

December 31, 2017

Inception Date 12/29/1997 **Total Fund Assets** \$353.4 million **Ticker** AABFX

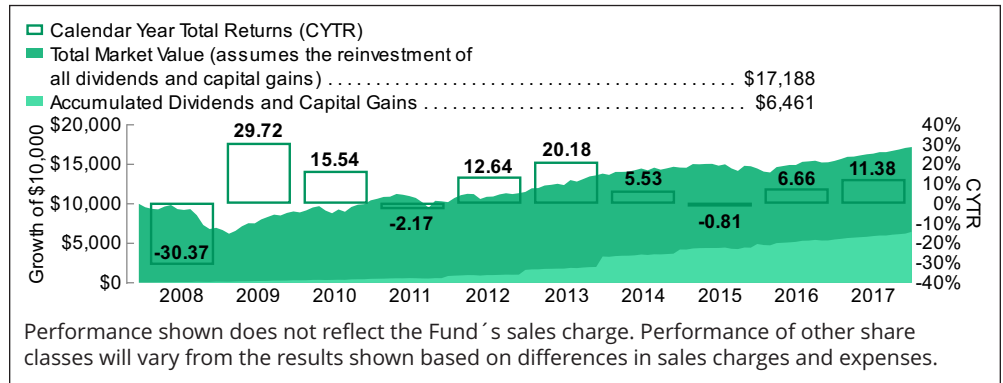
Fund Description

The Thrivent Balanced Income Plus Fund provides a balanced approach to income and capital appreciation. It has a long-term target allocation of 50% equity securities and 50% fixed income. Approximately half of the portfolio is invested in equity securities to provide potential growth, while the other half of the portfolio is invested in higher-yielding, higher-risk, fixed-income securities to generate income. Investments are diversified across sectors in order to manage risk, potentially provide more stability when interest rates rise, and to provide the opportunity for long-term capital growth and income.

Investment Strategy/Process

The portfolio management team actively manages the Fund with overweight and underweight positions in the various sectors based on their views of the market and economy. Individual stocks and bonds are analyzed and selected on an ongoing basis. The Fund is regularly rebalanced to ensure that the holdings are within appropriate ranges. Prior to August 16, 2013, the Fund was named Thrivent Balanced Fund. It invested in a balanced mix of stocks, bonds and cash alternatives. On August 16, 2013, the Fund adopted its current name and investment strategy, which includes the ability to invest a greater portion of its assets in higher-yielding fixed-income securities.

Growth of \$10,000 and Calendar Year Performance (%)



Trailing Returns — Average Annual (%)

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Incept.
Class A share (without sales charge)	2.88	11.38	11.38	5.62	8.37	5.57	5.70
Class A share (with 4.5% max sales charge)	-1.76	6.37	6.37	4.03	7.37	5.08	5.46
MSCI World Index - USD Net Returns	5.51	22.40	22.40	9.26	11.64	5.03	N/A
BBgBarc U.S. Mortgage-Backed Securities Index	0.15	2.47	2.47	1.88	2.04	3.84	N/A
BBgBarc U.S. High Yield Ba/B 2% Issuer Capped Index	0.40	6.92	6.92	5.87	5.45	7.45	N/A
S&P/LSTA Leveraged Loan Index	1.11	4.12	4.12	4.44	4.03	4.85	N/A
Lipper Mixed-Asset Target Alloc Moderate Funds Median ¹	3.12	12.72	12.72	5.76	7.29	5.03	N/A

All data represents past performance and assumes the reinvestment of dividends and capital gains. 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.

All performance shown reflects the current maximum sales charge of 4.5%. Prior to Feb. 29, 2016, the maximum sales charge was 5.5%; however, the prior rate is not reflected for periods that began prior to that date.

¹Source: Lipper LANA. 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.

Investment Objective

Thrivent Balanced Income Plus Fund seeks long-term total return through a balance between income and the potential for long-term capital growth.

Who Should Consider Investing?

The Fund may be suitable for investors who:

- Seek a balance of income and the opportunity for long-term growth.
- Have a medium to long-term investment time horizon and a moderate risk tolerance.
- Are able to withstand a moderate level of risk and volatility in pursuit of moderate long-term returns.

Minimum Investment

Initial (non-retirement): \$2,000
Initial (IRA or tax-deferred): \$1,000
Subsequent: \$50

Expense Ratio

Gross 1.11%
Net 1.11%

Benchmark(s)

Indexes are unmanaged and do not reflect the fees and expenses associated with active management. Investments cannot be made directly into an index.

- **Morgan Stanley Capital International (MSCI) World Index - USD Net Returns** represents large and mid cap stocks in 23 developed market countries.
- **Bloomberg Barclays (BBgBarc) U.S. Mortgage-Backed Securities Index** represents the performance of securities backed by pools of mortgages.
- **Bloomberg Barclays (BBgBarc) U.S. High Yield Ba/B 2% Issuer Capped Index** represents the performance of the non-investment grade, Ba or B-rated corporate bond market. Issuers are constrained to a maximum 2% weighting.
- **S&P/LSTA U.S. Leveraged Loan Index** is a market-value weighted index representing the performance of the universe of U.S. dollar-denominated, senior secured, syndicated term loans.

Fund Management & Experience

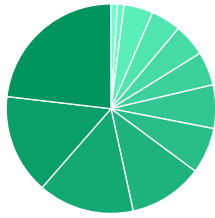
John T. Groton, Jr., CFA - Fund Start: 2016; Industry Start: 1993; **Stephen D. Lowe, CFA** - Fund Start: 2013; Industry Start: 1996; **Mark L. Simenstad, CFA** - Fund Start: 2015; Industry Start: 1983; **Noah J. Monsen, CFA** - Fund Start: 2015; Industry Start: 2008; **Reginald Pfeifer, CFA** - Fund Start: 2015; Industry Start: 1986

Risks: The Fund invests in debt securities and equity securities. 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 incorrect assessments of investments by its investment adviser. Bond prices generally fall as interest rates rise. 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. Leveraged loans, REITs, preferred securities, convertible securities, sovereign debt, and mortgage-related and other asset-backed securities are subject to additional risks. Foreign investments involve additional risks, including currency fluctuations, liquidity, political, economic and market instability, and different legal and accounting standards; these risks are magnified for investments in emerging markets. An ETF is subject to additional fees and expenses, tracking error, and the risks of the underlying investments that it holds. 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. The Fund may engage in active and frequent trading of portfolio securities in implementing its principal investment strategies.

THRIVENT BALANCED INCOME PLUS FUND — Class A

December 31, 2017

Fund Diversification



US Large Cap Equity	23.2%
Floating-Rate Bank Loans	15.5%
International Equity	14.9%
Securitized Debt	11.5%
US Mid/Small Cap Equity	7.2%
International Debt	6.8%
High Yield Bonds	5.3%
Opportunistic Fixed Income	5.1%
Real Estate	4.7%
Investment Grade Credit	4.6%
Cash	0.9%
Opportunistic Equity	0.3%

Bond Quality Rating Distribution (%)

The lower of the bond ratings assigned by Moody's Investor Services, Inc. or Standard & Poor's® Financial Services, LLC ("S&P"). Investments in derivatives and short-term investments are not included.

Category	Percentage
HIGH QUALITY (HQ)	
Cash	2.7
U.S. Gov't Guaranteed	11.8
AAA	0.7
AA	0.9
A	4.1
BBB	16.2
HIGH YIELD (HY)	
BB	25.8
B	23.1
CCC	3.0
CC	1.0
C	0.1
D	2.9
OTHER	
Non-Rated (NR)	4.2
ETFs/Closed-End Funds (may be (HQ/HY/NR))	3.5

Top 10 Holdings—Excluding Derivatives (11.68% of Fund, as of 11/30/2017)

FNMA Conv'l 30-Yr. Pass-Thru	2.63%
FNMA Conv'l 30-Yr. Pass-Thru	1.44%
Amazon.com, Inc.	1.27%
UnitedHealth Group, Inc.	1.20%
Apple, Inc.	1.20%
Materials Select Sector SPDR Fund	0.90%
FNMA Conv'l	0.88%
Comcast Corporation	0.78%
Visa, Inc.	0.70%
FHLM Corp Gold 30-Yr. Pass-Thru	0.68%

Dividend Distributions & Price History (Trailing 12-Months; Dividend Schedule: Paid Quarterly)

	Dividends	Month-End NAV ²	Month-End POP ³
Jan-17	—	\$12.50	\$13.09
Feb-17	—	\$12.72	\$13.32
Mar-17	\$0.0543	\$12.69	\$13.29
Apr-17	—	\$12.81	\$13.41
May-17	—	\$12.92	\$13.53
Jun-17	\$0.0773	\$12.91	\$13.52
Jul-17	—	\$13.06	\$13.68
Aug-17	—	\$13.06	\$13.68
Sep-17	\$0.0611	\$13.13	\$13.75
Oct-17	—	\$13.26	\$13.88
Nov-17	—	\$13.42	\$14.05
Dec-17	\$0.0776	\$13.27	\$13.90
	\$0.2703 (Total)	\$12.95 (Avg.) ⁴	\$13.56 (Avg.) ⁴

Capital Gains - Trailing 12-Months

Record Date	Short-Term Gain	Long-Term Gain	Total
12/13/2017	\$0.0150	\$0.1447	\$0.1598

²NAV = Net Asset Value (without sales charge, not available to all investors).

³POP = Public Offering Price (with sales charge - see prospectus for details).

⁴Average of the daily NAV/POP values for the trailing 12 months.

⁵Turnover Ratio: 12-month rolling as of 11/30/2017. A measure of the Fund's trading activity, calculated by dividing the lesser of long-term purchases or long-term sales by average long-term market value.

⁶Source: Barclays Capital Indices, POINT. ©2018 Barclays Capital Inc. Used with permission. POINT is a registered trademark of Barclays Capital Inc. Bloomberg Barclays U.S. Aggregate Bond Index measures the performance of U.S. investment grade bonds.

^{7,8,9}S&P 500® is a registered trademark of Standard & Poor's® Financial Services LLC, a part of McGraw Hill Financial, Inc. and/or its affiliates. The Index is a market-cap weighted index that represents the average performance of a group of 500 large-capitalization stocks. Sources: (7) Morningstar; (8) FactSet; (9) Thrivent Financial.

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 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.

FUND STATISTICS

Statistics shown below are compared to the S&P 500® Index and Bloomberg Barclays U.S. Aggregate Bond Index. These benchmarks are intended to provide a comparison to the broad U.S. large cap stock market and the broad U.S. bond market, and may not be representative of the Fund's investment strategies and holdings.

Holdings Information

Number of Holdings	1,097
Turnover Ratio (last 12-months) ⁵	143%
Percent U.S.	75.0%
Percent Non-U.S.	25.0%

Risk/Volatility Measures

Beta (3-year vs. S&P 500®): A measure of the volatility, or market risk, of an investment compared to the broad U.S. large cap stock market.



Standard Deviation: A statistical measure of volatility. The higher the standard deviation, the riskier an investment is considered to be.

	Fund	S&P 500® Index ⁷	BBgBarc U.S. Aggregate ⁶
3 Year	5.99%	10.07%	2.74%
5 Year	6.12%	9.49%	2.80%
10 Year	11.68%	15.08%	3.21%

Equity Characteristics (50.3% of Fund)

Market Capitalization: A measure of the size of the companies held in the portfolio, calculated by multiplying a company's total outstanding shares by the stock price.

	Fund	S&P 500® Index ⁸
Avg Mkt Cap	\$33.5 B	\$49.7 B
Wtd Median Mkt Cap	\$35.3 B	\$96.6 B

Price to Earnings (P/E) Ratio: A valuation ratio calculated by dividing the share price of each stock held in the portfolio by its trailing 12-month earnings per share.

	Fund	S&P 500® Index ⁹
P/E Ratio	21.6	23.2

Return on Equity (ROE): A measure of corporate profitability that shows how much net income the companies in the portfolio have generated as a percentage of shareholder equity.

	Fund	S&P 500® Index ⁹
ROE	14.7%	19.3%

Fixed Income Characteristics (49.7% of Fund)

Average Duration: A measure of a portfolio's sensitivity to changes in interest rates; the longer the portfolio's duration, the more sensitive it is.

	Fund	BBgBarc U.S. Aggregate ⁶
Average Duration (years)	3.2	6.0

Weighted Average Life: The market-value weighted average of the time remaining until the bond in the portfolio will repay principal.

	Fund	BBgBarc U.S. Aggregate ⁶
Wtd Avg Life (years)	6.6	8.2