fund, 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 the Thrivent Mutual Funds is Thrivent Distributors, LLC. Thrivent Distributors, LLC, is a registered broker/dealer and member of FINRA with its principal place of business at 625 Fourth Avenue South, Minneapolis, MN 55415. Asset management services provided by Thrivent Asset Management, LLC. Both entities are wholly owned subsidiaries of Thrivent Financial for Lutherans.



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