

December 31, 2017

Inception Date 10/31/1997 **Total Fund Assets** \$735.4 million **Ticker** LBHIX

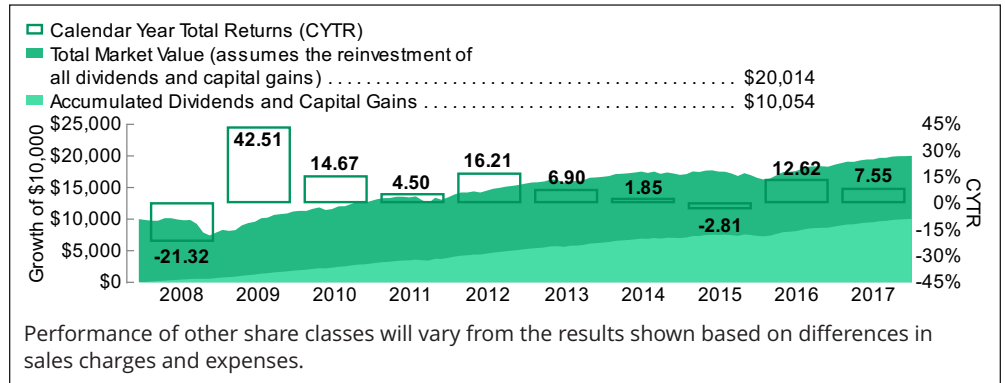
Fund Description

The Thrivent High Yield Fund invests primarily in corporate bonds that are either unrated or rated as “below investment-grade,” or “junk bonds.” Credit rating agencies evaluate bond issuers and assign ratings based on their ability to pay interest and repay principal as scheduled. Bond issuers that are considered to have a greater risk of defaulting on payments pay higher interest rates to compensate investors for the additional risk. The Fund is managed as a “core” high yield fund that emphasizes bonds in the middle of the high yield credit quality spectrum. The high yield sector may provide portfolio diversification benefits because it has a low correlation to other sectors of the fixed income market and less sensitivity to interest rate risk, but are more risky than investment-grade bonds.

Investment Strategy/Process

The portfolio management team seeks to add value through security selection and active management, and monitors risk in an effort to build a well-diversified portfolio. The team uses fundamental, quantitative and technical investment research techniques to determine which securities to buy and sell. Through careful credit research, the team strives to identify U.S. companies that will have adequate cash flows to meet their principal and interest obligations. The team also considers the macro-economic environment and performs an ongoing assessment of relative value and risk. Based on this market outlook, the Fund may take overweight and underweight positions in various industries and may reallocate across the higher and lower-quality segments of the high yield market.

Growth of \$10,000 and Calendar Year Performance (%)



Trailing Returns — Average Annual (%)

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Incept.
Class S share	0.54	7.55	7.55	5.59	5.09	7.18	5.13
BBgBarc U.S. Corporate High Yield Bond Index	0.47	7.50	7.50	6.35	5.78	8.03	N/A
Lipper High Current Yield Funds Median ¹	0.44	6.63	6.63	5.02	4.71	6.43	N/A

All data represents past performance and assumes the reinvestment of dividends and capital gains. 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.

¹Source: Lipper LANA. The Lipper median represents the median annualized total return for all reported funds in the classification. Lipper medians do not include sales charges or fees. If included, returns would have been lower.

Investment Objective

Thrivent High Yield Fund seeks high current income, and secondarily, growth of capital.

Who Should Consider Investing?

The Fund may be suitable for investors who:

- Seek a high level of income.
- Have a medium- to long-term investment time horizon and a moderate risk tolerance.
- Are comfortable with a higher level of risk and volatility compared to other bond funds.

Minimum Investment

Initial (non-retirement): \$2,000
 Initial (IRA or tax-deferred): \$1,000
 Subsequent: \$50

Expense Ratio

Gross: 0.55%
 Net: 0.55%

Benchmark(s)

Indexes are unmanaged and do not reflect the fees and expenses associated with active management. Investments cannot be made directly into an index.

- **Bloomberg Barclays (BBgBarc) U.S. Corporate High Yield Bond Index** is an index which measures the performance of fixed-rate non-investment grade bonds.

Fund Management & Experience

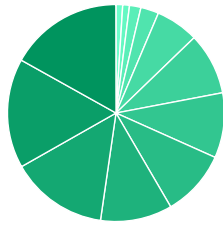
Paul J. Ocenasek, CFA
 Fund Start: 1997
 Industry Start: 1987

Risks: The Fund primarily invests in high-yield, high-risk bonds, notes, debentures and other debt obligations, or preferred stocks. Credit risk is the risk that an issuer of a debt security may not pay its debt, and high yield securities are subject to increased credit risk as well as liquidity risk. Bond prices generally fall as interest rates rise. Leveraged loans are subject to numerous risks, including liquidity, credit, declines in the value of collateral underlying them, and detrimental legal actions against them. Convertible securities are subject to additional risks. The value of the Fund is influenced by factors impacting the overall market, certain asset classes, certain investment styles, and specific issuers. The Fund may incur losses due to incorrect assessments of investments by its investment adviser. Foreign investments involve additional risks, including currency fluctuations, liquidity, political, economic and market instability, and different legal and accounting standards. Dealer inventories of bonds are at or near historic lows in relation to market size, which has the potential to decrease liquidity and increase price volatility in the fixed income markets.

THRIVENT HIGH YIELD FUND — Class S

December 31, 2017

Fund Diversification



Communications	17.0%
Energy	16.4%
Consumer Cyclical	14.6%
Basic Industry	10.8%
Capital Goods	10.0%
Consumer Non-Cyclical	9.8%
Finance	9.3%
Technology	6.5%
Utilities	2.8%
Transportation	1.8%
Miscellaneous	0.6%
Cash	0.4%

Bond Quality Rating Distribution (%)

The lower of the bond ratings assigned by Moody's Investor Services, Inc. or Standard & Poor's® Financial Services, LLC ("S&P"). Investments in derivatives and short-term investments are not included.

Category	Percentage
HIGH QUALITY (HQ)	
Cash	3.9
U.S. Gov't Guaranteed	—
AAA	—
AA	—
A	—
BBB	3.7
HIGH YIELD (HY)	
BB	30.5
B	45.5
CCC	13.6
CC	0.1
C	—
D	0.1
OTHER	
Non-Rated (NR)	2.1
ETFs/Closed-End Funds (may be (HQ/HY/NR))	0.5

²Turnover Ratio: 12-month rolling as of 11/30/2017. A measure of the Fund's trading activity, calculated by dividing the lesser of long-term purchases or long-term sales by average long-term market value.

³30-Day SEC Yield: Previous 30 calendar days ending 12/31/2017.

⁴Source: Barclays Capital Indices, POINT. ©2018 Barclays Capital Inc. Used with permission. POINT is a registered trademark of Barclays Capital Inc. Bloomberg Barclays U.S. Aggregate Bond Index measures the performance of U.S. investment grade bonds.

⁵NAV = Net Asset Value. Class S-Shares carry no sales charge.

⁶Average of the daily NAV values for the trailing 12 months.

Investing in a mutual fund 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 are available at ThriventFunds.com or by calling 800-847-4836.

The principal underwriter for Thrivent Mutual Funds is Thrivent Distributors, LLC. Thrivent Distributors, LLC, is a registered broker-dealer and member of FINRA, with its principal place of business at 625 Fourth Avenue South, Minneapolis, MN 55415. Asset management services provided by Thrivent Asset Management, LLC. Both entities are wholly-owned subsidiaries of Thrivent Financial.

Top 10 Holdings (8.89% of Fund, as of 11/30/2017)

The coupon rate is the yield paid by a fixed income security. The maturity date is when the principal of the security is due and payable to the investor.

Security	% of Portfolio	Coupon Rate	Maturity Date
Sprint Corp	1.95%	7.63	02/25
Intelsat Jackson Holdings SA	0.94%	5.50	08/23
Alliance Data Systems Corp	0.85%	5.38	08/22
Valeant Pharmaceuticals Int'l, Inc.	0.80%	5.50	03/23
Berry Plastics Corp	0.80%	5.13	07/23
Ally Financial, Inc.	0.79%	4.13	03/20
Quicken Loans, Inc.	0.74%	5.75	05/25
Bombardier, Inc.	0.70%	7.50	03/25
Neptune Finco Corp	0.68%	1.88	10/25
Six Flags Entertainment Corp	0.64%	4.88	07/24

Dividend Distributions & Price History

(Trailing 12-Months; Dividend Schedule: Paid Monthly)

	Dividends	Month-End NAV ⁵
Jan-17	\$0.0232	\$4.82
Feb-17	\$0.0203	\$4.86
Mar-17	\$0.0228	\$4.83
Apr-17	\$0.0204	\$4.87
May-17	\$0.0242	\$4.88
Jun-17	\$0.0219	\$4.86
Jul-17	\$0.0223	\$4.90
Aug-17	\$0.0221	\$4.88
Sep-17	\$0.0206	\$4.91
Oct-17	\$0.0232	\$4.90
Nov-17	\$0.0220	\$4.88
Dec-17	\$0.0212	\$4.87
	\$0.2642 (Total)	\$4.86 (Avg.) ⁶

FUND STATISTICS

Statistics shown below are compared to the Bloomberg Barclays U.S. Aggregate Bond Index. The benchmark is intended to provide a comparison to the broad U.S. bond market, and may not be representative of the Fund's investment strategies and holdings.

Holdings Information

Number of Holdings	291
Turnover Ratio (last 12-months) ²	48%

Yield

Yield: The income return on an investment.

30-Day SEC Yield ³	5.03%
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Risk/Volatility Measures

Standard Deviation: A statistical measure of volatility. The higher the standard deviation, the riskier an investment is considered to be.

	Fund	BBgBarc U.S. Aggregate ⁴
3 Year	4.84%	2.74%
5 Year	4.70%	2.80%
10 Year	9.14%	3.21%

Fixed Income Characteristics

Average Duration: A measure of a portfolio's sensitivity to changes in interest rates; the longer the portfolio's duration, the more sensitive it is.

	Fund	BBgBarc U.S. Aggregate ⁴
Average Duration (years)	3.7	6.0

Weighted Average Life: The market-value weighted average of the time remaining until the bond in the portfolio will repay principal.

	Fund	BBgBarc U.S. Aggregate ⁴
Wtd Avg Life (years)	5.1	8.2