

Thrivent Mid Cap Value Fund

Q1 2025 Commentary

TMCVX (Class S) • March 31, 2025

Management



Graham Wong, CFA
Senior Portfolio Manager

Industry: 2001
Firm: 2013
Fund: 2020



Nicholas Griffith, MD, CFA
Portfolio Manager

Industry: 2010
Firm: 2021
Fund: 2022

Executive Summary

- For the quarter, Thrivent Mid Cap Value Fund underperformed its benchmark due to negative stock selection.
- Performance was negative in 6 out of 11 sectors, led by Industrials and Consumer Staples.
- For the year, the Fund's underperformance versus the benchmark was driven by negative performance in 6 out of 11 sectors.
- The Fund is taking advantage of market volatility, driven by an uncertain business environment, to replace low conviction holdings with higher quality companies that are trading at a discount.

Performance factors

Thrivent Mid Cap Value Fund underperformed its benchmark, Russell Midcap Value Index, during the quarter driven by negative stock selection. Performance was negative in 6 out of 11 sectors led by Industrials and Consumer Staples. Performance was positive in Healthcare and Energy.

In Industrials, anticipated recovery of the trucking cycle continues to be pushed out which hurt the performance of Werner and JB Hunt. Similarly, Robert Half underperformed as expectations for a rebound in the temporary staffing market were also postponed. Both industries are in prolonged downcycles that we believe will improve unless we go into a recession.

In Consumer Staples, J&J Snack Foods underperformed due to cost input inflation, especially in eggs and cocoa, which drove a margin shortfall in the quarter. They implemented additional price increases to restore margins.

The Healthcare and Utilities sectors contributed positively to performance in the quarter. In Healthcare, the diversified and defensive business of Johnson & Johnson helped performance as other stocks sold off. In Utilities, Duke Energy and Alliant Energy outperformed as regulated utilities rallied in a risk-off market environment. Investors were also rewarded for these utilities' improving earnings growth profile.

On a trailing 12-month basis, performance was negative versus the benchmark with unfavorable selection in 6 out of 11 sectors.

Portfolio outlook

The US economy is displaying mixed signals with stronger manufacturing activity and moderating inflation, yet consumer confidence remains weak. Uncertainty around tariffs and government budget cuts have caused businesses to delay or reduce purchase decisions. Weaker business and consumer sentiments are causing increased stock market volatility.

The Fund does not invest based on top-down macroeconomic forecasts but instead focuses on generating alpha through bottom-up stock selection. The Fund is taking advantage of market volatility to sell or trim lower-conviction holdings while simultaneously reinvesting the proceeds in higher quality companies that have sold off.

Performance

For the period ending March 31, 2025 • 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 Mid Cap Value Fund — S share	-3.70	-3.70	-0.68	3.86	18.65	N/A	13.47
- Expense ratio: net 0.90%, gross 1.42%; Incept. date 2/28/2020							
Russell MidCap Value Index	-2.11	-2.11	2.27	3.78	16.70	7.62	
S&P MidCap 400 Value Index	-3.70	-3.70	3.32	5.14	19.26	8.42	
Morningstar Mid-Cap Value Avg	-1.65	-1.65	1.45	4.80	17.58	7.53	

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) 19.24% of Fund, as of Feb 28 2025: U.S. Bancorp: 2.31%, M&T Bank Corp: 2.09%, MSC Industrial Direct Co Inc: 1.99%, Allstate Corp: 1.89%, Carlyle Grp, Inc.: 1.88%, NiSource, Inc.: 1.85%, Axalta Coating Syst, Ltd.: 1.83%, Devon Energy Corp: 1.82%, Hexcel Corp: 1.80%, Coterra Energy, Inc.: 1.78%

The 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. If not waived, returns would have been lower. Refer to the Fees & Expenses table in the prospectus.

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

Russell Midcap® Value Index measures the performance of U.S. medium-capitalization value-oriented equities.

S&P Midcap 400 Value Index measures the performance of U.S. medium-capitalization value-oriented equities.

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. ©2025 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: 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 a number of factors, including the performance of the broader market, and risks specific to the Fund's asset classes, investment styles, and issuers. 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 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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