thrivent®

Tax Overlay Services

Year-round tax-efficient investing

The use of tax overlay services adds a customized tax optimization solution for your new or existing account(s) within Thrivent's turnkey discretionary managed account programs. Envestnet, the platform manager for Thrivent's Managed Accounts Program, will implement trade recommendations from the model provider after carefully considering the tax consequences of those transactions to your account on a discretionary basis.

Optimize your taxes

Tax overlay services offer three levels of tax sensitivity to help meet your individual tax needs.[1] Your selection will influence how significantly your portfolio may deviate from the selected portfolio (known as the tracking error) without tax overlay services. As allocation changes are made, Envestnet will evaluate the tax cost of executing those changes and may make different trades than the model. The optimization process balances the tax cost of adhering to the model, versus the potential risk incurred by deviating from the model, with the goal of delivering better after-tax performance to you.

Choose your tax-sensitivity level



Very high

This is the highest level of tax sensitivity available and seeks to deliver the lowest tax liability. This option potentially has the greatest amount of deviation from a selected model portfolio.



High

This option will deliver a higher tax liability compared to the very high tax sensitivity level with modest ongoing deviations from a selected model portfolio.



Moderate

This is the lowest level of tax sensitivity available and is intended to deliver the least deviation from a selected model portfolio with a higher tax liability compared to a high tax sensitivity level.

If you choose one of Thrivent's turnkey discretionary managed account programs and its model portfolio allocation varies from your existing portfolio holdings, there could be meaningful changes to your asset allocation, resulting in an elevated tax liability. Adding tax overlay services can help manage tax costs at a level you are comfortable with.

[1]Thrivent and its financial advisors do not provide legal, accounting or tax advice. Consult your attorney or tax professional.

Scenario one

Transitioning to a model with a slight allocation change[2]

Let's say your current portfolio's risk tolerance level is in line with the new proposed model risk tolerance, but the forecasted difference between your portfolio and the model portfolio's returns is 5.0%.

Existing portfolio value	Cost basis	Capital gains	Potential taxes before tax overlay services
$213,000	$163,000	$50,000	($8,700)

In this example, there are several potential outcomes to consider:

Decline tax overlay services	Moderate tax sensitivity	High tax sensitivity	Very high tax sensitivity
Tracking error: 0.0% Taxes (est.): $8,700	Tracking error: 0.5% Taxes (est.): $5,900	Tracking error: 1.3% Taxes (est.): $3,100	Tracking error: 2.6% Taxes (est.): $1,700

Scenario two

Transitioning to a model with a significant allocation change[2]

What happens if your current portfolio's risk tolerance level is almost double that of the new proposed model? Now the forecasted deviation between your portfolio returns and the model portfolio is higher at 9.1%.

Existing portfolio value	Cost basis	Capital gains	Potential taxes before tax overlay services
$500,000	$270,000	$230,000	($48,000)

In this example, there are several potential outcomes to consider:

Decline tax overlay services	Moderate tax sensitivity	High tax sensitivity	Very high tax sensitivity
Tracking error: 0.0% Taxes (est.): $48,000	Tracking error: 0.8% Taxes (est.): $29,500	Tracking error: 1.7% Taxes (est.): $20,500	Tracking error: 2.1% Taxes (est.): $18,700

[2]Actual results may vary.

Account and service requirements

- Tax overlay services are available for the following new or existing non-qualified turnkey discretionary managed account programs:[3]
  - Thrivent SELECT Managed Portfolios™
  - Thrivent Income-Focused Managed Portfolios™
  - Thrivent Genesis Managed Portfolios™
  - Thrivent Shepherd Managed Portfolios®
  - Thrivent Impact Managed Portfolios™
  - Thrivent Shield Managed Portfolio™
- New accounts should be funded with individual equity securities, mutual funds or ETFs to potentially be sold over multiple tax years.
- Cost basis information must be complete for all holdings.
- This service has a 0.08% fee based on a percentage of your assets. This is included in your Program Fee. Refer to the Managed Accounts Program Brochure for more information.

How it works

This service begins when you agree to open and fund a non-qualified turnkey discretionary managed account with tax overlay services. You may also add this service to an existing account to optimize your taxes going forward.

- The service includes an active review of holdings for short/long term gain/loss capture opportunities.
- Outside non-model holdings with unrealized gains will be incorporated into the optimized model portfolio whenever possible.
- The service will actively review positions to capture losses of greater than 5% (assuming it does not violate wash sale rules).

What you can expect from us

Your financial advisor will work with you to develop and maintain a clear picture of your financial situation and provide advice to help you make well-informed financial decisions to grow and protect your wealth. Whether it is strategies for tax-efficient investing, managing risk to help make sure your assets and family are protected, or maximizing the impact of a gift to your favorite charity, you can feel confident knowing you have a plan in place.

Get guidance from someone who gets you

Your financial advisor can discuss how Thrivent's turnkey discretionary managed accounts with tax overlay services can help bring your financial picture into focus.

Don't have a financial advisor?
Call 800-847-4836 or visit thrivent.com.

[3]Note that tax overlay services are unavailable for Thrivent Advantage Managed Portfolios, a turnkey discretionary managed account program.

Strong and stable

With over 30 years as a Fortune 500 company, Thrivent serves more than 2.4 million clients while managing and advising $212 billion in assets on their behalf.* Thrivent's unique combination of financial services and generosity programs helps clients make an impact on the people, causes and communities they love.

Highly rated
by AM Best, Moody's Investors Service and S&P Global[4]

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2.4 million
clients*

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*As of Dec. 31, 2025.

[4]Ratings are based on Thrivent's financial strength and claims-paying ability. Does not apply to investment product performance. For information on each rating, visit the individual rating agency's website.

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Client must carefully determine if the use of tax overlay services is appropriate for their circumstances, risk tolerance and investment objectives. Tax management services are limited in scope and are not designed to permanently eliminate taxes in the account.

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 (Form ADV Part 2A) contain information on investment objectives, risks, charges and expenses which investors should ready carefully and consider before investing. Available from a Thrivent financial advisor, at thrivent.com or call 800-847-4836.

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