

Thrivent High Yield Fund

Ticker LBHIX (Class S), LBHYX (Class A)
Inception Oct. 31, 1997 (Class S), April 3, 1987 (Class A)
Objective Thrivent High Yield Fund seeks high current income, and secondarily growth of capital.

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 rate changes. Securities with a B rating are more vulnerable to default than BB, but less so than CCC-rated issues.

Thorough, fundamental research

Seven 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.

Management



Paul J. Ocenasek, CFA
Senior Portfolio Manager

Industry since: 1987
Thrivent since: 1987
Fund since: 1997



Paul S. Tommerdahl, CFA
Senior Portfolio Manager

Industry since: 2008
Thrivent since: 2016
Fund since: 2023

“ We have a great team of very experienced credit analysts here at Thrivent that can be leveraged to generate ideas for various portfolios. We believe it is important to foster a culture that values the input of the professionals closest to the assets they cover.”

Portfolio construction: “Core B” approach

Thrivent High Yield Fund aims to have strong total returns through a greater allocation to B-rated bonds than its peers.

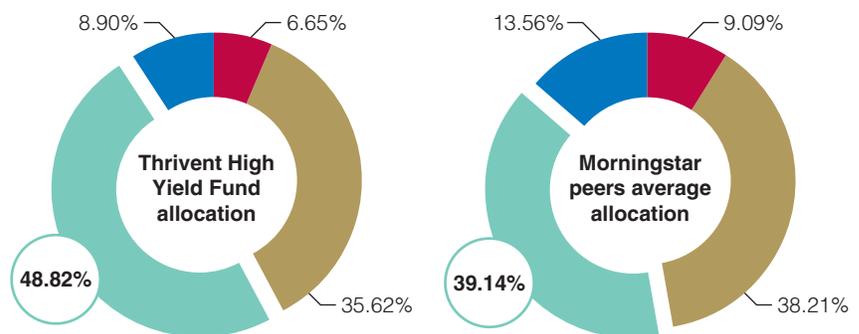
Why emphasize B-rated bonds?

Our experienced management team believes that B-rated bonds can exhibit both favorable yields and interest rate sensitivity. B-rated bonds have historically lower rates of default than CCC-rated bonds and lower downgrade rates than BB-rated bonds over longer time periods.

When constructing the portfolio, fund management focuses on:

- Credit selection
- Diversification
- Liquidity

Allocations as of January 31, 2024



■ Investment grade (BBB to AAA) ■ BB ■ B ■ Below B and not rated

Thrivent High Yield Fund is part of the Morningstar High Yield Bond category.

Source: Morningstar

Risks: High yield securities are subject to increased credit risk as well as liquidity risk. 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. Convertible securities are subject to additional risks and may also be forced to convert at an inopportune time which may decrease returns. The use of derivatives (such as futures) involves additional risks and transaction costs. Foreign investments involve additional risks, such as currency fluctuations and political, economic and market instability. The Adviser’s assessment of investments may prove incorrect, resulting in losses or poor performance. Leveraged loans also known as bank loans are subject to numerous risks. When bond inventories are low in relation to the market size, there is the potential for decreased liquidity and increased price volatility. The Fund’s value is influenced by the performance of the broader market. When interest rates fall, certain obligations are paid off more quickly and proceeds may have to be invested in securities with lower yields. In unusual circumstances, the Fund could experience a loss when selling portfolio securities to meet redemption requests for a variety of reasons. These and other risks are described in the prospectus.

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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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