

# Thrivent Large Cap Growth Fund

## Q4 2023 Commentary

THLCX (Class S) • December 29, 2023

### Management



**Lauri Brunner**

Senior Portfolio Manager



**Jaimin Soni**

Senior Portfolio Manager

Industry: 1993  
Firm: 2007  
Fund: 2018

Industry: 2008  
Firm: 2019  
Fund: 2022

### Executive Summary

- For the calendar year 2023, Thrivent Large Cap Growth Fund outperformed the Russell 1000 Growth benchmark.
- Fourth quarter's performance was aided by ownership of semiconductors while Cisco was a detractor of performance.
- For the year, NVIDIA led in semiconductor companies' performance, driven by the success of its graphics processing units (GPUs) in generative AI. Meta (formerly Facebook) performed well by initiating cost-cutting and consistently improving revenue metrics throughout the year.

### Performance factors

The Fund's positive performance for the year was driven by stock selection. The biggest contribution came from the Industrials, Communication Services, and Consumer Discretionary sectors while Financials were the laggard. In Industrials, Uber led the way. The company demonstrated a credible path to profitability in 2023 and swung from losses to profits which was a great recipe for stock outperformance. Meta Platforms, within Communication Services, was the single biggest driver of performance as the stock benefited from a combination of cost discipline and revenue acceleration. Meta was able to show a balance between investing in near-term growth initiatives like Reels and click-to-message ads, as well as longer-term areas like artificial intelligence, while managing its cost structure by culling head count. In the Consumer Discretionary sector, Amazon.com and Tesla were the highlights. Amazon's revenue metrics re-accelerated, and the company focused on cost cuts—a winning formula. Tesla continued to make steady progress worldwide in the electric vehicle (EV) battle and importantly some local competitors faltered on unit deliveries, which left more of the domestic market to Tesla, a favorable competitive development. Lastly to highlight NVIDIA Corporation which was the biggest positive contributor to performance in the Information Technology sector as demand for NVIDIA's semiconductor chips used for artificial intelligence applications has been very strong resulting in revenues and profits well above consensus expectations. PayPal Holdings in the Financial sector was the biggest laggard for the Fund. PayPal stock has remained weak as it undergoes a management transition while facing macro pressures. They have recently appointed a new CEO and CFO, and we see opportunity for the company to improve its growth in a large addressable market.

### Portfolio outlook

Going forward, we believe investors will favor large-cap growth companies with strong organic growth opportunities, large and/or expanding target addressable markets, and operating initiatives that reflect data-driven insights to serve their end markets. Over the past 12 months, we have trimmed positions that have outperformed and continue to look for opportunities in names where we see long-term growth prospects. Our investment process continues along the same path with ongoing refinements. We view our meetings with the large-cap analysts as crucial to our process of researching existing names (operating developments) and considering new names to add to the Fund. In terms of refinements, we have added rigor to our risk management process by including weekly reviews of Fund positioning on quantitative factors. Our commitment to adjust position sizes based on a company's execution of near and long-term key performance indicators (KPIs) is unchanged.

## 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 Large Cap Growth Fund — S share	14.04	46.43	46.43	5.96	17.56	13.33	6.70
- Expense ratio: 0.76%; Incept. date 10/29/1999							
Russell 1000 Growth Index	14.16	42.68	42.68	8.86	19.50	14.86	
S&P 500® Grwth Index	10.09	30.03	30.03	6.61	16.23	13.35	
Morningstar Large Growth Avg	13.83	36.74	36.74	4.68	15.74	12.03	

Learn more: [thriventfunds.com](https://thriventfunds.com) • Advisors: 800-521-5308 | [sales@thriventfunds.com](mailto:sales@thriventfunds.com) • Investors: 800-847-4836 | contact your advisor

**Top 10 Holdings** (excluding derivatives and cash) 48.23% of Fund, as of Nov 30 2023: Microsoft Corp: 10.91%, Amazon.com, Inc.: 7.53%, Alphabet, Inc., Class C: 6.55%, NVIDIA Corp: 5.53%, Meta Platforms, Inc.: 3.66%, Apple, Inc.: 3.61%, Tesla, Inc.: 2.85%, ServiceNow, Inc.: 2.69%, UnitedHealth Grp Inc: 2.49%, Home Depot, Inc.: 2.41%

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

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

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

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:** 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. Foreign investments involve additional risks, such as currency fluctuations and political, economic and market instability. 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. A non-diversified portfolio is generally more susceptible to the risk that events or developments affecting a particular issuer or industry will significantly affect performance results. 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. 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](https://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](https://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](https://thriventfunds.com) or by calling 800-847-4836.**

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