

THRIVENT HIGH YIELD FUND

LBHIX | CLASS S | JUNE 30, 2017

Fund Key Points

Thrivent High Yield Fund is intended to be a core high yield option that emphasizes bonds in the middle of the high yield credit quality spectrum.

"Core B" philosophy

A diversified portfolio of high yield bonds, overweighted to B-rated securities to take advantage of their favorable characteristics, aims to provide the highest yield with the lowest sensitivity to interest rates. Securities with a B-rating are more vulnerable to default than BB, but less so than CCC-rated issues.

Thorough, fundamental research

Eight experienced credit analysts seek to identify issues with the best potential return within each credit rating and industry, placing emphasis on established companies with strong cash flows and a potential for an improving credit profile.

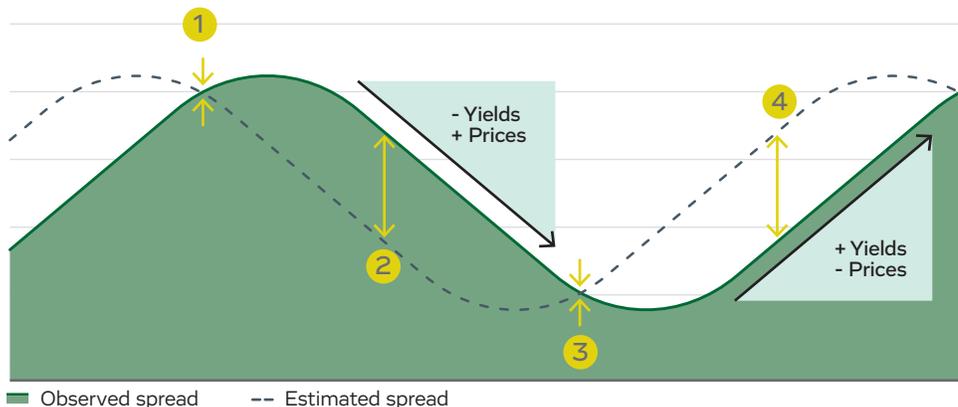
A collaborative approach

The portfolio manager collaborates with the analysts on industry selection used to position the portfolio. Analyst views, informed by expertise and fundamental research, are taken into consideration when determining industry allocation in the portfolio.

Positioning the Portfolio: A Hypothetical Example

› The high yield credit market is dynamic and our fund management will update the portfolio's risk profile based on the current and expected market environment. Estimated spreads are the output of a model that considers multiple economic factors.

HYPOTHETICAL SPREADS: ESTIMATED VS. OBSERVED



SPREAD SCENARIO	RISK PROFILE	ALLOCATION AND CHANGE
1 Est = Obs	Neutral	BB underweight B overweight CCC underweight
2 Est < Obs	More aggr.	↓ BB lg. underweight B overweight ↑ CCC neutral
3 Est = Obs	Neutral	↑ BB underweight B overweight ↓ CCC underweight
4 Est > Obs	More consv.	↑ BB sm. overweight ↓ B sm. overweight ↓ CCC lg. underweight

Charts are for informational purposes only and do not reflect the performance of any specific fund or security.

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 advisor. 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.

TICKER
LBHIX

INCEPTION DATE
October 31, 1997

TOTAL FUND ASSETS
\$718.5 million

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

Management



Paul J. Ocenasek, CFA
Senior Portfolio Manager

TOP 5 HOLDINGS

As of May 31, 2017

Sprint Corporation	1.82%
Alliance Data Systems Corporation	0.86%
Neptune Finco Corporation	0.86%
Berry Plastics Corporation	0.82%
Ally Financial, Inc.	0.81%

TOP 5 SECTORS

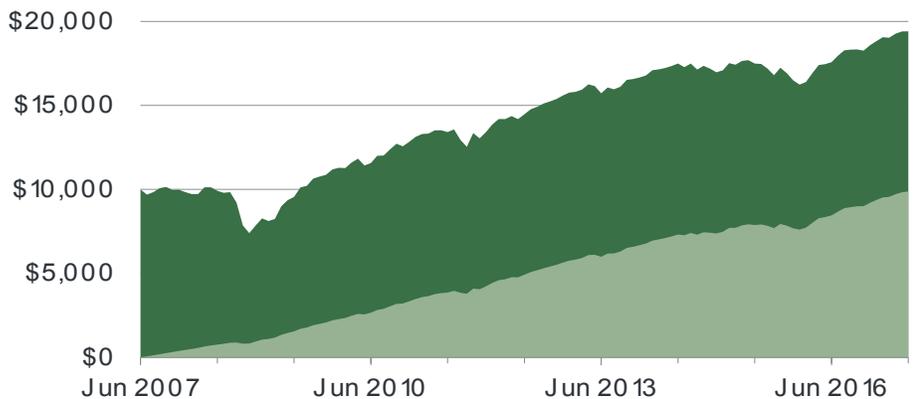
As of Jun. 30, 2017

Communications	16.3%
Consumer Cyclical	14.3%
Energy	14.2%
Consumer Noncyclical	11.3%
Finance	10.4%

Fund Performance (Class S)

GROWTH OF \$10,000

Hypothetical investment | Jun. 30, 2007 – Jun. 30, 2017



■ Total market value (assumes the reinvestment of all dividends and capital gains) . . . \$19,408
 ■ Accumulated dividends and capital gains . . . \$9,878

CALENDAR YEAR PERFORMANCE (%)

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
2.62	-21.32	42.51	14.67	4.50	16.21	6.90	1.85	-2.81	12.62

Performance of other share classes will vary from the results shown based on differences in sales charges and expenses.

FUND STATISTICS

HOLDINGS	FUND	
Number of holdings	282	
Turnover ratio ¹	47%	
STD. DEVIATION RISK/VOLATILITY ²	FUND	BBgBarc U.S. Aggregate ³
3 year	5.29	2.83
5 year	4.77	2.81
10 year	9.26	3.25
CHARACTERISTICS	FUND	BBgBarc U.S. Aggregate ⁵
Avg. duration ⁴	3.7	5.9
Wtd. avg. life ⁵	5.2	8.1
AVG. ANNUAL RETURNS	FUND	BBgBarc U.S. Corp HY Bond Agg ⁶
1 year	10.44%	12.70%
5 years	6.04%	6.89%
10 years	6.86%	7.67%
EXPENSE RATIO		
Gross	0.55%	Net 0.55%

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

¹**Turnover Ratio:** 12-month rolling as of May 31, 2017. A measure of the Fund's trading activity, which is calculated by dividing the lesser of long-term purchases or long-term sales by average long-term market value.

²**Standard Deviation:** A statistical measure of volatility. The higher the standard deviation, the riskier an investment is considered to be.

³**Source:** BBgBarc POINT. BBgBarc U.S. Aggregate Bond Index measures the performance of U.S. investment grade bonds.

⁴**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. Duration is measured in years.

⁵**Weighted Average Life:** The average length of time, measured in years, until the bonds in the portfolio will repay principal. This measure takes into consideration the possibility that bonds might be called back or pre-paid by the issuer prior to the maturity date stated on the bond.

⁶**Source:** BBgBarc POINT. BBgBarc U.S. Corporate High Yield Bond Index is an index which measures the performance of fixed-rate non-investment grade bonds.

Performance data cited represents past performance and should not be viewed as an indication of future results. 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. For most recent month-end performance, visit ThriventFunds.com.

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 Ave. S., Minneapolis, MN 55415. Asset management services provided by Thrivent Asset Management, LLC, a wholly owned subsidiary of Thrivent Financial.