

December 31, 2017

Inception Date **Total Fund Assets** **Ticker**
10/31/1997 \$1.6 billion TMBIX

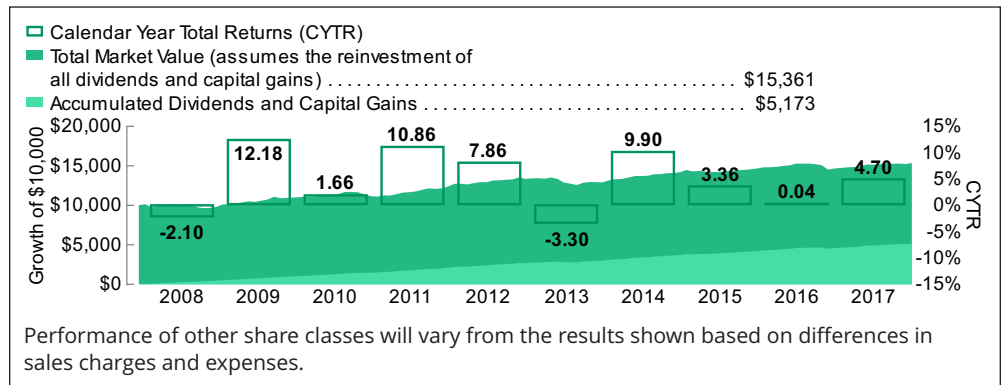
Fund Description

The Thrivent Municipal Bond Fund invests in a nationally-diversified portfolio of high-quality municipal bonds. A municipal bond is a debt security issued by a city, county or state government to finance its capital expenditures. These bonds often finance public projects such as schools, roads, bridges, sewers or hospitals. Municipal bonds are exempt from federal income taxes. The Fund generally holds investment-grade bonds and unrated bonds that the Fund's investment adviser determines to be of comparable quality. It invests in both general obligation bonds that are backed by the taxing authority of the issuer, and revenue bonds that are repaid from the revenues generated by the project. Municipal bonds typically have a longer duration and more interest-rate risk than other corporate 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 rigorous credit research, the Thrivent municipal bond analysts seek to identify high-quality municipal bonds that are issued by financially-sound entities with strong fundamentals and adequate cash flows to meet their principal and interest obligations. The portfolio manager is responsible for portfolio construction and risk management and seeks to invest with a very prudent level of risk. The Fund's holdings are well-diversified both geographically and across sectors.

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 | 0.64 | 4.70 | 4.70 | 2.68 | 2.85 | 4.39 | 4.74 |
| BBgBarc Municipal Bond Index | 0.75 | 5.45 | 5.45 | 2.98 | 3.02 | 4.46 | N/A |
| Lipper General & Insured Municipal Debt Funds Median ¹ | 0.91 | 5.45 | 5.45 | 2.85 | 2.86 | 4.09 | 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 Municipal Bond Fund seeks a high level of current income exempt from federal income taxes, consistent with capital preservation.

Who Should Consider Investing?

The Fund may be suitable for investors who:

- Seek income that is generally exempt from federal income taxes. The Fund may invest in municipal securities that are subject to state and local taxes and/or the the alternative minimum tax (AMT). While the dividends earned on a municipal bond fund are usually federally tax-exempt, any capital gains distributions, as well as realized capital gains from selling fund shares, may be taxable.
- Have a medium- to long-term investment time horizon and a moderately conservative risk tolerance.
- Are able to withstand a low to moderate level of risk and volatility in pursuit of commensurate long-term returns.

Minimum Investment

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

Expense Ratio

Gross: 0.49%
Net: 0.49%

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) Municipal Bond Index** is a market value-weighted index of investment grade municipal bonds with maturities of one year or more.

Fund Management & Experience

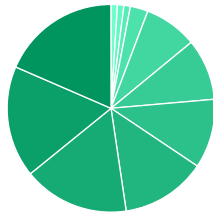
Janet I. Grangaard, CFA
Fund Start: 2002
Industry Start: 1986

Risks: Municipal bonds are subject to risks including, but not limited to, credit risk and interest rate risk. Credit risk is the risk that an issuer of a bond to which the Fund is exposed may no longer be able to pay its debt. Interest rate risk means bond prices generally fall as interest rates rise, and changes by the Federal Reserve to monetary policy could affect interest rates and the value of some securities. Changes in federal income tax laws or rates may affect both the net asset value of the Fund and the taxable equivalent interest generated from securities in the Fund. Some issues may be subject to state and local taxes and/or the federal and state alternative minimum tax (AMT). Any increase in principal value may be taxable. The Fund may incur losses due to the incorrect assessments of investments by its investment advisor. Investing in municipal bonds for the purpose of generating tax-exempt income may not be appropriate for investors in all income tax brackets. Please consult a tax advisor for more detailed information about your specific situation, including state/local tax treatment. These and other risks are described in the Fund's prospectus. 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 MUNICIPAL BOND FUND — Class S

December 31, 2017

Fund Diversification



| | |
|------------------------|-------|
| Pre-refunded | 18.6% |
| Transportation | 17.5% |
| Health Care | 16.6% |
| Education | 13.4% |
| Utilities | 10.9% |
| Local/State Government | 9.7% |
| Special Tax Revenue | 8.4% |
| Miscellaneous | 2.9% |
| Tobacco | 1.0% |
| Cash | 0.7% |
| Industrial Revenue | 0.3% |

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 | 0.7 |
| U.S. Gov't Guaranteed | 0.0 |
| AAA | 15.8 |
| AA | 42.2 |
| A | 27.6 |
| BBB | 10.4 |
| HIGH YIELD (HY) | |
| BB | 0.2 |
| B | 1.0 |
| CCC | 0.0 |
| CC | 0.0 |
| C | 0.0 |
| D | 0.0 |
| OTHER | |
| Non-Rated (NR) | 2.1 |
| ETFs/Closed-End Funds (may be (HQ/HY/NR)) | 0.0 |

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.

⁴The Taxable-Equivalent Yield is based on the 30-Day SEC Yield. The top three tax brackets include the additional 3.8% Net Investment Income Tax (commonly referred to as the "Medicare Contribution Tax").

⁵Source: 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.

⁶NAV = Net Asset Value. Class S-Shares carry no sales charge.

⁷Average 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 Ten States (61.69% of Fund, as of 11/30/2017)

| | |
|---------------|--------|
| California | 10.65% |
| Texas | 10.19% |
| New York | 7.17% |
| Florida | 6.71% |
| Illinois | 6.55% |
| Ohio | 5.48% |
| Massachusetts | 4.29% |
| Colorado | 3.88% |
| Washington | 3.39% |
| Minnesota | 3.38% |

Dividend Distributions & Price History (Trailing 12-Months; Dividend Schedule: Paid Monthly)

| | Dividends | Month-End NAV ⁶ |
|--------|------------------|-----------------------------|
| Jan-17 | \$0.0363 | \$11.28 |
| Feb-17 | \$0.0317 | \$11.31 |
| Mar-17 | \$0.0354 | \$11.30 |
| Apr-17 | \$0.0322 | \$11.35 |
| May-17 | \$0.0377 | \$11.47 |
| Jun-17 | \$0.0341 | \$11.42 |
| Jul-17 | \$0.0351 | \$11.44 |
| Aug-17 | \$0.0349 | \$11.49 |
| Sep-17 | \$0.0327 | \$11.41 |
| Oct-17 | \$0.0360 | \$11.39 |
| Nov-17 | \$0.0342 | \$11.31 |
| Dec-17 | \$0.0328 | \$11.38 |
| | \$0.4131 (Total) | \$11.38 (Avg.) ⁷ |

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 | 470 |
| Turnover Ratio (last 12-months) ² | 19% |

Yield

Yield: The income return on an investment.

| | |
|-------------------------------|-------|
| 30-Day SEC Yield ³ | 3.09% |
|-------------------------------|-------|

Taxable-Equivalent Yield:⁴ The yield an investor would need to earn on a taxable bond in order for its yield to be equivalent to a tax-free investment.

| Federal Tax Bracket | Taxable-Equivalent Yield ⁴ |
|---------------------|---------------------------------------|
| 15.0% | 3.64% |
| 25.0% | 4.12% |
| 28.0% | 4.29% |
| 36.8% | 4.89% |
| 38.8% | 5.05% |
| 43.4% | 5.46% |

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 ⁵ |
|---------|-------|-------------------------------------|
| 3 Year | 3.27% | 2.74% |
| 5 Year | 3.64% | 2.80% |
| 10 Year | 4.35% | 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 ⁵ |
|--------------------------|---------|-------------------------------------|
| Average Duration (years) | 4.5-6.5 | 6.0 |

Weighted Average Maturity: The market-value weighted average of the time remaining until the maturity date for the underlying bonds held in the Fund.

| | Fund |
|------------------------------|------|
| Wtd Average Maturity (years) | 15.0 |