

Thrivent Large Cap Growth Fund

Q3 2021 Commentary

THLCX (Class S) • September 30, 2021

Management



Lauri Brunner
Senior Portfolio Manager
Industry since: 1993
Thrivent since: 2007
Fund since: 2018

Key Personnel



Jaimin Soni, CFA
Senior Portfolio Manager
Industry since: 2008
Thrivent since: 2019
Fund since: 2019

Executive summary

- Thrivent Large Cap Growth Fund lagged the Russell 1000 Growth Index for the quarter.
- The Technology and Health Care sectors were laggards.
- Dexcom, a Health Care name, was the Fund's top performer, while PayPal Holdings, in fintech was the poorest performer.

Performance factors

The Fund returned 0.25% vs. a 1.16% return for the Russell 1000 Growth Index for the quarter. Following a strong result in the second quarter, PayPal underperformed in the third quarter as the company did not raise full year 2021 EPS (earnings per share) guidance despite a strong second quarter EPS report. It also missed on revenue growth expectations. The company continues to innovate and launch new services offerings in its mobile app and we believe the company will continue to deliver strong revenue and EPS growth. Performance in the Health Care sector was hurt by poor hospice segment results at Amedisys. Performance also faced a headwind from the strong performance of Moderna, which is not owned in the Fund, due to developments in the COVID-19 vaccine space.

In the past few months, we exited Booking.com, in the Consumer Discretionary sector. The company has open up exposure following the COVID-19 pandemic. We replaced it with Penn National Gaming, which also has open up exposure, but with a US only focus on middle income demographics. The Fund is reviewing more names that are on the lower end of the large-cap market size spectrum, than one year ago.

The Fund returned 25.13% during the previous 12 months which compared to 27.32% for the Russell 1000 Growth Index. At the security level, Amazon.com was the Fund's biggest laggard due to the Fund's large active position and meaningful underperformance of the shares vs. the benchmark in the trailing 12-month period. Hailed as a key beneficiary of stay in place activity during the global pandemic, sentiment has shifted to the tough year over year comparisons and slower expected growth rates into focus. On the positive side, Charles Schwab Corp. has been a very strong performer for the Fund over the past 12 months. Schwab benefits from the prospect of higher interest rates and increased retail trading activity. At the sector level, Technology and Health Care underperformed for the period while the Fund recorded strong performance in the Communication Services sector led by Alphabet, Twitter, and concert promoter Live Nation Entertainment, which the Fund purchased during the initial swoon in stocks during the emergence of COVID-19 in 2020.

Portfolio outlook

We believe investors will favor large-cap growth companies with strong organic growth opportunities, expanding total addressable markets (TAMs), and operating initiatives that reflect data-driven insights to serve their end markets. We are reviewing more companies than we were one year ago which aids our overall selection process.

Thrivent Large Cap Growth Fund performance

Class S shares | For the period ending September 30, 2021

Average annualized returns (%) Periods less than one year are not annualized.	3 months	YTD	1 year	3 years	5 years	10 years
Thrivent Large Cap Growth Fund Class S share; Expense ratio: 0.77%	0.25	14.24	25.13	21.59	22.81	19.47
Russell 1000® Growth Index¹	1.16	14.30	27.32	22.00	22.84	19.68
S&P 500® Growth Index²	1.87	16.44	28.86	20.23	21.15	18.96
Lipper Large-Cap Growth Median	0.32	13.20	26.08	20.97	22.15	19.15
Lipper rank %	63 (421 of 668)	35 (232 of 662)	59 (384 of 657)	30 (176 of 603)	23 (122 of 548)	22 (93 of 425)

Financial professionals: Contact us at sales@thriventfunds.com or call 800-521-5308

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

¹Russell 1000® Growth Index measures the performance of U.S. large capitalization growth-oriented equities.

²S&P 500® Growth Index measures the performance of the growth stocks in the S&P 500 Index.

Risks: Large companies may be unable to respond quickly to new competitive challenges and may not be able to attain a high growth rate. The Fund's value is influenced by a number of factors, including the performance of the broader market, and risks specific to the Fund's asset classes, investment styles, and issuers. Common stocks of companies that rely extensively on technology, science or communications in their product development or operations may be more volatile than the overall stock market and may or may not move in tandem with the overall stock market. Markets may also be impacted by domestic or global events, including public health threats, terrorism, natural disasters or similar events. The Adviser's assessment of investments may prove incorrect, resulting in losses or poor performance. Foreign investments involve additional risks, such as currency fluctuations and political, economic and market instability, which may be magnified for investments in emerging markets. These and other risks are described in the prospectus.

This commentary may refer to specific securities which the Fund(s) may own. This information should not be considered investment advice or a recommendation of any particular security, strategy or product. 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/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 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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