

# Thrivent Small Cap Growth Fund

Class S TSCGX

December 31, 2025

## Management



**Michael Hubbard**

Senior Portfolio Manager

Industry: 2007

Fund: 2022



**Patrick Farley, CFA**

Portfolio Manager

Industry: 2018

Fund: 2024



**Nabil Elsheshai, CFA**

Senior Portfolio Manager

Industry: 2005

Fund: 2025

## Executive Summary

- The Fund underperformed the Russell 2000 Growth Index during the fourth quarter of 2025. The primary driver of underperformance in the quarter was stock selection and an underweight allocation to biotech in the Health Care sector.
- The Fund underperformed the Russell 2000 Growth Index during the 12-month period ending December 31, 2025. The primary driver of underperformance in the trailing twelve-month period was stock selection in the Health Care and Consumer Staples sectors.
- From a sector standpoint, the biggest changes were the following: Information Technology overweight increased, Consumer Staples overweight reduced, Industrials overweight increased, and Communication Services underweight increased. These changes are more a product of new idea timing rather than a tactical change

## Performance factors

Thrivent Small Cap Growth Fund generated a return of -0.04% versus a 1.22% return for the Russell 2000 Growth Index during the fourth quarter of 2025. The underperformance was driven primarily by stock selection and an underweight allocation to biotech in the Health Care sector.

A significant portion of the underperformance this quarter can be attributed to the Fund's underweight allocation to biotech. On an individual stock selection basis, the Fund's top detractors came from the Information Technology sector. I3 Verticals Inc, a software and services organization focused on developing solutions for the public sector, underperformed in the quarter as revenue recognition on certain project implementations were delayed and the company continues to ramp research & development spending. Cognex Corporation, an Industrial technology company that develops and manufactures machine vision products used to automate manufacturing and logistics operations around the world, underperformed as the company indicated initial growth prospects in 2026 would be slower than anticipated as the company remains in the initial stage of an industrial cycle. In Health Care, several un-owned names contributed negatively to performance.

Partially offsetting these negatives were positive contributions from JFrog, a software technology company, Triumph Financial, Inc, a bank and transportation payments company, and Digital Ocean Holdings Inc, a cloud infrastructure provider.

For the 12-month period ending December 31, 2025, the Fund's return of 1.83% was below the Russell 2000 Growth

Index return of 13.01%, with most of the underperformance due to poor stock selection in the Health Care and Consumer Staples sectors.

CorVel Corporation, a Health Care managed care and claims management organization, underperformed as the company's largest segment, patient management, experienced softer growth and decreasing margins. In Consumer Staples, J&J Snack Foods, a branded snack foods and frozen beverage product manufacturer, saw its growth decline primarily driven by weaker sales in frozen beverages and foodservice, influenced by softer traffic in the theater channel and the non-repeat of a limited time offer with a quick service restaurant. Gross margin also disappointed driven by volume deleverage and mix.

Partially offsetting the negative performance in Health Care and Consumer Staples was positive stock selection in Information Technology and Consumer Discretionary.

While sector positioning of the Fund is a by-product of our stock selection process, relative sector weights are monitored and managed in the context of a rigorous approach to risk management. In the quarter, the Fund's overweight to Information Technology increased while the Consumer Staples overweight was reduced as names were sold where the thesis played out or was wrong.

## Portfolio outlook

With the current level of business uncertainty and the Federal Funds rate remaining at elevated levels, it is unclear by how much and how long the economy will be impacted. However, investor sentiment about the economy fluctuates much more rapidly and with greater amplitude than actual changes in economic activity. These swings in sentiment often present opportunities. As a result, positions were added to or initiated in Consumer Discretionary and Information Technology, while other positions were reduced or sold as investment thesis played out or proved no longer valid. Our focus remains on finding quality growth companies with significant opportunities for growth in sales, income, and free cash flow.

## Performance

For the period ending December 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 Small Cap Growth Fund — S share - Expense ratio: net 0.95%, gross 1.09%; Incept. date 2/28/2018	-0.04	1.83	1.83	7.44	1.36	N/A	9.20
Russell 2000 Growth Index	1.22	13.01	13.01	15.58	3.18	9.57	
S&P SmallCap 600 Grwth Index	0.07	5.37	5.37	10.60	5.53	9.82	
Morningstar Small Growth Avg	1.46	8.06	8.06	13.01	2.93	10.30	

**Top 10 Holdings** (excluding derivatives and cash): 20.22% of Fund as of Nov 28 2025: BWX Tech, Inc.: 2.49%, Fabrinet: 2.30%, Installed Bldg Products Inc: 2.29%, RBC Bearings, Inc.: 2.14%, JFrog, Ltd.: 2.05%, Huron Consulting Grp Inc: 1.87%, Agilysys, Inc.: 1.81%, Modine Mfg Co: 1.77%, HealthEq, Inc.: 1.76%, Vita Coco Co, Inc.: 1.74%

**Advisors:** [fp.thriventfunds.com](http://fp.thriventfunds.com) • 800-521-5308 • [sales@thriventfunds.com](mailto:sales@thriventfunds.com) **Investors:** contact your advisor

**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](http://thriventfunds.com) for performance results current to the most recent month-end.**

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. For more information on the index providers and their disclaimers, visit [thriventfunds.com/privacy-and-security/index-provider-notices](http://thriventfunds.com/privacy-and-security/index-provider-notices).

**Russell 2000® Growth Index** measures the performance of U.S. small-capitalization growth-oriented equities.

**S&P Small Cap 600 Growth Index** is a marketcap weighted index that represents the average performance of a group of 600 small-capitalization U.S. stocks.

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. ©2026 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:** Smaller, less seasoned 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. 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](http://thriventfunds.com).

**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](http://thriventfunds.com) or by calling 800-847-4836.**

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