



THRIVENT HIGH YIELD FUND

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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

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.

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

Management



Paul J. Ocenasek, CFA
Senior Portfolio Manager

Industry Since: 1987
Thrivent Since: 1987
Fund Since: 1997

“ 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.”

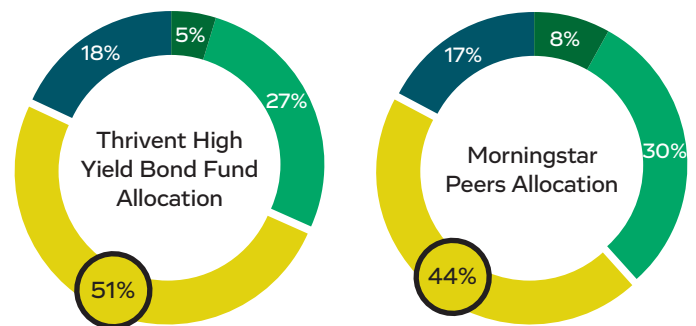
Portfolio Construction: “Core B” Approach

The Thrivent High Yield Fund aims to have 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 or CCC-rated bonds.¹

WHEN CONSTRUCTING THE PORTFOLIO, FUND MANAGEMENT FOCUSES ON:

Credit selection | Diversification | Liquidity



■ Investment Grade (BBB to AAA) ■ BB ■ B ■ Below B and Not Rated

The Thrivent High Yield Fund is part of the Morningstar High Yield Bond category. Data presented is average allocations for the 19 years from December 1997 through December 2016. Source: Morningstar

Fund 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.

¹Source: Standard & Poor's Global Ratings. "2016 Annual Global Corporate Default Study And Rating Transitions." April 13, 2017. Available from S&P Ratings online, accessed October 18, 2017.

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.