

Thrivent Income Fund

Class S LBIX

December 31, 2025

Management



Kent White, CFA

VP, Fixed Income Mutual
Funds
Industry: 1999
Fund: 2017



Courtney Swensen, CFA

Senior Portfolio Manager
Industry: 2005
Fund: 2023

Executive Summary

- Thrivent Income Fund modestly underperformed the Bloomberg U.S. Corporate Bond Index by 0.06% during the fourth quarter. The Fund's underperformance was driven largely by a negative contribution from an overweight to high quality U.S. Treasuries. However, duration and curve positioning offset some of this underperformance as both contributed positively during the quarter. An overweight to U.S. Agency mortgage-backed securities also contributed positively to performance.
- We are maintaining an up-in-quality bias due to remaining macroeconomic uncertainty and historically rich valuations in the credit markets. We also continue to maintain larger than normal allocations to higher quality sectors of the bond market, including U.S. Treasuries and high-quality securitized assets.
- While we do not currently find much value in credit spreads (the difference in yield between a corporate bond and a similar maturity U.S. Treasury bond), we do believe absolute yield levels for investment grade corporate bonds remain very attractive and that high-quality fixed income remains a valuable part of a diversified portfolio, especially in this uncertain environment.

Performance factors

Thrivent Income Fund underperformed the Bloomberg U.S. Corporate Bond Index by 0.06% during the fourth quarter. The Fund's underperformance was driven largely by a negative contribution from an overweight to high quality U.S. Treasuries relative to its benchmark. However, duration and curve positioning helped offset some of this underperformance as both contributed positively during the quarter. An overweight to U.S. Agency mortgage-backed securities relative to its benchmark also contributed positively to performance during the quarter.

The Fund outperformed the Bloomberg U.S. Corporate Bond Index by 0.12% over the 12-month period ended December 31, 2025. The most significant driver of the Fund's outperformance over this period was security selection in investment grade and high yield corporates. Duration positioning was also a significant contributor to the Fund's outperformance during this period.

During the quarter the Fund shifted some of its exposure from corporate bonds to higher quality sectors including U.S. Treasuries and U.S. agency-backed mortgage securities, maintaining our up-in-quality bias due to historically rich valuations in the credit markets. We also shifted to a much more modest yield curve steepener that had been in place for much of the year and had performed very well. We may add duration if we were to become increasingly concerned about the trajectory of the U.S. economy, and particularly the labor markets.

Portfolio outlook

Investment grade corporate bonds outperformed similar maturity U.S. Treasuries during the quarter and credit spreads in the U.S. corporate bond market remain at historically rich levels. While we do not currently find much value in credit spreads, we continue to believe absolute yield levels for investment grade corporate bonds are still attractive and high-quality fixed income remains a valuable part of a diversified portfolio in this environment. Offsetting concerns on the valuation side, corporate balance sheets are in good shape and do provide a cushion to any weakness in earnings during 2025. The economy also appears to be on decent footing heading into the new year, with some concerns around the consumer and the labor markets. We continue to maintain a somewhat defensive risk profile.

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 Income Fund — S share	0.78	7.89	7.89	6.71	0.34	3.61	4.73
<i>- Expense ratio: net 0.47%, gross 0.47%; Incept. date 10/31/1997</i>							
Bloomberg U.S. Corp Bd Index	0.84	7.77	7.77	6.10	-0.09	3.27	
Morningstar Corporate Bond Avg	0.78	7.65	7.65	6.26	0.25	3.23	

Top 10 Holdings (excluding derivatives and cash): 8.35% of Fund as of Nov 28 2025: FHLMC 30-Yr. Pass-Thru: 1.57%, U.S. Treasury Notes: 1.26%, U.S. Treasury Bds: 1.02%, U.S. Treasury Notes: 0.95%, U.S. Treasury Bds: 0.94%, Sprint Capital Corp: 0.66%, U.S. Treasury Bds: 0.53%, FHLMC 30-Yr. Pass-Thru: 0.50%, CCO Holdings, LLC/CCO Holdings Capital Corp: 0.49%, Bank of America Corp: 0.43%

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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.

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.

Bloomberg US Corporate Bond Index measures the investment grade, fixed rate, US taxable corporate bond market.

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: Debt securities are subject to risks such as declining prices during periods of rising interest rates and credit risk, or the risk that an issuer may not pay its debt. High yield securities are subject to increased credit risk as well as liquidity risk. The use of derivatives (such as futures) involves additional risks and transaction costs. Foreign investments involve additional risks, such as currency fluctuations and political, economic and market instability, which may be magnified for investments in emerging markets. To the extent that the financials sector continues to represent a significant portion of the Fund, The Fund will be sensitive to changes in, and its performance may depend to a greater extent on, factors impacting this sector. U.S. government securities may not be fully guaranteed by the U.S. government and issues may not have the funds to meet their payment obligations. The value of U.S. government securities may be affected by changes in credit ratings, which may be negatively impacted by rising national debt. The Adviser's assessment of investments may prove incorrect, resulting in losses or poor performance. The Fund's value may be affected by factors specific to an issuer within the Fund. When bond inventories are low in relation to the market size, there is the potential for decreased liquidity and increased price volatility. The Fund's value is influenced by the performance of the broader market. The value of mortgage-related and other asset-backed securities will be influenced by the factors affecting the housing market and the assets underlying such securities. In unusual circumstances, the Fund could experience a loss when selling portfolio securities to meet redemption requests for a variety of reasons. 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.

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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