



THRIVENT®

INVESTMENT
MANAGEMENT

Cost Basis Calculation Options

Thrivent Financial offers several different cost basis calculation methods to choose from. The various cost basis methods indicate the order in which shares are redeemed when you sell your investment. If you do not choose a cost basis method, we will use the default method that applies to your investment type. The following are the cost basis election options. Not all options are available for all securities.

- **Average Cost** – Uses the average cost of the shares as the basis for redemptions to calculate capital gains and losses. To determine the holding period for the shares, average cost uses the first-in, first-out method. The Average Cost method is available only for mutual funds. Average cost is the default method used for Thrivent Mutual Funds and mutual funds held in managed accounts and retail brokerage accounts at National Financial Services LLC (NFS).
- **First-In, First-Out (FIFO)** – Shares acquired first in the account are the first shares depleted to determine cost basis. This method is the default method required by the IRS for equity and debt securities. The cost basis regulations start to apply to debt securities that are purchased on or after Jan. 1, 2014.
- **Last-In, First-Out (LIFO)** – Shares acquired last in the account are the first shares depleted to determine cost basis.
- **High Cost** – Shares acquired with the highest cost per share in the account are the first shares depleted to determine cost basis.
- **Low Cost** – Shares acquired with the lowest cost per share in the account are the first shares depleted to determine cost basis.
- **Specific Lot Identification** – Specific shares to be sold in an account will be selected by you at the time shares are sold to determine cost basis. This option cannot be used as the account level option.

Thrivent Mutual Funds Only

- **Loss/Gain Utilization** – Depletes lots with losses before lots with gains, consistent with the objective of minimizing taxes. For lots with a loss, short-term loss lots will be redeemed ahead of long-term loss lots. For gains, long-term gain lots will be redeemed before lots with short-term gains because long-term capital gain rates are lower than short-term.

Managed and Retail Brokerage Accounts Held at NFS Only

- Tax Sensitive - The lot with the lowest tax cost per share will be redeemed first, starting with shares that have a loss (from largest to smallest loss) and then shares that have a gain (from smallest to largest). Estimated tax cost per share is determined by:
 1. Calculating the actual tax liability by multiplying the highest current marginal tax rate (35% short-term or 15% long-term) by the gross gain or loss; and then
 2. Dividing the tax liability by the number of shares to be sold.
- Intraday First-In, First-Out - Lots purchased on the same day as the requested sale are redeemed first. Once these lots have been depleted, NFS will deplete the remaining shares using FIFO. In situations where multiple intraday lots exist, NFS will deplete shares based on a trade identification number assigned by the tax lot accounting system.
- High Cost Long-Term - Highest cost shares that have been held more than one year, which qualifies them for long-term capital gains tax treatment, are depleted first to determine cost basis.
- High Cost Short-Term - Highest cost shares that have been held one year or less, which qualifies them for short-term capital gains tax treatment, are depleted first to determine cost basis.
- Low Cost Long-Term - Lowest cost shares that have been held more than one year, which qualifies them for long-term capital gains tax treatment, are depleted first to determine cost basis.
- Low Cost Short-Term - Lowest cost shares that have been held one year or less, which qualifies them for short-term capital gains tax treatment, are depleted first to determine cost basis.

Investing in a mutual fund involves risks, including the possible loss of principal. The prospectus contains more complete information on the investment objectives, risks, charges and expenses of the fund, which investors should read and consider carefully before investing. Prospectuses are available from a Thrivent Financial representative or at Thrivent.com.

Securities and investment advisory services are offered through Thrivent Investment Management Inc., 625 Fourth Ave. S., Minneapolis, MN 55415, a FINRA and SIPC member and a wholly owned subsidiary of Thrivent Financial, the marketing name for Thrivent Financial for Lutherans, Appleton, WI. Thrivent Financial representatives are registered representatives of Thrivent Investment Management Inc.

Thrivent Financial representatives and employees cannot provide legal, accounting, or tax advice or services. Work with your Thrivent Financial representative and, as appropriate, your attorney and tax professional for additional information.