

Thrivent Mid Cap Growth Fund

Q3 2021 Commentary

TMSGX (Class S) • September 30, 2021

Management



David Lettenberger, CFA
Senior Portfolio Manager

Industry since: 1993
Thrivent since: 2013
Fund since: 2020



Siddharth Sinha, CFA
Senior Portfolio Manager

Industry since: 2012
Thrivent since: 2015
Fund since: 2020

Key Personnel



Patrick Farley, CFA
Senior Portfolio Manager

Industry since: 2018
Thrivent since: 2018
Fund since: 2021

Kirk Streckfus, CFA
Senior Portfolio Manager

Industry since: 2003
Thrivent since: 2019
Fund since: 2020

Executive summary

- The Fund outperformed the Russell Midcap Growth Index by 2.88% in the third quarter and by 1.23% over the past 12 months.
- Strong stock selection strength in Industrials and Information Technology drove the outperformance during the quarter and was offset by minor weakness in Health Care and Consumer Discretionary. On a trailing 12-month basis, stock selection was broadly positive across most sectors, except Health Care, and it drove the majority of the 12-month outperformance.
- Fund remains overweight cyclical growth in sectors such as Industrials, Financials and Materials as well as in Health Care.

Performance factors

Thrivent Mid Cap Growth Fund delivered 2.12% absolute return during the third quarter, ahead of -0.76% return for the Russell Midcap Growth Index. The primary driver of the outperformance was stock selection in Industrial and Information Technology. From a stock selection perspective, in Information Technology, the Fund's positioning in software stocks such as Bill.com Holdings, Paycom Software, Sprout Social, and semiconductor stock Monolithic Power Systems, contributed to outperformance as strong stock specific results drove significant gains in these stocks. Similarly, in Industrials, stocks such as Vicor Corporation and Chart Industries delivered solid performance. These next-gen Industrial growth stocks benefited from near term results and realization of long-term growth potential in high voltage electrification and growth in alternative energy generation respectively. Stock selection hurt in Health Care with home health services provider LHC Group and health equipment provider Nevro underperforming due to COVID-19 related issues impacting the Health Care industry in the form of deferred elective procedures, higher labor and other inflationary costs.

The Fund continues to maintain an overweight position in the more cyclical Industrial, Financial and Materials sectors as well as in Health Care. New positions that were initiated during the quarter included Sprout Social and Vicor Corporation, both of which contributed to strong performance during the quarter, as well as Avantor. Stocks exited during the quarter include Domino's Pizza, Global Payments, Lumentum Holdings, and Take-Two Interactive Software.

Thrivent Mid Cap Growth Fund generated higher returns than the Index for the last 12 months. The Fund's return of 31.68% was ahead of the Russell Mid Growth Index return of 30.45%. Stock selection was strong across most sectors, particularly in Industrials, as well as in Financials, Materials and Consumer Discretionary. Stock selection lagged in the Health Care and slightly in Information Technology and Real Estate.

Portfolio outlook

The portfolio management team continues to identify and invest in those companies with sustainable growth opportunities and strong competitive advantages that can execute regardless of the market or economic environment. As noted above, the Fund maintains an overweight position cyclical growth sectors given current and expected market and economic dynamics. In addition, given the high volatility and frequent rotations between growth and value sectors this year, the Fund has used the sell-offs to initiate new positions, especially in the Technology and Health Care sectors, as we believe the corrections presents an opportunity to evaluate new secular growth stocks in these sectors that fit the Fund mandate.

Thrivent Mid 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	Since inception Feb. 28, 2020
Thrivent Mid Cap Growth Fund Class S share; Expense ratio: 0.90% net, ¹ 3.38% gross	2.12	9.58	31.68	38.83
Russell MidCap® Growth Index²	-0.76	9.60	30.45	—
Lipper Mid Cap Growth Median	7.73	8.98	43.76	—
Lipper rank %	20 (77 of 394)	50 (189 of 384)	43 (155 of 367)	—

¹The Adviser has contractually agreed, for a period of one year from the date of the most recent prospectus, to waive certain fees and/or reimburse certain expenses associated with the Fund. Refer to the Fees & Expenses table in the Fund's [prospectus](#). If this waiver had not been in effect, performance would have been lower.

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.

²Russell Midcap® Growth Index measures the performance of U.S. medium-capitalization growth-oriented equities.

Risks: Medium-sized companies often have greater price volatility, lower trading volume, and less liquidity than larger, more established companies. The Fund's value is influenced by factors impacting the overall market, certain asset classes, certain investment styles, and specific issuers. Markets may also be impacted by domestic or global events, including public health threats, terrorism, natural disasters or similar events. 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. The Adviser's assessment of investments may prove incorrect, resulting in losses or poor performance. 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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