

Thrivent Money Market Fund

Q1 2025 Commentary

AALXX (Class S) • March 31, 2025

Management



William Stouten

Senior Portfolio Manager

Industry: 1993

Firm: 2001

Fund: 2003

Executive Summary

- The Federal Funds rate was held steady during the quarter, and since yields remained attractive on a risk-adjusted basis compared to other asset classes, industry assets continued to climb.
- The primary driver in performance was the relative exposure to SOFR-indexed (Secured Overnight Financing Rate) US Govt Agency obligations.
- The Fund's credit quality remains conservative with 100% invested in U.S. government or government agency related securities. As in any interest rate environment, the Fund's safety and liquidity remain our primary objectives.

Performance factors

The Federal Funds (Fed Funds) target rate was held steady at the 4.25-4.50% range through the quarter. With Fed Funds above reported inflation, money fund yields overall remained attractive relative to other asset classes on a risk-adjusted basis. As a result, money fund industry assets continued to grow reaching almost \$7 trillion in assets by the end of the quarter. Thrivent Money Market Fund extended in Treasuries during the quarter, raising the weighted-average-maturity (WAM) from approximately 11 days to 17 days. The WAM remained short relative to peers, however, which allowed room to maintain the Fund's exposure to floating rate securities issued by government agencies at over 40%. The higher exposure to floating rate securities kept the weighted-average-life (WAL) relatively high ending the quarter at 110 days. The WAL is an average of the final maturities of all securities held in the portfolio, weighted by each security's percentage of net assets. Since the Federal Funds rate was held steady during the quarter, floating rate securities contributed to performance. The floating rate securities were primarily indexed off the SOFR index (Secured Overnight Financing Rate), which generally provided higher yields than Treasuries or repo during the quarter. The higher exposure to floating rate securities was a significant contributor to relative performance.

Portfolio outlook

Following the recent tariff announcements, the market's expectations for recession and cuts to the Federal Funds rate have increased. Fed Funds futures are now pricing in over three cuts to the target rate by year-end 2025. However, there are many variables affecting the outlook, and so the impact on the near-term economy is uncertain. We expect some volatility in rate expectations going forward, and will look for opportunities to extend the WAM further when opportunities arise. Higher exposure to floating rate securities will continue to be a performance enhancer, as long as the Federal Reserve keeps the funds rate on hold. Regardless of the Fund's positioning, the Federal Reserve's future rate decisions will be a primary driver of yields and relative performance. As in any interest rate environment, the Fund's primary objectives will remain safety and liquidity.

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 Money Market Fund — S share	1.00	1.00	4.78	4.03	2.41	1.61	2.02
- Expense ratio: 0.33%; Incept. date 12/29/1997							

Thrivent Money Market Fund Yield: 7-Day Current Yield is the yield generated by an investment in the Fund over a 7-day period ended on the date of the calculation and expressed as an annual percentage. 7-Day Effective Yield is calculated similarly to the 7-day current yield, except that the effective yield assumes that income earned from the Fund's investments is reinvested and generating additional income. It is expressed as an annual percentage. The yield quotation more closely reflects the current earnings of the Thrivent Money Market Fund than the total return quotation.

7-day current yield 4.00% 7-day effective yield 4.08%

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) 28.80% of Fund, as of Feb 28 2025: Goldman Sachs Fin Square Funds - Gov't Fund: 10.05%, Morgan Stanley Inst Liq Fds Gov't Portfolio: 5.63%, U.S. Treasury Bills: 2.14%, U.S. Treasury Bills: 1.82%, U.S. Treasury Bills: 1.71%, U.S. Treasury Bills: 1.63%, FHLB Discount Notes: 1.51%, U.S. Treasury Bills: 1.45%, FHL Bank: 1.43%, FHL Bank: 1.43%

Risks: The Fund invests at least 99.5% of its assets in U.S. government securities, cash and repurchase agreements collateralized fully by government securities or cash. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so and you could lose money. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund sponsor has no legal obligation to provide financial support to the Fund and you should not expect that the sponsor will provide financial support to the Fund at any time. 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. 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. The Adviser's assessment of investments may prove incorrect, resulting in losses or poor performance. The Fund's value is influenced by the performance of the broader market. The Fund invests in other funds; therefore, the Fund is dependent upon the performance of the other funds and is subject to the risks, additional fees and expenses of the other funds. If the seller of a repurchase agreement defaults, the Fund may incur losses. These and other risks are described in the prospectus.

Thrivent Money Market Fund: You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not a bank account and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor is not required to reimburse the Fund for losses, and you should not expect that the sponsor will provide financial support to the Fund at any time, including during periods of market stress.

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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