

Thrivent Global Stock Fund

Q4 2023 Commentary

IILGX (Class S) • December 29, 2023

Management



Kurt Lauber, CFA

Senior Portfolio Manager

Industry: 1990
Firm: 2004
Fund: 2013



Noah Monsen, CFA

Senior Portfolio Manager

Industry: 2008
Firm: 2000
Fund: 2018



Lauri Brunner

Senior Portfolio Manager

Industry: 1993
Firm: 2007
Fund: 2018



David Spangler, CFA

Head of Mixed Assets & Market Strategies

Industry: 1989
Firm: 2002
Fund: 2019

Executive Summary

- For the latest quarter, the Fund outperformed the MSCI ACWI (All Country World Index) and outperformed the Morningstar peer group.
- Domestic equity and SMID (Small & Mid) Caps added to relative performance. Managers in aggregate modestly outperformed.
- For the 1-year, underperformed the index but outperformed the Morningstar peer group we manage the Fund to.
- Domestic equity added to relative performance; however, overweighted SMID Caps detracted. Strong aggregate manager contribution despite weak SMID manager performance.
- Overweighted growth holdings detracted from relative performance in the quarter but strongly added to performance in the trailing one year period.

Performance factors

For the latest quarter, the Fund outperformed the Index and its peer group. The overweighting to equity to the Fund's peer group added to relative performance. The approximate 5% overweighting to domestic equity modestly added to performance, despite Europe's relatively stronger performance. Overweighted SMID Caps added to performance. Managers in aggregate modestly added to performance, led by the large cap and international managers. SMID managers materially underperformed but are held in a lower weight than the large-cap and international managers. Among managers, Large Cap Value, Large Cap Growth, and International modestly outperformed their respective benchmarks, whereas the SMID value and SMID growth managers more materially underperformed their respective benchmarks. Within market factors, overweighted growth detracted from performance with value outperforming the October low.

For the 1-year the Fund underperformed its Index but outperformed its peer group. The overweighting to equity to the Fund's peer group benchmark added to relative performance. The approximate 5% overweighting to domestic equity added to performance with domestic outperforming by 7% to 15% over developed and emerging markets. Overweighted SMID Caps detracted with SMID Caps underperforming large caps by about 9%. Managers in aggregate strongly outperformed their respective benchmarks. The largest outperformance by far came from Large Cap Growth, followed by International, Large Cap Value, Market Tactical Quantitative strategy (MTQ), and quantitative Small Cap Value. Material underperformance came from SMID managers, including Small Cap Growth, fundamental Small Cap Value, and Mid Cap Growth. Within market factors, an overweighting to growth strongly added to performance with Growth outperforming by 29%.

Throughout the quarter the Fund was rebalanced to an approximate 1% to 2% overweighting to equity versus its peer group benchmark.

Portfolio outlook

As we look to 2024, the word "conflict" comes to mind. Whether considering budget battles on Capitol Hill, the sharp disagreement between the markets and the Federal Reserve (Fed), or actual wars in various regions around the world, the cumulative weight of the conflict, and its potential impact on the financial markets can't be ignored. This is especially true given the equity strength we saw at the end of the year. While it's not unusual to string back-to-back years of above-average performance together, the feat does not come without challenges. Thus far, the equity market has rallied on a modestly improved economic picture, a slowing in the rate of inflation, and an expectation the Fed will soften its stance on rates. Risks exist, particularly in the near term. Nevertheless, we suspect the general trend will persist, albeit less aggressively.

We are underweighted to international primarily in Europe and Emerging Markets. We favor domestic over international in the intermediate-to-long term for a variety of reasons including peak globalization, a higher degree of innovation domestically, greater demographic issues internationally, structural issues in Europe, and a more favorable climate for businesses (e.g., regulation) domestically. While there is a possibility international may outperform in the short term, we retain the capacity to add to our international underweighting if that occurs.

Large Cap's prior outperformance combined with lower rates while avoiding a recession (i.e., a soft landing) may provide an environment conducive for SMID caps to make up some ground. All things considered, an overweighting to domestic spread between large and mid-caps gives us the flexibility to take advantage of a higher-probability opportunity.

Performance

For the period ending December 29, 2023 • Periods less than one year are not annualized.

Average annualized returns (%)	3 months	YTD	1 year	3 years	5 years	10 years	Since Inception
Thrivent Global Stock Fund — S share	11.35	22.09	22.09	6.10	11.04	7.90	6.26
- Expense ratio: 0.66%; Incept. date 12/29/1997							
MSCI ACWI Index - USD NR	11.03	22.20	22.20	5.75	11.72	7.93	
Morningstar Global Large-Stock Blend Avg	10.55	18.12	18.12	5.31	10.60	7.23	
Learn more: thriventfunds.com • Advisors: 800-521-5308 sales@thriventfunds.com • Investors: 800-847-4836 contact your advisor							

Top 10 Holdings (excluding derivatives and cash) 14.06% of Fund, as of Nov 30 2023: Thrivent Core EM Eq Fd: 2.88%, Microsoft Corp: 2.20%, Thrivent Core Small Cap Value Fund: 1.94%, Alphabet, Inc., Class C: 1.44%, Amazon.com, Inc.: 1.30%, SPDR S&P 500 ETF Trust: 1.02%, NVIDIA Corp: 0.96%, Meta Platforms, Inc.: 0.93%, Novartis AG: 0.71%, QUALCOMM, Inc.: 0.68%

Any indexes shown are unmanaged and do not reflect the typical costs of investing. Investors cannot invest directly in an index.

MSCI All Country World Index - USD Net Returns measures equity market performance in all global developed- and emerging-markets.

The Morningstar average represents the average total return annualized when greater than one year for all reported funds in the category. Morningstar averages do not include sales charges/fees. If included, returns would have been lower. ©2024 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

Risks: The Fund's value is influenced by a number of factors, including the performance of the broader market, the effectiveness of the Adviser's allocation strategy, and risks specific to the Fund's asset classes, market cap groups, investment styles, and issuers. The Adviser is also subject to actual or potential conflicts of interest. Large companies may be unable to respond quickly to new competitive challenges and may not be able to attain a high growth rate. The use of derivatives (such as futures) involves additional risks and transaction costs. Foreign investments involve additional risks, such as currency fluctuations and political, economic and market instability, which may be magnified for investments in emerging markets. The Adviser's assessment of investments may prove incorrect, resulting in losses or poor performance. Securities markets generally tend to move in cycles with periods when security prices rise and periods when security prices decline. The Fund invests in other funds; therefore, the Fund is dependent upon the performance of the other funds and is subject to the risks, additional fees and expenses of the other funds. The use of quantitative investing techniques also involves risks. These and other risks are described in the prospectus.

This commentary may refer to specific securities which Thrivent Mutual Funds may own. A complete listing of the holdings for each of the Thrivent Mutual Funds is available on thriventfunds.com.

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 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 or by calling 800-847-4836.

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