



# THRIVENT LIMITED MATURITY BOND FUND

THLIX | CLASS S | JUNE 30, 2017

**Thrivent Limited Maturity Bond Fund** is a short-term, diversified fixed-income strategy that invests across multiple sectors in predominantly high quality bonds.

## Fund Key Points

### Broad diversification

Most holdings are in higher quality categories like mortgage-backed securities, investment-grade corporates and U.S. Treasuries, but the broad diversification of the strategy allows for small investments in higher income securities that may help boost the yield while only minimally increasing the volatility.

### Low sensitivity to rate changes

The management team invests primarily in securities with an average life of less than five years, which makes the fund less sensitive to changes in interest rates. The fund can also own some longer duration securities, pairing them with Treasury futures to potentially hedge away the excess interest rate risk while leaving the incremental yield.

### Treasury future utilization

Treasury futures can also be used to help position the fund with respect to the yield curve, potentially allowing the fund to take advantage of the price dynamics associated with a flattening or steepening yield curve without changing the desired overall duration.

## Hypothetical Examples: How the Fund Uses Treasury Futures

### POTENTIALLY ENHANCING YIELD

› By owning Bond A and shorting the Treasury future, a synthetic bond is initially created with higher yield and equal duration than Bond B.

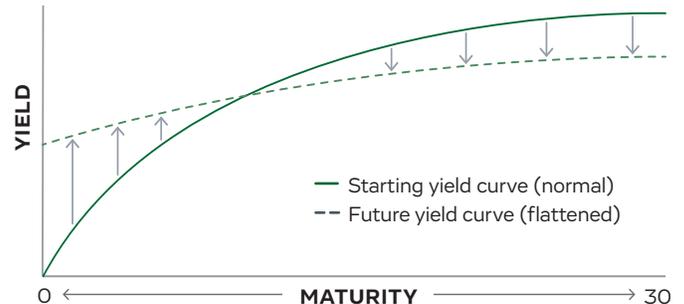
Utilizing futures allows the fund to hold longer duration corporates and potentially hedge out the interest rate risk, leaving only the spread.

**50 bps yield advantage over Bond B**

	Bond A	-	Treasury Future	=	Synthetic Bond	Bond B
Duration	7.5	-	5.0	=	2.5	2.5
Yield	3.5	-	1.0	=	2.5	2.0

### YIELD CURVE POSITIONING

› When curve is flattening, the fund could use Treasury futures to lessen exposure to the front end of the curve and increase exposure on the long end, taking advantage of the changing price dynamics, while maintaining the desired duration target.



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

Treasury futures are derivatives that track the prices of specific Treasury securities, providing exposure to that security for a nominal deposit. Shorting a Treasury future provides the opposite exposure, i.e., if the value of the tracked Treasury security rises, the value of the short Treasury future will fall. Below are two examples of how the Fund uses Treasury futures. Keep in mind that the prices of futures contracts can be highly volatile and the loss from investing in them can exceed the initial investment.

**Risks:** The Fund primarily invests in investment-grade debt securities. The value of the Fund is influenced by factors impacting the overall market, debt securities in particular, and specific issuers. The Fund may incur losses due to incorrect assessments of investments by its investment adviser. Bond prices generally fall as interest rates rise. Credit risk is the risk that an issuer of a debt security may not pay its debt. 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. Foreign investments involve additional risks, including currency fluctuations, liquidity, political, economic and market instability, and different legal and accounting standards. The prices of futures contracts can be highly volatile and the loss from investing in them can exceed the initial investment. Collateralized debt obligations are subject to additional risks. 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**  
THLIX

**INCEPTION DATE**  
October 29, 1999

**TOTAL FUND ASSETS**  
\$859.5 million

**FUND OBJECTIVE:** Thrivent Limited Maturity Bond Fund seeks a high level of current income consistent with stability of principal.

## Management



**Michael G. Landreville, CFA**  
Senior Portfolio Manager



**Gregory R. Anderson, CFA**  
Senior Portfolio Manager

## TOP 5 HOLDINGS

As of May 31, 2017

U.S. Treasury Notes	5.36%
U.S. Treasury Notes	2.51%
U.S. Treasury Bonds, TIPS	2.06%
U.S. Treasury Bonds	1.73%
FNMA	1.66%

## TOP 5 SECTORS

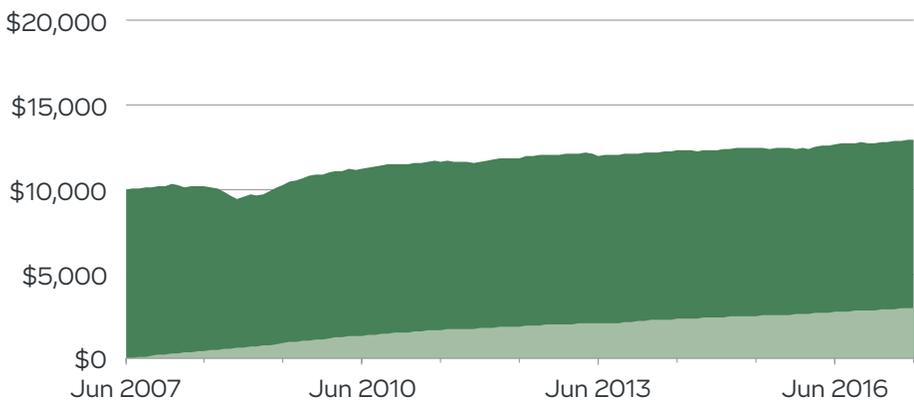
As of Jun. 30, 2017

Investment Grade Credit	38.2%
Securitized Debt	36.2%
Government Bonds	18.3%
High Yield Bonds	3.3%
Cash	1.7%

## 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) . . . . \$12,924  
 ■ Accumulated dividends and capital gains . . . . . \$2,988

### CALENDAR YEAR PERFORMANCE (%)

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
4.19	-5.85	13.60	5.20	1.12	4.03	0.34	1.67	0.74	2.75

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	465	
Turnover ratio <sup>1</sup>	86%	
STD. DEVIATION RISK/VOLATILITY <sup>2</sup>	FUND	BBgBarc U.S. Aggregate <sup>3</sup>
3 year	0.89	2.83
5 year	0.98	2.81
10 year	2.31	3.25
CHARACTERISTICS	FUND	BBgBarc U.S. Aggregate <sup>3</sup>
Avg. duration <sup>4</sup>	1.7	5.9
Wtd. avg. life <sup>5</sup>	3.5	8.1
AVG. ANNUAL RETURNS	FUND	BBgBarc Gov't/Credit 1-3 Year <sup>6</sup>
1 year	2.08	0.35
5 years	1.72	0.95
10 years	2.60	2.30
EXPENSE RATIO		
Gross	0.41%	Net 0.41%

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

<sup>1</sup>**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.

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

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

<sup>4</sup>**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.

<sup>5</sup>**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.

<sup>6</sup>**Source:** BBgBarc POINT. BBgBarc Government/Credit 1-3 Year Bond Index is an unmanaged index which measures the performance of corporate and government U.S. bonds with maturities of 1-3 years.

**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. Both entities are wholly owned subsidiaries of Thrivent Financial.