

This chart compares 10 years of annual performance from January through December of each year for 11 different fixed income asset classes. Choose any asset class—municipal bonds in the tan box, for example—and follow its performance over the past 10 years. Notice how this asset class has performed near or at the top and bottom compared to other asset classes throughout the 10 years. Or take corporate bonds in the dark gray box. This asset class shows the

best performance for three out of the past 10 years, but has also been among the worst performers within the same time period. This demonstrates the importance of diversification, since each fixed income category tends to vary in performance from one year to the next. A fixed income category that leads one year could trail the next year. Although diversification does not prevent losses, you may be able to help mitigate losses by diversifying across multiple fixed income categories.

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| 15.12% High yield bonds | 10.70% Municipal bonds | 17.95% Emerging markets | 7.44% High yield bonds | 9.05% Municipal bonds | 3.30% Municipal bonds | 17.13% High yield bonds | 10.51% International bonds | 1.82% Cash | 14.54% Corporate bonds |
| 12.84% Emerging markets | 9.81% Treasuries | 15.81% High yield bonds | 5.29% Leveraged loans | 7.46% Corporate bonds | 1.51% Mortgage backed securities | 10.16% Leveraged loans | 8.17% Emerging markets | 1.60% Short-term gov't/ credit | 14.32% High yield bonds |
| 10.13% Leveraged loans | 8.15% Corporate bonds | 9.82% Corporate bonds | 0.64% Short-term gov't/ credit | 6.08% Mortgage backed securities | 1.29% Emerging markets | 9.88% Emerging markets | 7.50% High yield bonds | 1.28% Municipal bonds | 13.11% Emerging markets |
| 9.00% Corporate bonds | 7.84% Core bonds | 9.66% Leveraged loans | 0.05% Cash | 5.97% Core bonds | 0.84% Treasuries | 6.11% Corporate bonds | 6.42% Corporate bonds | 0.99% Mortgage backed securities | 8.72% Core bonds |
| 6.54% Core bonds | 6.97% Emerging markets | 6.78% Municipal bonds | -1.41% Mortgage backed securities | 5.05% Treasuries | 0.65% Short-term gov't/ credit | 2.65% Core bonds | 5.45% Municipal bonds | 0.86% Treasuries | 8.64% Leveraged loans |
| 5.87% Treasuries | 6.23% Mortgage backed securities | 4.21% Core bonds | -1.53% Corporate bonds | 4.76% Emerging markets | -0.68% Corporate bonds | 1.67% Mortgage backed securities | 4.12% Leveraged loans | 0.44% Leveraged loans | 7.54% Municipal bonds |
| 5.37% Mortgage backed securities | 4.98% High yield bonds | 4.09% International bonds | -2.02% Core bonds | 2.45% High yield bonds | 0.55% Core bonds | 1.49% International bonds | 3.54% Core bonds | 0.01% Core bonds | 6.86% Treasuries |
| 4.95% International bonds | 4.36% International bonds | 2.59% Mortgage backed securities | -2.55% Municipal bonds | 1.60% Leveraged loans | 0.03% Cash | 1.28% Short-term gov't/ credit | 2.47% Mortgage backed securities | -2.08% High yield bonds | 6.35% Mortgage backed securities |
| 2.80% Short-term gov't/ credit | 1.59% Short-term gov't/ credit | 1.99% Treasuries | -2.75% Treasuries | 0.77% Short-term gov't/ credit | -0.69% Leveraged loans | 1.04% Treasuries | 2.31% Treasuries | -2.15% International bonds | 5.09% International bonds |
| 2.38% Municipal bonds | 1.52% Leveraged loans | 1.26% Short-term gov't/ credit | -3.08% International bonds | 0.02% Cash | -4.47% High yield bonds | 0.26% Cash | 0.84% Short-term gov't/ credit | -2.46% Emerging markets | 4.03% Short-term gov't/ credit |
| 0.13% Cash | 0.07% Cash | 0.08% Cash | -4.12% Emerging markets | -3.08% International bonds | -6.02% International bonds | 0.25% Municipal bonds | 0.82% Cash | -2.51% Corporate bonds | 2.21% Cash |

Index definitions

- **Cash alternatives** are represented by Bloomberg Barclays US Treasury 1-3 Month Index, which measures the performance of public obligations of the U.S. Treasury with maturities of 1-3 months.
- **Core bonds** are represented by Bloomberg Barclays US Aggregate Bond Index, which measures the performance of investment grade, U.S. dollar-denominated, fixed-rate taxable bond market (which includes Treasuries, government-related and corporate securities), mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage—or ARM—passthroughs), asset-backed securities (ABS), and commercial mortgage-backed securities (CMBS).
- **Corporate bonds** are represented by Bloomberg Barclays US Corporate Bond Index, which measures the performance of the investment grade, U.S. dollar-denominated, fixed-rate, taxable Corporate Bonds bond market. It includes USD-denominated securities publicly issued by U.S. and non-U.S. industrial, utility, and financial issuers that meet specified maturity, liquidity, and quality requirements.
- **Emerging markets** debt is represented by Bloomberg Barclays Emerging Market Aggregate Index, which measures the performance of hard currency Emerging Markets debt, including fixed and floating-rate U.S. dollar-denominated debt issued from sovereign, quasi-sovereign, and corporate Emerging Market issuers.
- **High yield bonds** are represented by Bloomberg Barclays US Corporate High Yield Bonds Index, which measures the performance of fixed-rate non investment-grade bonds.
- **International bonds** are represented by Bloomberg Barclays Global Aggregate Index ex USA, which measures the performance of global investment grade fixed-rate debt markets that excludes USD-denominated securities.
- **Leveraged loans** are represented by S&P/Loan Syndications and Trading Association (LSTA) Leveraged Loan Index, which measures the performance of 100 loan facilities drawn from the S&P/LSTA Leveraged Loan Index (LLI). Standard & Poor's chooses these based on market weightings, spreads, and interest payments of the largest facilities in the leveraged loan market.
- **Mortgage backed securities** are represented by Bloomberg Barclays US Mortgage-Backed Securities Index, which measures the performance of the agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARM) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).
- **Municipal bonds** are represented by Bloomberg Barclays Municipal Bonds Index. It measures the performance of the U.S. Long-Term tax exempt bond market with four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.
- **Short-term government/credit** is represented by Bloomberg Barclays US Government/Credit 1–3 Year Index, which measures the performance of the non-securitized component of the US Aggregate Index with maturities of 1-3 years, including Treasuries, government-related issues and corporate bonds.
- **Treasuries** are represented by Bloomberg Barclays US Treasuries Index, which measures the performance of public obligations of the U.S. Treasury.

Past performance is no indication of future results. Results shown assume reinvestment of dividends or interest. All indexes shown are unmanaged and do not reflect the typical costs of investing. Investors cannot invest directly in an index. Index performance is not indicative of the performance of any Thrivent investment product. Stocks are more volatile than bonds, and stocks of small and medium-sized companies will generally experience more price volatility than larger-company stocks. Bonds are also subject to risk, including credit and interest rate risk. High-yield or "junk" bonds fluctuate in price more than investment-grade bonds. International investing is subject to additional risks, including currency, economic and political risk.

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