Third Quarter Commentary
As of September 30, 2021

Thrivent Income-Focused Managed Portfolios℠

Economic Overview

Fed policy and inflation. The Federal Reserve (Fed) has kept short-term rates at effectively 0% and purchased large quantities of bonds, keeping long-term rates low, too, while boosting equities. The Fed has also labeled high inflation "transitory" due to the impacts of supply chain bottlenecks, but they are beginning to debate whether inflation is more persistent than previously thought. They've also indicated coming tapering to the bond purchases and have some potentially significant personnel changes coming, which could boost uncertainty. Despite these issues, the market generally expects monetary support to continue.

Supply/demand dynamics. Consumer demand has been resilient since the initial pandemic lockdowns and the labor market continues to be very tight. This is a double-edged sword for the economy, though: increasing income and wages is bolstering demand, but the pandemic and demographic trends are hindering the supply of labor enough to hinder growth. On top of that, the pandemic continues to impact global supply chains, leading to a number of shortages, while geopolitical issues (particularly in regard to China) have also hindered the sourcing of supplies. That can lead to rising prices, which could eventually cut into corporate earnings.

Market outlook. Risks have been rising along with market returns throughout the year, and while the key supports to the economy and markets remain in place, cost pressures, monetary policy uncertainty, and fiscal policy politics represent new and possible negative dynamics for investors to consider. With interest rates below inflation, fixed-income returns will likely be lackluster, but rapidly rising interest rates do not seem imminent. We still prefer equities, but with high valuations and the other potential challenges we've outlined, we continue to believe this is not a time for aggressive positioning.

Positions and Adjustments

Key—Tactical changes since last quarter

- Increase
- Decrease
- No change

Overweight vs. strategic targets

- Securitized debt
- Preferred securities
- Convertible securities
- Income Closed-End Funds

Neutral vs. strategic targets

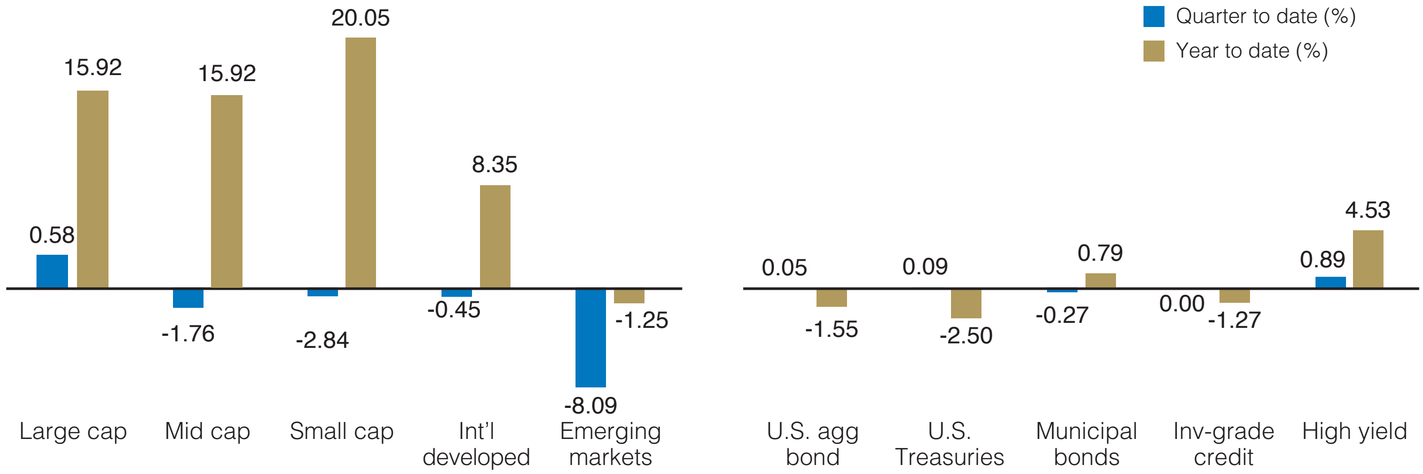
- Total high quality
- Total credit-focused
- Yield-oriented equity

Underweight vs. strategic targets

- Investment grade credit
- U.S. Government
- High yield bonds
- Leveraged loans
- Emerging market debt

Market Overview

September 30, 2021



Equities

The S&P 500 Index, Dow Jones Industrial Average and NASDAQ Index all reached record highs before encountering volatility and selling pressure in September.

- Rising COVID-19 case numbers, supply chain disruptions, concerns about China and the Fed's stimulus wind down are hindered equity markets.
- Most U.S. equity indexes ended the quarter in negative territory, but the S&P 500 managed to eke out a small gain.
- Large cap generally outperformed as increased risk aversion and concerns about a slowing economy weighed more on small cap stocks.

International stocks also struggled during the quarter, with most markets trailing the U.S.

- Japan was the runaway winner, with its stock market surging to a three-decade high following the abrupt departure of its embattled Prime Minister.
- Most developed European markets recorded negative results, though, pulling the MSCI EAFE Index into negative territory.
- Emerging markets stocks sold off sharply as regions were broadly impacted by China's economic slowdown and regulatory crackdown.

Fixed-income

The U.S. Treasury yield curve and most fixed income asset classes were little changed during the third quarter.

- Interest rates ended just slightly higher, with the biggest increase in the middle part of the curve.
- The 10-year Treasury yield ended the quarter only seven basis points higher than it started while 30-year Treasuries were just two basis points higher.

Most bond indexes well solidly higher until the Fed's late-September announcement about tapering its quantitative easing program later this year, erasing much of the quarter's gains.

- The Bloomberg Aggregate Bond Index was nearly flat for the quarter.
- Treasury Inflation-Protected Securities (TIPS), which are indexed to inflation, led the way, but still only returned 1.75% for the quarter.
- Among corporate bonds, the higher-yielding, lowerquality segment outperformed investment-grade bonds as investors rotated out of higher quality as global bond yields rose.

Large cap is represented by the S&P 500® Index. **Mid cap** is represented by the S&P MidCap 400® Index. **Small Cap** is represented by the S&P SmallCap 600® Index. **International developed** is represented by the MSCI EAFE (Morgan Stanley Capital International Europe/Asia/Far East) Index. **Emerging markets** is represented by the MSCI EM (Morgan Stanley Capital International Emerging Markets) Index. **U.S. aggregate bond** is represented by the Bloomberg Barclays US Aggregate Bond Index. **U.S. treasuries** is represented by the Bloomberg Barclays US Treasury index. **Municipal bonds** are represented by the Bloomberg Barclays Municipal Index. **Investment-grade credit** is represented by the Bloomberg Barclays US Corporate Bond Index. **High yield** is represented by the Bloomberg Barclays US Corporate High Yield Index.

Any indexes shown are unmanaged and do not reflect the typical costs of investing. Investors cannot invest directly in an index.

Changes to Holdings by Model Since Last Quarter

September 30, 2021

Ticker	Description	Diversified Distribute	Diversified Reinvest	Opportunistic Distribute	Opportunistic Reinvest
Yield-Oriented Equity		—	—	—	—
DEW	WisdomTree Global High Dividend ETF	-5%	-5%	—	—
HFQIX	Janus Henderson Global Equity Income	+5%	+5%	—	—
MLPTX	Oppenheimer SteelPath MLP Select 40 Fund	—	—	—	—
REM	iShares Mortgage Real Estate ETF	—	—	—	—
Hybrid Allocation		—	—	—	
TMLDX	Thrivent Multidimensional Income Fund	—	—	—	—
IIINX	Thrivent Opportunity Income Plus Fund	—	—	—	—
THYFX	Thrivent Diversified Income Plus Fund	—	—	—	—
Fixed Income		—	—	—	—
Investment Grade		—	—	—	—
THLIX	Thrivent Limited Maturity Bond Fund	—	—	—	—
DBLTX	DoubleLine Total Return Bond Fund	—	—	—	—
LBIIX	Thrivent Income Fund	—	—	—	—
TLT	iShares Barclays 20+ Year Treasury ETF	—	—	—	—
High Income		—	—	—	—
LBHIX	Thrivent High Yield Fund	—	—	—	—
JNK	SPDR Bloomberg Barclays High Yield Bond ETF	—	—	—	—
BKLN	Invesco Senior Loan ETF	—	—	—	—
GSDIX	Goldman Sachs Emerging Markets Debt Fund	—	—	—	—
Flexible Income		—	—	—	—
NPSRX	Nuveen Preferred Securities Fund	—	—	—	—
CWB	SPDR Bloomberg Barclays Convertible Securities ETF	—	—	—	—
PCEF	Invesco CEF Income Composite ETF	—	—	—	—
Cash		—	—	—	—

Portfolio Holdings by Model

September 30, 2021

Ticker	Description	Diversified Distribute	Diversified Reinvest	Opportunistic Distribute	Opportunistic Reinvest
Yield-Oriented Equity		**13%**	**13%**	—	—
HFQIX	Janus Henderson Global Equity Income Fund	5%	5%		
MLPTX	Oppenheimer SteelPath MLP Select 40 Fund	5%	5%	—	—
REM	iShares Mortgage Real Estate ETF	3%	3%	—	—
Hybrid Allocation		**25%**	**25%**	**23%**	**23%**
IIINX	Thrivent Opportunity Income Plus Fund	—	—	20%	20%
THYFX	Thrivent Diversified Income Plus Fund	20%	20%	—	—
TMLDX	Thrivent Multidimensional Income Fund	5%	5%	3%	3%
Fixed Income		**62%**	**62%**	**77%**	**77%**
Investment Grade		**13%**	**13%**	**29%**	**29%**
THLIX	Thrivent Limited Maturity Bond Fund	3%	3%	7%	7%
DBLTX	DoubleLine Total Return Bond Fund	6%	6%	13%	13%
LBIIX	Thrivent Income Fund	4%	4%	7%	7%
TLT	iShares Barclays 20+ Year Treasury ETF	—	—	2%	2%
High Income		**34%**	**34%**	**34%**	**34%**
LBHIX	Thrivent High Yield Fund	13%	13%	13%	13%
JNK	SPDR Bloomberg Barclays High Yield Bond ETF	6%	6%	6%	6%
BKLN	Invesco Senior Loan ETF	7%	7%	7%	7%
GSDIX	Goldman Sachs Emerging Markets Debt Fund	8%	8%	8%	8%
Flexible Income		**13%**	**13%**	**12%**	**12%**
NPSRX	Nuveen Preferred Securities Fund	8%	8%	7%	7%
CWB	SPDR Bloomberg Barclays Convertible Securities ETF	2%	2%	2%	2%
PCEF	Invesco CEF Income Composite ETF	3%	3%	3%	3%
Cash		**2%**	**2%**	**2%**	**2%**
Asset-Weighted Expense Ratio*		**0.66%**	**0.66%**	**0.59%**	**0.59%**

*Information obtained from Morningstar®. Asset-weighted expense ratio is based on an aggregate calculation of each security's net expense ratio. The current expense ratio may be higher or lower than the figure shown.

About Thrivent Investment Management Inc. and Thrivent Asset Management

Thrivent Investment Management Inc. is the sponsor of the Thrivent Income-Focused Managed Portfolios Program.

Thrivent Asset Management constructs the model portfolios and is responsible for developing and maintaining investment methodology, including asset allocation modeling.

Envestnet Asset Management, Inc. has discretionary authority to implement the investment trading, periodic updates and rebalancing instructions of the model provider.

The Thrivent Investment Management Inc. Managed Accounts Program Brochure (Form ADV Part 2A) contains more complete information on the Thrivent Income-Focused Managed Portfolios Program. Please ask your Thrivent financial professional for a copy. You should read it carefully before deciding to invest in the program.

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The proprietary model portfolios offered in the Thrivent Income-Focused Managed Portfolios program are constructed and maintained by Thrivent Asset Management. The investment selection process of Thrivent Asset Management considers both quantitative and qualitative criteria and other factors, including a review of the adherence to investment objectives, management style consistency, risk-adjusted return metrics, expenses and compliance and regulatory requirements. Thrivent Asset Management has an extensive knowledge of the Thrivent Mutual Funds, which may result in a significant investment in the Thrivent Mutual Funds.

Asset management services provided by Thrivent Asset Management, LLC, a subsidiary of Thrivent, the marketing name for Thrivent Financial for Lutherans.

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The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so an investor's shares, when sold, may be worth more or less than their original cost.

The S&P 500 Index is a market capitalization-weighted index, composed of 500 widely held common stocks, including reinvestment of dividends, that is generally considered representative of the U.S. stock market.

The S&P MidCap 400® Index measures the performance of mid-sized U.S. companies, reflecting the distinctive risk and return characteristics of this market segment. It comprises stocks in the middle capitalization range, covering approximately 7% of the of U.S. equity market.

The S&P SmallCap 600® Index measures the performance of small cap segment of U.S. equity market. It consists of 600 domestic stocks chosen for market size, liquidity and industry group representation and covers approximately 3% of the domestic equities market.

The MSCI EAFE Index measures the performance of the large and mid cap segments of developed markets, excluding the U.S. and Canada equity securities. It is free float-adjusted market-capitalization weighted.

The MSCI EM Index measures the performance of the large and mid cap segments of emerging market equity securities. It is free float-adjusted market-capitalization weighted.

The Bloomberg Barclays U.S. Aggregate Bond Index is an index composed of approximately 6,000 publicly traded bonds, including U.S. government, mortgage-backed, corporate and Yankee bonds, with an approximate average maturity of 10 years.

The Bloomberg Barclays U.S. Treasury Index measures the performance of public obligations of the U.S. Treasury, including securities roll up to the U.S. Aggregate, U.S. Universal and Global Aggregate Indexes.

The Bloomberg Barclays Municipal Index measures the performance of the Bloomberg Barclays U.S. Municipal bond, which covers the USD-denominated Long-Term tax-exempt bond market with four main sectors: state and local general-obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

The Bloomberg Barclays U.S. Corporate Bond Index measures the performance of the investment grade, U.S. dollar-denominated, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers that meet specified maturity, liquidity and quality requirements.

The Bloomberg Barclays U.S. Corporate High Yield Index measures the performance of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds, including corporate bonds, fixed-rate bullet, putable, and callable bonds, SEC Rule 144A securities, Original-issue zeros, Pay-in-kind (PIK) bonds, Fixed-rate and fixed-to-floating capital securities.

Investing involves risks, including the possible loss of principal. The product and summary prospectuses for applicable securities (including mutual funds held in an account) and the Thrivent Investment Management Inc. Managed Accounts Program Brochure, contain information on investment objectives, risks, charges, and expenses, which investors should read carefully and consider before investing. Available at thrivent.com.

Eligible program assets may consist primarily of Thrivent Mutual Funds. Thrivent Asset Management, LLC serves as investment manager for Thrivent Mutual Funds and receives a management fee for its services, as disclosed in the applicable Funds' prospectuses. Thrivent Investment Management Inc. ("Thrivent") and its affiliates may earn distribution and other fees, in connection with Thrivent Mutual Funds. These fees are in addition to the investment advisory fee you pay quarterly for the Income-Focused Managed Portfolios. Generally, it is more profitable for Thrivent if you purchase products that are underwritten and advised by Thrivent and its affiliates, such as Thrivent Mutual Funds. For all Funds and investments other fees may apply. Fees and expenses vary by Fund and are described in the applicable Funds' prospectuses. Depending on certain factors, including but not limited to your holding period, you may pay more or less in total fees in a Managed Accounts Program such as the Thrivent Income-Focused Managed Portfolios versus paying separately for services, such as the purchase of a mutual fund with a sales load. Refer to the Thrivent Investment Management Inc. Managed Accounts Program Brochure for more information on fees, services, investment restrictions and potential conflicts of interest; available upon request from your Thrivent financial advisor.

Refer to the Thrivent Investment Management Inc. Form CRS Relationship Summary for more information about us; our relationships and services; fees, costs, conflicts and standard of conduct; disciplinary history; and additional information. Available upon request from your financial advisor and on thrivent.com/disclosures.

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