

Brochure

Item 1 - Cover Page

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This brochure provides information about the qualifications and business practices of TFL. If you have any questions about the contents of this brochure, please contact us at (800) 847-4836. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about TFL also is available on the SEC's website at www.adviserinfo.sec.gov.

Please note that even though TFL is a registered investment adviser with the SEC, registration with the SEC does not imply a certain level of skill or training.

Item 2 - Material Changes

There are no material changes to this brochure since it was last updated on August 1, 2023.

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Item 4 - Advisory Business

TFL is a fraternal benefit society organized under the laws of Wisconsin. TFL's primary business is that of a fraternal benefit society that offers insurance products to its members. TFL is also registered with the SEC as an investment adviser. TFL and its affiliates have been in the investment advisory business since 1986. TFL and its affiliates are not publicly traded entities, nor does TFL have any principal owners.

TFL provides investment advisory services to Thrivent Series Fund, Inc. ("TSF"), a registered investment company under the Investment Company Act of 1940 (the "Investment Company Act") that is comprised of several mutual fund series. These mutual fund series serve as investment options for variable products sponsored by TFL. TFL also provides investment advisory services to one non-affiliated entity (the "Separate Account Client"), two entities comprising a Collateralized Fund Obligation (the "CFO," and together with the Separate Account Client, the "Other Clients"), an affiliated pension plan and another registered investment company – Thrivent Cash Management Trust ("TCMT"). In addition, TFL is the managing member of several general partners that manage the day-to-day operations of several limited partnerships (the "Private Funds"). These Private Funds include equity co-investment funds, funds-of-funds, real estate funds and a fund that invests primarily in public securities. The only investors in the Private Funds are (i) TFL, (ii) certain employees of TFL who are "accredited investors" as defined in the rules and regulations under the Securities Act of 1933 (the "Securities Act") and "knowledgeable employees" as defined under Rule 3c- 5 of the Investment Company Act, and (iii) certain former employees of TFL who are "accredited investors" under the Securities Act and "qualified purchasers" under the Investment Company Act.

The general partners of the Private Funds ("General Partners") are affiliated with TFL. Each General Partner is deemed to be registered under the Investment Advisers Act of 1940 (the "Advisers Act"), pursuant to TFL's registration, in accordance with SEC guidance. This Brochure also describes the business practices of each General Partner, which operate as a single advisory business together with TFL.

The advisory services provided to the Private Funds are tailored to the individual needs of each Private Fund. The terms, limitations and conditions of the advisory services provided to the Private Funds are set forth in each Private Fund's limited partnership agreement and offering memorandum (as applicable).

Currently, TFL manages the one Separate Account Client on a non-discretionary basis. For the Separate Account Client, TFL is responsible for making specific securities and investment recommendations to the client. However, the Separate Account Client, in its sole discretion, is responsible for acting on TFL's recommendations and TFL has no responsibility for arranging or effecting any purchase or sale transactions for the Separate Account Client. The Separate Account Client invests in mutual funds sponsored or advised by TFL and its affiliates and, as a result, the Separate Account Client's assets are held in one or more accounts maintained directly with the mutual funds' transfer agent. In addition, TFL currently manages one CFO on a discretionary basis, subject to the terms of an Indenture (as defined below). The CFO is comprised of White Rose CFO 2023, LLC (a limited liability company organized under the laws of the state of Delaware, "HoldCo") and White Rose CFO 2023 Holdings, LLC (a limited liability company organized under the laws of the state of Delaware, the "Issuer"). TFL and its related persons own 100% of the Issuer, which in turn holds 100% of Holdco. Unaffiliated investors hold the rated notes (the "Notes") issued by the Issuer. The Holdco invests solely in certain Private Funds (the "CFO Private Funds") and acquired its interests in the CFO Private Funds from TFL.

As of December 31, 2023, TFL managed, on a discretionary basis, approximately \$121,600,874,152 billion in assets. Of this amount, approximately \$16.3 billion was assets of the Private Funds. As of this date, TFL did not manage any assets on a non-discretionary basis that are included regulatory assets under management.

Item 5 - Fees and Compensation

The General Partners are entitled to receive performance fees, also known as carried interest, following the return of capital contributions and the payment of the preferred return (also known as the hurdle rate) to the limited partners and the payment of expenses. TFL is the managing member of each General Partner and receives a percentage of each General Partner's total performance fees described below.

The General Partners of the Private Funds that are funds-of-funds and real estate fund-of-funds are entitled to a carried interest of either 1.25%, 2.25%, or 3.25% as specified in each of the Private Funds' limited partnership agreement and offering memorandum (as applicable). The General Partners of the Private Funds that are equity co-investment funds are entitled to a carried interest of either 4% or 5% as specified in each of the Private Funds' limited partnership agreement and/or offering memorandum (as applicable). The General Partners of the Private Funds that are private equity funds comprised of a mix of equity fund investments and equity co-investments are entitled to a carried interest of 3.25% as specified in each of the Private Funds' limited partnership agreement and offering memorandum (as applicable). The General Partners of certain of the Private Funds that are real estate funds comprised of a mix of equity real estate fund investments and equity real estate co-investments are entitled to a carried interest of 5% for equity real estate co-investments and 1.25% for equity real estate fund investments, and Private Funds that are real estate funds comprised of a mix of equity real estate fund investments and equity real estate co-investments are entitled to 3.25% as specified in each of the Private Funds' limited partnership agreement and/or offering memorandum. The General Partners of the Private Fund that invests primarily in public securities are entitled to a carried interest of 3.5% of net gains above the stated hurdle rate as specified in the Private Fund's limited partnership agreement and offering memorandum. The carried interest, that the General Partners may receive, to the extent earned, is distributed pursuant to the distribution provisions of the applicable limited partnership agreement (generally, at least annually with respect to dividend and income payments, and whenever a portfolio investment is sold, assuming that there is an applicable gain).

Neither TFL nor the General Partners receive a management fee from the Private Funds.

In addition to the carried interest discussed above, investors, through their interests in the Private Funds, bear their proportional share of a Private Fund's costs, expenses, liabilities and obligations relating to the Private Fund's activities, investments and business (to the extent not borne or reimbursed by a portfolio company), including, without limitation (i) all costs, expenses, liabilities and obligations attributable to acquiring, holding and disposing of investments (including, without limitation, interest on money borrowed, if any, by such Private Fund or the general partner on behalf of the Private Fund, registration expenses and brokerage, finders', custodial and other fees); (ii) legal, accounting, auditing, litigation and indemnification costs and expenses, judgments and settlements, consulting, finders', financing, appraisal, filing and other fees and expenses (including, without limitation, expenses associated with the preparation of financial statements, tax returns and Schedule K-1s or any other reporting to the limited partners); (iii) all costs, expenses, liabilities and obligations incurred by such Private Fund, the General Partner or TFL employee relating to investment and disposition opportunities for the Private Fund not consummated (including, without limitation, legal, accounting, auditing, consulting, finders', financing, appraisal, filing, printing, real estate title and other fees and expenses); (iv) any taxes, fees and other governmental charges levied against the Private Fund; and (v) all organizational and extraordinary expenses.

The Private Funds, other than the fund that invests in public securities, do not typically incur brokerage fees. Any brokerage fees incurred in connection with the purchase of securities on behalf of the Private Funds, other than the fund that invests in public securities, are normally paid by the issuer of the securities being purchased; the brokerage firms through which these securities are purchased generally act solely in an agency capacity and are paid for placement services by such issuers. While most of the Private Funds do not incur brokerage fees as previously discussed, the fund that invests primarily in public securities may incur brokerage fees through normal trading practices. Please see Item 12 – Brokerage Practices for a more thorough description of the brokerage practices and expenses.

The Private Funds do not pre-pay the carried interest to their General Partners. Each partnership agreement, however, contains a giveback provision that generally requires the General Partner, upon liquidation of the Private Fund (or earlier on an interim basis in the case of certain Private Funds), to distribute to a limited partner an amount equal to the greater of (i) the amount by which a limited partner's capital contribution plus its preferred return exceeds aggregate distributions received by the limited partner, or (ii) the amount by which aggregate carried interest received by the general partner (with respect to the limited partner) exceeds the applicable carried interest percentage specified in the Private Fund's limited partnership agreement and/or offering memorandum (as applicable).

TFL receives no direct compensation for managing the Separate Account Client on a non-discretionary basis; however, the Separate Account Client is subject to the expenses of its investments in mutual funds sponsored or advised by TFL and its affiliates. TFL receives no direct compensation for managing the affiliated pension plan; however, the affiliated pension plan is subject to the expenses of its investments in mutual funds sponsored or advised by TFL and its affiliates. TFL receives an annual fee from the CFO, equal to 0.15% of the CFO's adjusted portfolio net asset value, payable on a quarterly basis, as described in the offering circular of the CFO. In addition, the CFO is responsible for its costs, expenses, liabilities and obligations relating to the CFO's activities, investments and business, along with the expenses of the securitization waterfall, as described in the offering circular of the CFO. These costs, expenses, liabilities and obligations include, among others: (i) administrative expenses (including, e.g., fees, expenses, indemnities and other amounts due and payable to the trustee and the calculation agent), other fees and expenses of the CFO (including fees and expenses of counsel, auditors, accountants and rating agency expenses, and fees and expenses of any person incurred as a result of compliance with Rule 17g-5 of the Securities Exchange Act and any other person if specifically provided for in the indenture related to the Notes (the "Indenture")); (ii) management fees, (iii) unpaid interest on the Notes; (iv) amounts due to satisfy capital calls by the CFO Private Funds; (v) amounts related to capital calls; and (vi) taxes and registration and filing fees. The CFO's cost and expenses will be in addition to those payable by the CFO Private Funds or any of the underlying funds. TFL does not receive performance-based compensation with respect to the CFO.

Item 6 - Performance-Based Fees and Side-By-Side Management

The General Partners receive performance-based fees, also known as carried interest. TFL is the managing member of the General Partners and receives a percentage of the carried interest. These fees are based on realized net gains from the disposition of portfolio investments and each investor's proportional share of current income generated by portfolio investments held by the applicable fund.

The investment objectives and strategies of the Private Funds, other than the Private Fund that invests primarily in public securities (discussed further below), vary significantly from the other accounts managed by TFL. In general, the Private Funds (other than the Private Fund that invests primarily in public securities) invest in investments in which the TSF mutual fund series cannot invest and vice versa. In particular, the TSF mutual fund series may invest in certain private equity fund investments, but those investments would not be the same type of private equity investments that are made by the Private Funds. The Private Fund that invests primarily in public securities charges a performance-based fee and TSF mutual fund series that invest in public securities charge an asset-based fee. This could create a conflict of interest to the extent that the different accounts invest in the same public securities. This conflict is addressed by TFL's trade allocation policy.

As a registered investment adviser under the Advisers Act, TFL is under an obligation to treat each of its clients fairly. As a result, TFL has adopted an allocation policy that sets forth its procedures when allocating an investment opportunity among accounts. Pursuant to this policy, TFL makes allocation determinations based upon the appropriateness of the investment for the client. The allocation policy prohibits TFL from favoring one client over another client. TFL's allocation policy also prohibits its investment professionals from allocating investments to enhance the performance of one account over another account or to favor any affiliated account or any other account in which an employee has any interest. In instances when TFL has clients with overlapping investment mandates and objectives,

it will generally allocate investments proportionally among those clients. In cases where TFL does not proportionally allocate investments among client accounts with overlapping mandates, it documents its reasoning.

Item 7 - Types of Clients

As stated earlier in Item 4, TFL provides investment advice to the Other Clients, TSF, TCMT and, through the applicable General Partners, the Private Funds. These Private Funds include equity co-investment funds, funds-of-funds, real estate funds and a fund that invests primarily in public securities. The Private Funds and the CFO are exempt from registration as investment companies under the Investment Company Act pursuant to Sections 3(c)(1) and 3(c)(7) under the Investment Company Act. Certain Private Funds do not have a specified minimum investment requirement for limited partners. Other Private Funds, such as certain of the real estate funds and funds-of-funds, have a minimum capital commitment of either \$50,000 or \$100,000, as specified in each offering memorandum. Each of the limited partners of the Private Funds, other than TFL, is a “knowledgeable employee” as such term is defined under Rule 3c-5 under the Investment Company Act and an “accredited investor” as defined in the Securities Act, or is a former employee of TFL who is an “accredited investor” under the Securities Act and a “qualified purchaser” under the Investment Company Act. Each of the noteholders in the CFO is a “qualified institutional buyer” as defined in Rule 144A under the Securities Act and a “qualified purchaser” under the Investment Company Act.

TFL also manages the assets of the Thrivent Financial for Lutherans Defined Benefit Plan Trust, which is an affiliated defined benefit plan. Employees of TFL manage TFL’s insurance general account simply as employees of TFL and not pursuant to any agreement or any compensation.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

TFL manages the Other Clients in accordance with the investment policies and guidelines applicable to such clients. With respect to the Separate Account Client, TFL may recommend that the client invest account assets substantially or exclusively in mutual funds advised by entities affiliated with TFL. The risks of investing in such mutual funds are included in the prospectuses and statements of additional information applicable to such funds. With respect to the CFO, TFL provides portfolio management services, including monitoring investments, directing use of funds and making necessary capital calls needed to satisfy the underlying capital calls obligations. The risks of investing in the CFO are included in the offering circular and statements of additional information applicable to the CFO. TFL manages the affiliated pension plan in accordance with the investment policies and guidelines applicable to such client and many invest account assets in mutual funds advised by entities affiliated with TFL. The risks of investing in such mutual funds are included in the prospectuses and statements of additional information applicable to such funds.

In addition, with the exception of the real estate funds and the fund that invests primarily in public securities, the Private Funds generally focus their investments on a portfolio of private companies across multiple industries and geographies. The Private Funds’ portfolios may consist of limited partnership or limited liability company interests in private investment funds (“Portfolio Funds”), and through co-investments, interests in limited partnership or limited liability company interests, and, directly or indirectly, interests in private corporations, interests in public corporations, private debt in public companies and public debt in private companies.

With respect to Private Funds that are funds-of-funds, TFL’s investment selection process begins by identifying potential Portfolio Funds in an attempt to create a diversified portfolio. TFL is active in the market and identifies private investment funds and actively tracks a subset of such funds that it believes have the potential for attractive performance. TFL seeks to identify the Portfolio Funds that fit best within the applicable fund-of-funds’ strategy. In evaluating potential Portfolio Funds for possible investments, TFL conducts its own due diligence.

With respect to Private Funds that are equity co-investment funds, TFL actively seeks co-investment opportunities that fit well within the applicable funds’ portfolios. In determining whether to enter into an

equity co-investment, TFL typically evaluates the sponsor of the investment, the particular company, the industry, the company's management, and the company's financial information. As with investments in Portfolio Funds, TFL conducts its own due diligence to identify operating companies in which to co-invest.

With respect to Private Funds that are real estate funds, TFL invests in securities, third party-sponsored private funds and other investments, with a primary focus of investing in investments representing direct or indirect investments in real estate, real estate-related loans, real estate joint ventures and/or real estate related operating companies. TFL seeks investments that offer favorable risk-adjusted returns and conducts its own due diligence.

With respect to the Private Fund that invests primarily in public securities, TFL invests in publicly traded fixed income and equity securities or exchange traded derivatives. TFL seeks investments that offer favorable risk-adjusted returns and conducts its own due diligence.

Investing in the Private Funds is subject to several risks, including the following. Risks presented as applicable to a Private Fund may be equally applicable to, and where context allows should be construed to include, a Portfolio Fund, and vice versa.

Business Risks. Each Private Fund's investments will consist primarily of securities issued by privately held companies and publicly held companies or of securities issued by funds that in turn invest in privately held companies. Operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses. A return on an investment in the General Partner is solely dependent on the Private Funds' performance.

Foreign Currency Risk. Each Private Fund is also subject to the risk that the value of a foreign currency may decline against the U.S. dollar, which would reduce the dollar value of securities denominated in that currency. The overall impact of such a decline of foreign currency can be significant, unpredictable, and long lasting, depending on the currencies represented, how each one appreciates or depreciates in relation to the U.S. dollar, and whether currency positions are hedged. Under normal conditions, a Private Fund does not engage in extensive foreign currency hedging programs. Further, exchange rate movements are volatile, and it is not possible to effectively hedge the currency risks of many developing countries.

Foreign Securities Risk. To the extent a Private Fund is exposed to foreign securities, it is subject to various risks associated with such securities. Foreign securities are generally more volatile than their domestic counterparts, in part because of potential for higher political and economic risks, lack of reliable information and fluctuations in currency exchange rates where investments are denominated in currencies other than the U.S. dollar. Certain events in foreign markets may adversely affect foreign and domestic issuers, including interruptions in the global supply chain, market closures, war, terrorism, natural disasters and outbreak of infectious diseases. Foreign securities also may be more difficult to resell than comparable U.S. securities because the markets for foreign securities are often less liquid. Even when a foreign security increases in price in its local currency, the appreciation may be diluted by adverse changes in exchange rates when the security's value is converted to U.S. dollars. Foreign withholding taxes also may apply and errors and delays may occur in the settlement process for foreign securities.

Securities of foreign companies in which a Private Fund invests generally carry more risk than securities of U.S. companies. The economies and financial markets of certain regions—such as Latin America, Asia, Europe and the Mediterranean region—can be highly interdependent and may decline at the same time. Certain European countries in which the Private Fund may invest have recently experienced significant volatility in financial markets and may continue to do so in the future. The potential departure of one or more countries from the European Union, such as the United Kingdom's departure from the European Union ("EU") (commonly known as "Brexit"), may have significant political and financial consequences for global markets and may adversely impact Fund performance. The long-term impact of Brexit is unknown and the risks related to Brexit could be more pronounced if one or more additional EU member states seek to leave the EU.

Other risks result from the varying stages of economic and political development of foreign countries; the differing regulatory environments, trading days, and accounting standards of foreign markets; and higher transaction costs. The fund's investment in any country could be subject to governmental actions such as capital or currency controls, nationalizing a company or industry, expropriating assets, or imposing punitive taxes that would have an adverse effect on security prices and impair the Fund's ability to repatriate capital or income.

Future and Past Performance. The performance of the General Partner's portfolio managers' (the "Principals") prior investments is not necessarily indicative of a Private Fund's future results. While the General Partner intends for each Private Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that the targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

Leverage. The companies in which a Private Fund invests (directly or indirectly through a Portfolio Fund) may be highly leveraged, thereby increasing the degree of credit risk inherent in each investment. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs or to pay dividends, principal or interest on the Private Fund's investments. The leveraged capital structure of a company will increase the exposure of the Private Fund's investments to any deterioration in such company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates. In the event a company cannot generate adequate cash flow to meet its debt service and other obligations, the Private Fund (or the Portfolio Fund in which the Private Fund invests) may suffer a partial or total loss of capital invested in such company, which could adversely affect the returns of the Private Fund. Furthermore, the companies and securities in which the Private Fund will invest generally will not be rated by a credit rating agency.

Concentration of Investments. Each Private Fund will participate in a limited number of investments. As a result, a Private Fund's investment portfolio could become highly concentrated, and the performance of a few holdings may substantially affect its aggregate return.

Lack of Sufficient Investment Opportunities. It is possible that a Private Fund will never be fully invested if enough sufficiently attractive investments are not identified. The business of identifying and structuring private equity and mezzanine transactions is highly competitive and involves a high degree of uncertainty.

Illiquidity; Lack of Current Distributions. An investment in a Private Fund or the General Partner should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Private Fund or the General Partner may exceed its income, thereby requiring that the difference be paid from capital.

Limited Transferability of Interests. There will be no public market for the interests, and none is expected to develop. There are substantial restrictions upon the transferability of interests under each partnership agreement and operating agreement and under applicable securities laws. In general, withdrawals of interests are not permitted. In addition, interests are not redeemable.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for a substantial number of each Private Fund's investments, and hence, most of each Private Fund's investments will be valued using procedures designed to estimate a fair value. These estimated values may materially differ from the values realized upon the sale of those investments. Certain investments may be distributed in kind.

Reliance on the General Partner. Each Private Fund will be entirely dependent its respective General Partner. Control over the operation of each Private Fund will be vested entirely with that General Partner, and each Private Fund's future profitability will depend largely upon the business and investment acumen of the Principals. The loss of service of one or more of the Principals could have an adverse effect on a Private Fund's ability to realize its investment objectives. Limited partners generally have no right or power to take part in the management of a Private Fund, and as a result, the investment performance of such Private Fund will depend entirely on the actions of its General Partner. Although each General Partner will monitor the performance of its Private Fund investment, it will primarily be the responsibility of third-party management teams to operate a portfolio company or Portfolio Fund on a day-to-day basis.

Projections. Projected operating results of a company in which a Private Fund invests (either directly or through a Portfolio Fund) normally will be based primarily on financial projections prepared by each company's management. In all cases, projections are only estimates of future results that are based upon assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Need for Follow-On Investments. Following its initial investment in a company, a Private Fund or the applicable Portfolio Fund may decide to provide additional funds to, or otherwise increase its investment in, such company. There is no assurance that a Private Fund will have sufficient funds to make all or any of such investments or fund such capital. Any decision by a Private Fund not to make follow-on investments or its inability to fund additional capital may have a substantial negative effect on such company or may result in a lost opportunity for such Private Fund to increase its participation in a successful company.

Significant Default Penalties. Each partnership agreement provides for significant penalties and other adverse consequences in the event a limited partner defaults on its commitment or other payment obligations. In addition to losing its right to potential distributions from the applicable Private Fund, a defaulting limited partner may be forced to transfer its interest in such Private Fund for an amount that is less than the fair market value of such interest.

General Partner's Carried Interest. The fact that the General Partner's carried interest is based on a percentage of net profits may create an incentive for the General Partner to cause a Private Fund to make riskier or more-speculative investments than would otherwise be the case.

Non-controlling Investments. Each Private Fund anticipates that it may hold debt obligations, other non-controlling interests in portfolio companies or Portfolio Funds and, therefore, will have a limited ability to protect such Private Fund's position in such portfolio companies or Portfolio Funds.

Delayed Schedule K-1s. No Private Fund nor General Partner will be able to provide final Schedule K-1s to limited partners or members for any given fiscal year until after April 15 of the following year. Final Schedule K-1s may not be available until the partnerships have received tax-reporting information from their portfolio companies and Portfolio Funds necessary to prepare final Schedule K-1s. Limited partners and members will be required to obtain extensions of the filing dates for their federal, state, and local income tax returns. Each prospective investor should consult with its own adviser as to the advisability and tax consequences of an investment in a Private Fund or General Partner.

The Private Funds other than the real estate funds and the fund that invests primarily in public securities are also subject to the following risk:

Investment in Junior Securities. The securities in which a Private Fund will invest (either directly or through a Portfolio Fund) may be among the most junior in a company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect such an investment.

The real estate funds are also subject to the following risk:

General Risks of Real Estate Investment. All real estate investments, ranging from equity investments to debt investments, are subject to some degree of risk. Real estate investments are relatively illiquid, and no assurances can be given that the fair market value of any real estate investments held by a Private Fund will not decrease or that the Private Fund will recognize full value for any investment upon sale. Other risks to real estate investments include adverse changes in national and international economic and geopolitical conditions and local market conditions; changes in zoning, building, environmental and other governmental laws and regulations; increases in interest rates, real estate tax rates, energy prices, and other operating expenses; changes in the availability of property relative to demand; changes in costs and terms of mortgage financing; changes in the relative popularity of properties; changes in the number of buyers and sellers of properties; the ongoing need for capital improvements; risks due to dependence on cash flow; risks and operating problems arising out of the presence of certain construction materials; and natural catastrophes, acts of war, terrorism, civil unrest, uninsurable losses and other factors beyond the control of the Private Fund.

The fund that invests primarily in public securities is also subject to the following risks:

Closed-End Fund (“CEF”) Risk. Investments in CEFs are subject to various risks, including reliance on management’s ability to meet a CEF’s investment objective and to manage a CEF’s portfolio; fluctuation in the market value of a CEF’s shares compared to the changes in the value of the underlying securities that the CEF owns (i.e., trading at a discount or premium to its net asset value); and that CEFs are permitted to invest in a greater amount of “illiquid” securities than typical mutual funds. The fund is subject to a pro-rata share of the management fees and expenses of each CEF in addition to the fund’s management fees and expenses, resulting in fund shareholders subject to higher expenses than if they invested directly in CEFs.

Collateralized Debt Obligations (“CDO”) Risk. The risks of an investment in a CDO depend largely on the quality and type of the collateral and the tranche of the CDO in which the fund invests. In addition to the typical risks associated with fixed income securities and asset-backed securities, CDOs carry additional risks including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the risk that the collateral may default, decline in value, and/or be downgraded; (iii) the fund may invest in tranches of CDOs that are subordinate to other tranches; (iv) the structure and complexity of the transaction and the legal documents could lead to disputes among investors regarding the characterization of proceeds; (v) the investment return achieved by the fund could be significantly different than those predicted by financial models; (vi) the lack of a readily available secondary market for CDOs; (vii) risk of forced “fire sale” liquidation due to technical defaults such as coverage test failures; and (viii) the CDO’s manager may perform poorly. In addition, investments in CDOs may be characterized by the fund as illiquid securities.

Convertible Securities Risk. Convertible securities are subject to the usual risks associated with debt securities, such as interest rate risk and credit risk. Convertible securities also react to changes in the value of the common stock into which they convert, and are thus subject to market risk. The fund may also be forced to convert a convertible security at an inopportune time, which may decrease the fund’s return.

Credit Risk. Credit risk is the risk that an issuer of a debt security to which the fund is exposed may no longer be able or willing to pay its debt. As a result of such an event, the debt security may decline in price and affect the value of the fund. Similarly, there is a risk that the value of a debt security may decline because of concerns about the issuer’s ability or willingness to make interest and/or principal payments. Debt securities are subject to varying degrees of credit risk, which are often reflected in credit ratings. The credit rating of a debt security may be lowered if the issuer suffers adverse changes in its financial condition, which can lead to more volatility in the price of the security and in shares of the fund.

Derivatives Risk. The use of derivatives (such as futures, options, credit default swaps, and total return swaps) involves additional risks and transaction costs which could leave a fund in a worse position than if it had not used these instruments. Changes in the value of the derivative may not correlate as intended with the underlying asset, rate or index, and a fund could lose much more than the original amount invested. Derivatives can be highly volatile, illiquid and difficult to value. Derivatives are also subject to the risk that the other party in the transaction will not fulfill its contractual obligations..

Some derivatives may give rise to a form of economic leverage and may expose a fund to greater risk and increase its costs. Such leverage may cause a fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations. Increases and decreases in the value of a fund's portfolio will be magnified when a fund uses leverage. Futures contracts, options on futures contracts, forward contracts, and options on derivatives can allow a fund to obtain large investment exposures in return for meeting relatively small margin requirements. As a result, investments in those transactions may be highly leveraged.

Emerging Markets Risk. The risks and volatility of investing in foreign securities is increased in connection with investments in emerging markets. The economic, political and market structures of developing countries in emerging markets, in most cases, are not as strong as the structures in the U.S. or other developed countries in terms of wealth, stability, liquidity and transparency. The fund may not achieve its investment objective and portfolio performance will likely be negatively affected by portfolio exposure to countries and corporations domiciled in, or with revenue exposures to, countries in the midst of, among other things, hyperinflation, currency devaluation, trade disagreements, sudden political upheaval or interventionist government policies, and the risks of such events are heightened within emerging market countries. Fund performance may also be negatively affected by portfolio exposure to countries and corporations domiciled in, or with revenue exposures to, countries with less developed or unreliable legal, tax, regulatory, accounting, recordkeeping and corporate governance systems and standards. In particular, there may be less publicly available and transparent information about issuers in emerging markets than would be available about issuers in more developed capital markets because such issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those to which U.S. companies are subject. Emerging markets may also have differing legal systems, many of which provide fewer security holder rights and practical remedies to pursue claims than are available for securities of companies in the U.S. or other developed countries, including class actions or fraud claims. Significant buying or selling actions by a few major investors may also heighten the volatility of emerging market securities.

Some emerging market countries restrict to varying degrees foreign investment in their securities markets. In some circumstances, these restrictions may limit or preclude investment in certain countries or may increase the cost of investing in securities of particular companies.

Equity Security Risk. Equity securities held by the fund may decline significantly in price, sometimes rapidly or unpredictably, over short or extended periods of time, and such declines may occur because of declines in the equity market as a whole, or because of declines in only a particular country, geographic region, company, industry, or sector of the market. From time to time, the fund may invest a significant portion of its assets in companies in one particular country or geographic region or one or more related sectors or industries, which would make the fund more vulnerable to adverse developments affecting such countries, geographic regions, sectors or industries. Equity securities are generally more volatile than most debt securities. The prices of individual stocks generally do not all move in the same direction at the same time. Certain funds may invest in private equity funds, which are less liquid and more difficult to value than publicly traded equity securities. A variety of factors can negatively affect the price of a particular company's stock. These factors may include, but are not limited to: poor earnings reports, a loss of customers, litigation against the company, general unfavorable performance of the company's sector or industry, or changes in government regulations affecting the company or its industry.

ETF Risk. An ETF is subject to the risks of the underlying investments that it holds. In addition, for index-based ETFs, the performance of an ETF may diverge from the performance of such index (commonly known as tracking error). ETFs are subject to fees and expenses (like management

fees and operating expenses) that do not apply to an index, and the fund will indirectly bear its proportionate share of any such fees and expenses paid by the ETFs in which it invests. Because ETFs trade on an exchange, there is a risk that an ETF will trade at a discount to net asset value or that investors will fail to bring the trading price in line with the underlying shares (known as the arbitrage mechanism). As ETFs trade on an exchange, they are subject to the risks of any exchange-traded instrument, including: (i) an active trading market for its shares may not develop or be maintained, (ii) trading of its shares may be halted by the exchange, and (iii) its shares may be delisted from the exchange. There is a possibility that an ETF may experience a lack of liquidity that can result in greater volatility than its underlying securities.

Financial Sector Risk. Companies in the financial sector of an economy are subject to extensive governmental regulation and intervention, which may adversely affect the scope of their activities, the prices they can charge, the amount of capital they must maintain and, potentially, their size. Governmental regulation may change frequently and may have significant adverse consequences for companies in the financial sector, including effects not intended by such regulation. The impact of recent or future regulation in various countries of any individual financial company or of the financial sector as a whole cannot be predicted. Certain risks may impact the value of investments in the financial sector more severely than those of investments outside this sector, including the risks associated with companies that operate with substantial financial leverage. Companies in the financial sector may also be adversely affected by increases in interest rates and loan losses, decreases in the availability of money or asset valuations, credit rating downgrades and adverse conditions in other related markets. Insurance companies, in particular, may be subject to severe price competition and/or rate regulation, which may have an adverse impact on their profitability. During the financial crisis that began in 2007, the deterioration of the credit markets impacted a broad range of mortgage, asset-backed, auction rate, sovereign debt and other markets, including U.S. and non-U.S. credit and interbank money markets, thereby affecting a wide range of financial institutions and markets. During the financial crisis, a number of large financial institutions failed, merged with stronger institutions or had significant government infusions of capital. Instability in the financial markets caused certain financial companies to incur large losses. Some financial companies experienced declines in the valuations of their assets, took actions to raise capital (such as the issuance of debt or equity securities), or even ceased operations. Some financial companies borrowed significant amounts of capital from government sources. Those actions caused the securities of many financial companies to decline in value. The financial sector is particularly sensitive to fluctuations in interest rates. The financial sector is also a target for cyber attacks and may experience technology malfunctions and disruptions. In recent years, cyber attacks and technology failures have become increasingly frequent and have caused significant losses.

Foreign Currency Risk. The fund is also subject to the risk that the value of a foreign currency may decline against the U.S. dollar, which would reduce the dollar value of securities denominated in that currency. The overall impact of such a decline of foreign currency can be significant, unpredictable, and long lasting, depending on the currencies represented, how each one appreciates or depreciates in relation to the U.S. dollar, and whether currency positions are hedged. Under normal conditions, the fund does not engage in extensive foreign currency hedging programs. Further, exchange rate movements are volatile, and it is not possible to effectively hedge the currency risks of many developing countries.

Foreign Securities Risk. To the extent the fund is exposed to foreign securities, it is subject to various risks associated with such securities. Foreign securities are generally more volatile than their domestic counterparts, in part because of potential for higher political and economic risks, lack of reliable information and fluctuations in currency exchange rates where investments are denominated in currencies other than the U.S. dollar. Certain events in foreign markets may adversely affect foreign and domestic issuers, including interruptions in the global supply chain, market closures, war, terrorism, natural disasters and outbreak of infectious diseases. Foreign securities also may be more difficult to resell than comparable U.S. securities because the markets for foreign securities are often less liquid. Even when a foreign security increases in price in its local currency, the appreciation may be diluted by adverse changes in exchange rates when the security's value is

converted to U.S. dollars. Foreign withholding taxes also may apply and errors and delays may occur in the settlement process for foreign securities.

Securities of foreign companies in which the fund invests generally carry more risk than securities of U.S. companies. The economies and financial markets of certain regions—such as Latin America, Asia, Europe and the Mediterranean region—can be highly interdependent and may decline at the same time. Certain European countries in which the fund may invest have recently experienced significant volatility in financial markets and may continue to do so in the future. The potential departure of one or more countries from the European Union (“EU”), such as the United Kingdom’s intended departure from the EU (commonly known as “Brexit”), may have significant political and financial consequences for global markets and may adversely impact fund performance. The long-term impact of Brexit is unknown and the risks related to Brexit could be more pronounced if one or more additional EU member states seek to leave the EU.

In addition, Russia launched a large-scale invasion of Ukraine on February 24, 2022. The extent and duration of the military action, resulting sanctions and resulting future market disruptions in the region are impossible to predict. The invasion and resulting sanctions have had, and could continue to have, severe negative effects on regional and global economic and financial markets, including significant negative impacts on the economy and the markets for certain securities and commodities, such as oil and natural gas, as well as other sectors.

Other risks result from the varying stages of economic and political development of foreign countries; the differing regulatory environments, trading days, and accounting standards of foreign markets; and higher transaction costs. The fund’s investment in any country could be subject to governmental actions such as capital or currency controls, nationalizing a company or industry, expropriating assets, or imposing punitive taxes that would have an adverse effect on security prices and impair the Fund’s ability to repatriate capital or income.

Futures Contract Risk. The value of a futures contract tends to increase and decrease in tandem with the value of the underlying instrument. The price of futures can be highly volatile; using them could lower total return, and the potential loss from futures can exceed the fund’s initial investment in such contracts. In addition, the value of the futures contract may not accurately track the value of the underlying instrument.

Government Securities Risk. The fund may invest in securities issued or guaranteed by the U.S. government or its agencies and instrumentalities (such as Ginnie Mae, Fannie Mae or Freddie Mac securities). Securities issued or guaranteed by Ginnie Mae, Fannie Mae or Freddie Mac are not issued directly by the U.S. government. Ginnie Mae is a wholly owned U.S. corporation that is authorized to guarantee, with the full faith and credit of the U.S. government, the timely payment of principal and interest of its securities. By contrast, securities issued or guaranteed by U.S. government-related organizations such as Fannie Mae and Freddie Mac are not backed by the full faith and credit of the U.S. government. No assurance can be given that the U.S. government would provide financial support to its agencies and instrumentalities if not required to do so by law. In addition, the value of U.S. government securities may be affected by changes in the credit rating of the U.S. government, which may be negatively impacted by rising levels of indebtedness. It is possible that issuers of U.S. government securities will not have the funds to meet their payment obligations in the future.

Growth Investing Risk. Growth style investing includes the risk of investing in securities whose prices historically have been more volatile than other securities, especially over the short term. Growth stock prices reflect projections of future earnings or revenues and, if a company’s earnings or revenues fall short of expectations, its stock price may fall dramatically. Growth stocks may lack dividends that could help cushion prices in a declining market. Growth style investing may be out of favor with investors from time to time and growth stocks may underperform the securities of other companies or the stock market in general.

High Yield Risk. High yield securities — commonly known as “junk bonds” — are considered predominantly speculative with respect to the issuer’s continuing ability to make principal and interest payments. If the issuer of the security is in default with respect to interest or principal payments, the value of the fund may be negatively affected. High yield securities may be more susceptible to real or perceived adverse economic conditions than investment grade securities, and they generally have more volatile prices and carry more risk to principal. In addition, high yield securities generally are less liquid than investment grade securities.

Inflation-Linked Security Risk. Inflation-linked debt securities, such as TIPS, are subject to the effects of changes in market interest rates caused by factors other than inflation (real interest rates). In general, the price of an inflation-linked security tends to decrease when real interest rates increase and can increase when real interest rates decrease. Interest payments on inflation-linked securities are unpredictable and will fluctuate as the principal and interest are adjusted for inflation. Any increase in the principal amount of an inflation-linked debt security will be considered taxable ordinary income, even though the fund will not receive the principal until maturity.

There can also be no assurance that the inflation index used will accurately measure the real rate of inflation in the prices of goods and services. The fund’s investments in inflation-linked securities may lose value in the event that the actual rate of inflation is different than the rate of the inflation index. In addition, inflation-linked securities are subject to the risk that the Consumer Price Index for All Urban Consumers (CPI-U) or other relevant pricing index may be discontinued, fundamentally altered in a manner materially adverse to the interests of an investor in the securities, altered by legislation or Executive Order in a materially adverse manner to the interests of an investor in the securities or substituted with an alternative index.

Interest Rate Risk. Interest rate risk is the risk that prices of debt securities decline in value when interest rates rise for debt securities that pay a fixed rate of interest. Debt securities with longer durations (a measure of price sensitivity of a bond or bond fund to changes in interest rates) or maturities (i.e., the amount of time until a bond’s issuer must pay its principal or face value) or maturities tend to be more sensitive to changes in interest rates than debt securities with shorter durations or maturities. Changes in general economic conditions, inflation, and monetary policies, such as certain types of interest rate changes by the Federal Reserve, could affect interest rates and the value of some securities. During periods of low interest rates, a fund may be subject to a greater risk of rising interest rates. A fund also may be subject to a greater risk of rising interest rates when inflation rates are high or rising.

Issuer Risk. Issuer risk is the possibility that factors specific to a company to which the fund’s portfolio is exposed will affect the market prices of the company’s securities and therefore the value of the fund. Some factors affecting the performance of a company include demand for the company’s products or services, the quality of management of the company and brand recognition and loyalty. To the extent that the fund invests in common stock, common stock of a company is subordinate to other securities issued by the company. If a company becomes insolvent, interests of investors owning common stock will be subordinated to the interests of other investors in and general creditors of, the company.

Large Cap Risk. Large-sized companies may be unable to respond quickly to new competitive challenges such as changes in technology. They may also not be able to attain the high growth rate of successful smaller companies, especially during extended periods of economic expansion.

Leveraged Loan Risk. Leveraged loans are subject to the risks typically associated with debt securities. In addition, leveraged loans, which typically hold a senior position in the capital structure of a borrower, are subject to the risk that a court could subordinate such loans to presently existing or future indebtedness or take other action detrimental to the holders of leveraged loans. Leveraged loans are also subject to the risk that the value of the collateral, if any, securing a loan may decline, be insufficient to meet the obligations of the borrower, or be difficult to liquidate. Some leveraged loans are not as easily purchased or sold as publicly-traded securities and others are illiquid, which may make it more difficult for the fund to value them or dispose of them at an acceptable price. Below investment-grade leveraged loans are typically more credit sensitive. Also,

some leveraged loans are known as “covenant lite” loans, which have contractual provisions that are more favorable to borrowers and provide less protection for lenders such as a fund. As a result, a fund could experience relatively greater difficulty or delays in enforcing its rights on its holdings of covenant lite loans than its holdings of loans with financial maintenance covenants, which may result in losses, especially during a downturn in the credit cycle. Covenant lite loans also generally provide fewer investor protections if certain criteria are breached. In the event of fraud or misrepresentation, the fund may not be protected under federal securities laws with respect to leveraged loans that may not be in the form of “securities.”

LIBOR Risk. The fund may be exposed to financial instruments that are tied to LIBOR (London Interbank Offered Rate) to determine payment obligations, financing terms or investment value. Such financial instruments may include bank loans, derivatives, floating rate securities, certain asset backed securities, and other assets or liabilities tied to LIBOR. In 2017, the head of the U.K. Financial Conduct Authority announced a desire to phase out the use of LIBOR by the end of 2021. As a result, market participants have begun transitioning away from LIBOR, but certain obstacles remain with regard to converting certain securities and transactions to a new benchmark or benchmarks. Although many LIBOR rates were phased out at the end of 2021 as originally intended, a selection of widely used USD LIBOR rates will continue to be published until June 2023 in order to assist with the transition. There remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate, and any potential effects of the transition away from LIBOR on the fund or its investments are not known. Any additional regulatory or market changes that occur as a result of the transition away from LIBOR and the adoption of alternative reference rates may have an adverse impact on the value of the fund’s investments, performance or financial condition, and might lead to increased volatility and illiquidity in markets that currently rely on LIBOR to determine interest rates.

Liquidity Risk. Liquidity is the ability to sell a security relatively quickly for a price that most closely reflects the actual value of the security. Certain securities (e.g., small-cap stocks, foreign securities, private equity funds, and high-yield bonds) often have a less liquid resale market. Liquid investments may become illiquid after purchase by the adviser, particularly during periods of market turmoil. As a result, the adviser may have difficulty selling or disposing of securities quickly in certain markets or may only be able to sell the holdings at prices substantially less than what the adviser believes they are worth. Less liquid securities can also become more difficult to value. In addition, when there is illiquidity in the market for certain securities, the fund, due to limitations on illiquid investments, may be subject to purchase and sale restrictions.

To the extent that dealers do not maintain inventories of bonds that keep pace with the growth of bond markets over time, relatively low levels of dealer inventories could lead to decreased liquidity and increased volatility in the fixed income markets, particularly during periods of economic or market stress. In addition, inventories of municipal bonds held by brokers and dealers have decreased in recent years, lessening their ability to make a market in these securities. As a result of this decreased liquidity, the adviser may have to accept a lower price to sell a security, sell other securities to raise cash, or give up an investment opportunity, any of which could have a negative effect on performance.

Market Risk. Over time, securities markets generally tend to move in cycles with periods when security prices rise and periods when security prices decline. The value of a fund’s investments may move with these cycles and, in some instances, increase or decrease more than the applicable market(s) as measured by the fund’s benchmark index(es). The securities markets may also decline because of factors that affect a particular industry or market sector.

Price declines may occur in response to general market and economic conditions or events, including conditions and developments outside of the financial markets such as significant changes in interest and inflation rates and the availability of credit. In addition, domestic or global events, including regulatory events, economic downturn, government shutdowns, the spread of an infectious illness such as the outbreak of COVID-19, public health crises, war, terrorism, social unrest, recessions, natural disasters or similar events could reduce consumer demand or economic output, result in market closures, travel restrictions or quarantines, and generally have a significant impact on the world economies, which in turn could adversely

affect the fund's investments. Any investment is subject to the risk that the financial markets as a whole may decline in value, thereby depressing the investment's price.

Mid Cap Risk. Medium-sized companies often have greater price volatility, lower trading volume, and less liquidity than larger, more-established companies. These companies tend to have smaller revenues, narrower product lines, less management depth and experience, smaller shares of their product or service markets, fewer financial resources, and less competitive strength than larger companies.

Mortgage-Backed and Other Asset-Backed Securities Risk. The value of mortgage-related and asset-backed securities are influenced by the factors affecting the housing market and the assets underlying such securities. As a result, during periods of declining asset value, difficult or frozen credit markets, swings in interest rates, or deteriorating economic conditions, mortgage-related and asset-backed securities may decline in value, face valuation difficulties, become more volatile and/or become illiquid. In addition, both mortgage-backed and asset-backed securities are sensitive to changes in the repayment patterns of the underlying security. If the principal payment on the underlying asset is repaid faster or slower than the holder of the asset-backed or mortgage-backed security anticipates, the price of the security may fall, particularly if the holder must reinvest the repaid principal at lower rates or must continue to hold the security when interest rates rise. This effect may cause the value of the fund to decline and reduce the overall return of the fund. Mortgage-backed securities are also subject to extension risk, which is the risk that when interest rates rise, certain mortgage-backed securities are paid in full by the issuer more slowly than anticipated. This can cause the market value of the security to fall because the market may view its interest rate as low for a longer-term investment.

Municipal Bond Risk. The fund's performance may be affected by political and economic conditions at the state, regional or federal level. These may include budgetary problems, decline in the tax base and other factors that may cause rating agencies to downgrade the credit ratings on certain issues. Bonds may also exhibit price fluctuations due to changes in interest rate or bond yield levels. Some municipal bonds may be repaid prior to maturity if interest rates decrease. As a result, the value of the fund's shares may fluctuate significantly in the short term. The amount of public information available about municipal bonds is generally less than for certain corporate equities or bonds, meaning that the investment performance of the fund may be more dependent on the analytical abilities of the adviser than funds that invest in stock or other corporate investments. The fund may make significant investments in a particular segment of the municipal bond market or in the debt of issuers located in the same state or territory. Adverse conditions in such industry or location could have a correspondingly adverse effect on the financial condition of issuers. These conditions may cause the value of the fund's shares to fluctuate more than the values of shares of funds that invest in a greater variety of investments.

Preferred Securities Risk. There are certain additional risks associated with investing in preferred securities, including, but not limited to, preferred securities may include provisions that permit the issuer, at its discretion, to defer or omit distributions for a stated period without any adverse consequences to the issuer; preferred securities are generally subordinated to bonds and other debt instruments in a company's capital structure in terms of having priority to corporate income and liquidation payments, and therefore are subject to greater credit risk than more senior debt instruments; preferred securities may be substantially less liquid than many other securities, such as common stocks or U.S. Government securities; generally, traditional preferred securities offer no voting rights with respect to the issuing company unless preferred dividends have been in arrears for a specified number of periods, at which time the preferred security holders may elect a number of directors to the issuer's board; and in certain varying circumstances, an issuer of preferred securities may redeem the securities prior to a specified date.

Prepayment Risk. When interest rates fall, certain obligations are paid off by the obligor more quickly than originally anticipated, and the fund may have to invest the proceeds in securities with lower yields. In periods of falling interest rates, the rate of prepayments tends to increase (as does price fluctuation) as borrowers are motivated to pay off debt and refinance at new lower rates. During such periods, reinvestment of the prepayment proceeds by the management team will generally be at lower

rates of return than the return on the assets that were prepaid. Prepayment generally reduces the yield to maturity and the average life of the security.

Real Estate Investment Trust (“REIT”) Risk. REITs generally can be divided into three types: equity REITs, mortgage REITs and hybrid REITs (which combine the characteristics of equity REITs and mortgage REITs). Equity REITs will be affected by changes in the values of, and income from, the properties they own, while mortgage REITs may be affected by the credit quality of the mortgage loans they hold. All REIT types may be affected by changes in interest rates. The effect of rising interest rates is generally more pronounced for high dividend paying stock than for stocks that pay little or no dividends. This may cause the value of real estate securities to decline during periods of rising interest rates, which would reduce the overall return of the fund. REITs are subject to additional risks, including the fact that they are dependent on specialized management skills that may affect the REITs’ abilities to generate cash flows for operating purposes and for making investor distributions. REITs may have limited diversification and are subject to the risks associated with obtaining financing for real property. As with any investment, there is a risk that REIT securities and other real estate industry investments may be overvalued at the time of purchase. In addition, a REIT can pass its income through to its investors without any tax at the entity level if it complies with various requirements under the Internal Revenue Code. There is the risk, however, that a REIT held by the fund will fail to qualify for this tax-free pass-through treatment of its income. By investing in REITs indirectly through the fund, in addition to bearing a proportionate share of the expenses of the fund, you will also indirectly bear similar expenses of the REITs in which the fund invests.

Small Cap Risk. Smaller, less seasoned companies often have greater price volatility, lower trading volume, and less liquidity than larger, more established companies. The fund may have difficulty selling holdings of these companies at a desired time and price. Smaller companies tend to have small revenues, narrower product lines, less management depth and experience, small shares of their product or service markets, fewer financial resources, and less competitive strength than larger companies. Such companies seldom pay significant dividends that could soften the impact of a falling market on returns. It may be a substantial period of time before the fund could realize a gain, if any, on an investment in a small cap company.

Sovereign Debt Risk. Sovereign debt securities are issued or guaranteed by foreign governmental entities. These investments are subject to the risk that a governmental entity may delay or refuse to pay interest or repay principal on its sovereign debt, due, for example, to cash flow problems, insufficient foreign currency reserves, political considerations, the relative size of the governmental entity’s debt position in relation to the economy or the failure to put in place economic reforms required by the International Monetary Fund or other multilateral agencies. If a governmental entity defaults, it may ask for more time in which to pay or for further loans. There is no legal process for collecting sovereign debts that a government does not pay nor are there bankruptcy proceedings through which all or part of the sovereign debt that a governmental entity has not repaid may be collected.

Technology-Oriented Companies Risk. Common stocks of companies that rely extensively on technology, science or communications in their product development or operations may be more volatile than the overall stock market and may or may not move in tandem with the overall stock market. Technology, science and communications are rapidly changing fields, and stocks of these companies, especially of smaller and unseasoned companies, may be subject to more abrupt or erratic market movements than the stock market in general. These are significant competitive pressures among technology-oriented companies and the products or operations of such companies may become obsolete quickly. In addition, these companies may have limited product lines, markets or financial resources and the management of such companies may be more dependent upon one or a few key people.

Value Investing Risk. Value style investing includes the risk that stocks of undervalued companies may not rise as quickly as anticipated if the market doesn’t recognize their intrinsic value or if value stocks are out of favor. Value style investing may be out of favor with investors from time to

time and value stocks may underperform the securities of other companies or the stock market in general.

Risks Relating to Collateralized Fund Obligations:

Generally. The ability of the CFO to make payments on the Notes is highly dependent on the performance of the CFO Private Funds. There can be no assurance that such Private Funds will be successful, that investors will receive a return of any or all of their investments in the Notes or that they will receive any return (or avoid any loss, including total loss) on their investment in the Notes. Investors are therefore advised to review the offering circular for the Notes carefully and should consider the inherent risks associated with the CFO, including those described in the offering circular, before deciding whether to invest in the Notes. Each investor should consult its own legal, tax and financial advisers regarding the desirability of purchasing the Notes and the suitability of an investment in the CFO. In addition, under certain circumstances, as described in the Indenture, to the extent the cash flow of the securitization is insufficient to pay expenses and liabilities senior to the Notes and the principal and interest regarding the Notes, Noteholders will suffer losses.

The Issuer Has No Significant Operating History; The Issuer and HoldCo Have No Material Assets Other Than the CFO Private Funds and Are Limited in Their Permitted Activities. The Issuer and HoldCo are recently formed entities and have no significant operating history. The Issuer will have no material assets other than its interest in HoldCo, and HoldCo will have no material assets other than the CFO Private Funds. The Indenture and the LLC Agreement of the Issuer generally provide that the Issuer is not permitted to engage in any business or activity other than the issuance and sale of the rated notes, the ownership and management of the LLC Interest of HoldCo, funding the acquisition of subsequent CFO Private Funds, certain activities conducted in connection with the payment of amounts in respect of the rated notes, and other activities incidental or related to the foregoing.

The Notes are not Guaranteed by any Party Other than HoldCo. The Notes are issued by the Issuer and guaranteed by HoldCo. Other than such guarantee, none of TFL, its affiliates, the Issuer, HoldCo, the trustee, or any other party, makes any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) to any investor in the Notes. Further, the Notes are not secured by a security interest in the CFO Private Funds held by HoldCo.

The Issuer is Highly Leveraged, which Increases Risks to Investors. The Issuer will be highly leveraged. Use of leverage is a speculative investment technique and involves certain risks to investors in the Notes. The leverage provided to the Issuer by the issuance of the Notes will result in interest expense and other costs incurred in connection with the borrowings that may not be covered by the net distributions, redemption proceeds, and, if applicable, appreciation of the CFO Private Funds. The market value of the Notes would be anticipated to be significantly affected by, among other things, changes in the value of the CFO Private Funds, changes in the distributions on the CFO Private Funds, gains and losses on the CFO Private Funds and other risks associated with the CFO Private Funds. The use of leverage generally magnifies the Issuer's risk of loss. As a result, the Notes may not be paid in full and may be subject to 100% loss.

Furthermore, to the extent that there are losses related to the CFO Private Funds, there can be no assurance that actual losses on the CFO Private Funds will not exceed those assumed by the rating agencies.

The Weighted Average Lives of the Notes May Vary. The final maturity date of the Notes is the distribution date in May 2038. The weighted average life of the Notes will be affected by the amount and timing of payments received with respect to the CFO Private Funds and is expected to be materially shorter than the period from the settlement date to the final maturity date. The timing of payments on investments such as the CFO Private Funds, however, are inherently unpredictable. The amount and timing of payments of principal on the Notes will also be affected by, among other things, any redemption of all or any part of the Notes and an acceleration of the principal of the Notes in connection with the occurrence of an event of default as specified in the Indenture. The occurrence of any unscheduled principal repayments of the Notes is, in turn, determined by the amount and timing

of payments with respect to the CFO Private Funds, which will be dependent on, among other things, the financial condition of the underlying funds and the characteristics of the CFO Private Funds, including the existence and frequency of exercise of any prepayment, optional or mandatory redemption or sinking fund features, the prevailing level of interest rates, the redemption price and the actual default rate, the frequency of tender or exchange offers for the CFO Private Funds and any sales of CFO Private Funds. Prospective investors should make their own determinations of the payments expected to be made in respect of the Notes.

Item 9 - Disciplinary Information

There is no legal or disciplinary event that is material to TFL's advisory business or its management.

Item 10 - Other Financial Industry Activities and Affiliations

TFL is affiliated with several other entities that are in the financial services industry. In addition, certain of the executive officers and managers of TFL are executive officers and/or directors/managers of these affiliated entities.

Broker-Dealers

TFL is affiliated with Thrivent Distributors, LLC ("TDL"), a registered broker-dealer serving as the principal underwriter and distributor for Thrivent Mutual Funds, a registered investment company under the Investment Company Act that is comprised of various mutual fund series ("TMF") and TSF. TDL is also the named principal underwriter and distributor for Thrivent Core Funds ("TCF"), a registered investment company under the Investment Company Act that is comprised of various mutual fund series, and TCMT. TDL is an indirect, wholly-owned subsidiary of TFL. TDL does not execute any portfolio brokerage for anyone (including its affiliated mutual funds).

TFL is affiliated with Thrivent Investment Management, Inc. ("TIMI"), a dually registered broker-dealer and investment adviser. In its capacity as a broker-dealer, TIMI actively markets mutual fund shares, variable insurance contracts and general securities to its clients through its registered representatives. TIMI also serves as the principal underwriter and distributor of variable annuities and insurance issued by Thrivent. TIMI sells shares of TMF pursuant to a distribution agreement. TIMI does not execute any portfolio brokerage for any of its affiliated mutual funds.

Investment Advisers

Thrivent Asset Management, LLC ("TAM") serves as adviser to TMF, TCF, and Thrivent ETF Trust ("TETF"), a registered investment company under the Investment Company Act consisting of one fund that is an exchange-traded fund. TAM personnel also construct and maintain certain model portfolios on a non-discretionary basis for managed account programs sponsored by other registered investment advisers, broker-dealers and other financial intermediaries, including TIMI.

TIMI is a dually registered broker-dealer and investment adviser providing securities and investment advisory services to retail clients. In its capacity as an investment adviser, TIMI offers dedicated planning services and managed account programs to clients through its investment advisor representatives. Transactions in TIMI's managed account programs are generally executed through TIMI's clearing broker-dealer.

Thrivent Advisor Network, LLC ("TAN") is a registered investment adviser and a licensed insurance agency. In its capacity as an investment adviser, TAN provides investment advisory services to individuals, high-net-worth individuals, families, trusts, estates, businesses and retirement plans through a network of investment advisor representatives. In its capacity as a licensed insurance agency, TAN offers certain insurance products on a commission basis through licensed independent insurance producers.

TFL has business and financial arrangements with each of TAM and TIMI and the Thrivent-sponsored investment companies. These arrangements relate to (1) financial and operational issues concerning these affiliated entities and (2) the allocation and payment of expenses, and the transfer and accounting of funds, among these affiliated entities. As described above, TFL recommends that the Separate Account Client invest account assets substantially or exclusively in mutual funds advised by entities affiliated with TFL including, but not limited to, TAM. In managing the assets of the affiliated defined benefit plan account, TFL may invest account assets in mutual funds advised by entities affiliated with TFL including, but not limited to, TAM.

Investment Companies

TAM serves as investment adviser to TMF, TCF and TETF. TAM is also responsible for providing administrative and accounting services to TMF and TCF.¹

Trust Companies

Thrivent Trust Company is a wholly owned subsidiary of Thrivent Financial for Lutherans and serves as a limited-purpose federal savings bank offering professional fiduciary and investment management services.

Insurance

TFL, a not-for-profit nonstock membership organization, is licensed to conduct business as a fraternal benefit society in all states and the District of Columbia and markets fixed and variable insurance and annuities in all 50 U.S. states and the District of Columbia.

Thrivent Insurance Agency Inc., also a wholly owned indirect subsidiary of TFL, is a life and health insurance agency engaged in the distribution of non-proprietary life and health insurance products.

Sponsor or Syndicator of Limited Partnership

As discussed above, certain entities affiliated with TFL serve as general partner to limited partnerships.

Other

Certain Supervised Persons of TFL (as defined under the Advisers Act) assist in managing the portfolios of the pension plan sponsored by TFL. Employees of TFL manage TFL's insurance general account simply as employees of TFL and not pursuant to any agreement or any compensation.

Neither TFL nor its affiliates provide tax, legal, or accounting advice. Consult with your tax professional, legal advisor, or accountant, as applicable, for tax planning, tax preparation services, legal issues, or accounting questions.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

TFL or an advisory affiliate registered under the Advisers Act (each, an "Adviser") may serve as the investment manager to other client accounts, such as the series of TMF, TCF, Thrivent ETF Trust, TCMT and TSF. The Advisers may give advice and take action with respect to any funds or accounts they manage, or for their own accounts, that may differ from action taken by them on behalf of other funds or accounts. The Advisers are not obligated to recommend, buy or sell, or to refrain from

¹ TFL has established a securities lending program for certain affiliated entities (i.e., TMF, TSF, TCF and other mutual funds advised by TFL or TAM that may be added to the program from time to time). Each fund that participates in this lending program invests cash collateral received from securities lending activity in TCMT, a government money market fund that complies with Rule 2a-7 under the Investment Company Act.

recommending, buying or selling, any security that they or their Access Persons (as defined under the federal securities laws) may buy or sell for their own accounts or for the accounts of their clients. The Advisers or their Access Persons are not obligated to refrain from investing in securities held by funds or accounts that the Advisers manage except to the extent that such investments violate the code of ethics adopted by the Advisers and the registered funds that they manage (i.e., TMF, TSF, TCF, TETF and TCMT) or other firm-wide policy (e.g., insider trading policy).

From time to time, employees and principals of the Advisers or any other related persons may have interests in securities owned by or recommended to TFL's advisory clients (or securities related to those securities). As these situations may represent a potential conflict of interest (possibly encouraging advisory personnel to put their economic interests ahead of the Advisers' clients), the Advisers have adopted procedures relating to personal securities transactions and insider trading, which are designed to mitigate these potential conflicts.

The Advisers will, from time to time, recommend to clients, or buy or sell for accounts, securities in which the Advisers or their affiliates have a material financial interest. Such financial interests include seed capital contributed by an Adviser or an affiliate to a fund that such Adviser manages.

In addition, with respect to the Separate Account Client, TFL recommends that the client invest account assets substantially or exclusively in mutual funds advised by entities affiliated with TFL, including TAM. Such recommendations represent a potential conflict of interest because the affiliates of TFL will receive management fees from the mutual funds recommended by TFL to the Separate Account Client. Notwithstanding the foregoing, such conflicts of interest are mitigated because the Separate Account Client is managed on a non-discretionary basis and all decisions to approve recommendations made by TFL to invest in affiliated mutual funds are solely the responsibility of the Separate Account Client and TFL receives no direct compensation for providing non-discretionary advisory services to such client.

The Advisers have adopted a code of ethics in accordance with the federal securities laws (the "Code") to govern personal transactions by Access Persons and to help ensure that the interests of Access Persons do not conflict with the interests of the Advisers' clients. The Code restricts the purchase and sale of certain reportable securities (as defined by the federal securities laws) by portfolio managers within seven days before or after execution of a transaction in any such security for the accounts (or "sleeves" of accounts) of clients they manage. In addition, Access Persons may not engage in a personal transaction in any nonexempt reportable security for which any order for a client is pending until such order is executed or withdrawn. All Access Persons must also request pre-clearance through the Personal Trading Assistant, an electronic reporting system utilized by TFL's compliance department ("Compliance"), in order to make personal securities transactions in certain reportable securities believed to present a potentially meaningful risk of a conflict of interest (including acquisitions of securities as part of an initial public offering or private placement). Further, all Access Persons must certify to quarterly reports of their personal transactions within 30 days of the end of each calendar quarter (or, in the alternative, the Access Person could have his/her Thrivent-approved broker provide confirmations or periodic statements to Compliance). A copy of TFL's Code is available to any client or prospective client upon request by calling (612) 844-8593. In addition, TFL has a Code of Conduct that requires all Access Persons and all Supervised Persons of TFL to comply with ethical restraints relating to, among other things, giving gifts to, and receiving gifts from, service providers.

In connection with the Code, the Advisers have also adopted an insider trading policy. The Advisers and their related persons may, from time to time, come into possession of material nonpublic and other confidential information which, if disclosed, might affect an investor's decision to buy, sell or hold a security. The Advisers and their related persons are prohibited from improperly disclosing or using such information for their own personal benefit or for the benefit of any other person, regardless of whether such other person is a client of the Advisers. Accordingly, should such persons come into possession of material nonpublic or other confidential information with respect to any company, they are prohibited from communicating such information to their respective clients or from using such information for their own benefit or the benefit of their respective clients.

Any officer, director, elected manager or employee of the Advisers subject to the Code who fails to comply with the requirements of the Code and the insider trading policy risks being subject to grave sanctions, including dismissal and personal liability.

In addition to the conflicts presented by the personal trading of advisory personnel, TFL's affiliation with other entities that offer Thrivent products to the public presents potential conflicts of interest.

Principal or Cross Transactions; Applicable Conflicts

Section 206 of the Advisers Act governs principal transactions between an adviser and its clients. Principal transactions are transactions where an Adviser (or one of its affiliates) is deemed to be acting for its own account by buying a security from, or selling a security to, an advisory client.

Because TFL has a significant ownership interest in each Private Fund, cross transactions between the Private Funds can often be viewed as principal transactions. As a general matter, the Advisers do not engage in cross transactions or principal transactions. However, on occasion, for example in connection with the establishment of a continuation fund or to address an unanticipated transactional requirement, TFL may cause one Private Fund to sell a security to another Private Fund in a transaction that constitutes not only a cross transaction but also, because of TFL's ownership interests in the Private Funds, a principal transaction for one or both of the Private Funds. TFL has established policies and procedures to comply with the requirements of law and of the applicable Private Fund documents as they relate to cross and principal transactions, including providing any required disclosures and obtaining any necessary consents before the completion of each such transaction. Because TFL has a significant ownership interest in each Private Fund, which may be more or less than its interest in another Private Fund, TFL faces potential conflicts of interest in effecting any cross transaction between Private Funds, because they also can be viewed as principal transactions that could potentially accrue to the benefit of TFL.

Item 12 - Brokerage Practices

With respect to investments in private securities, TFL focuses on securities transactions of private companies and generally purchases and sells such interests through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, TFL may also cause the Private Funds to distribute securities to investors in the Private Funds or sell such securities, including through using a broker-dealer, if a public trading market exists. Additionally, TFL intends to regularly engage in public securities transaction with respect to the fund that invests primarily in public securities. To the extent TFL engages in public securities transactions with respect to the Private Funds, it will follow the brokerage practices described below.

Except with respect to the Separate Account Client, depending upon the terms of the agreement entered into with each client, TFL generally has discretionary authority to make the following determinations without client consultation or consent prior to effecting each transaction:

- which securities are to be bought or sold;
- the total amount of the securities to be bought or sold;
- the broker-dealer through which securities are to be bought or sold; and
- the commission rates at which securities transactions for client accounts are effected.

With respect to each discretionary account, however, TFL's authority is subject to certain limits, including applicable investment objectives, policies and restrictions. These limitations may be based on a variety of factors, such as regulatory constraints, and policies imposed by a client or its governing body. For each advisory client, TFL follows the guidelines specified in the client's advisory contract.

Selection Criteria for Brokers-Dealers

TFL selects broker-dealers to execute client transactions based on several factors. As a general matter, broker-dealers are subjected to an initial approval process. This approval process may involve the review of financial and related quantitative and qualitative information concerning a broker-dealer. Such qualitative factors may include but are not limited to: general reputation of the firm and regulatory history of the firm. Under certain circumstances, it may be necessary for a trader to execute a transaction with a broker-dealer that has not been subject to an initial approval process. This exception process may only be used to grant a broker-dealer approval for the specific transaction being contemplated and only after following established procedures.

In arranging for the purchase and sale of clients' portfolio securities, TFL takes into consideration any legal restrictions, such as those imposed under the securities laws, and any client-imposed restrictions. Within these constraints, TFL employs or deals with members of the securities exchanges and other brokers and dealers that, in TFL's judgment, implement TFL's policy, consistent with its fiduciary obligations, to seek best execution of portfolio transactions.

TFL's overriding objective in selecting brokers and dealers and in effecting portfolio transactions is to seek to obtain the best combination of price and execution with respect to its clients' portfolio transactions. The best net price, giving effect to brokerage commissions or spreads, if any, and other transaction costs, is normally an important factor in this decision, but a number of other judgmental factors may be considered relevant to analyzing whether TFL has obtained "best execution" for a particular trade.

Such factors include, but are not limited to: the execution capabilities required by the transactions; the importance to the account of speed, efficiency and confidentiality; the broker or dealer's apparent familiarity with sources from or to whom particular securities might be purchased or sold; the ability and willingness of the broker or dealer to facilitate the accounts' portfolio transactions by participating for its own account or committing capital to the transaction; TFL's knowledge of negotiated commission rates currently available; the nature of the security being traded; the size and type of the transaction; the nature and character of the markets for the security to be purchased or sold; the desired timing of the trade; the activity existing and expected in the market for the particular security; the execution, clearance and settlement capabilities of the broker or dealer both with respect to the specific transaction and its overall service to TFL, as well as the reputation and perceived soundness of the broker-dealer selected, both in its own right and as compared to other broker dealers which are considered; the financial stability of the broker or dealer; TFL's knowledge of actual or apparent operational problems of any broker-dealer; the broker-dealer's execution services rendered on a continuing basis and in other transactions; the reasonableness of commissions; the brokerage and research services provided by the broker or dealer; and any other matters that TFL, in its judgment, deems relevant to the selection of a broker or dealer for portfolio transactions for any account. TFL does not adhere to any rigid formula in making the selection of the applicable broker or dealer for portfolio transactions but weighs a combination of the preceding factors. The criteria used for best execution is reviewed periodically by the Brokerage Practices Committee (the "Brokerage Committee").

TFL may use an Electronic Communications Network ("ECN") or Alternative Trading Systems ("ATS") to effect such trades when, in TFL's judgment, the use of an ECN or ATS may result in equal or more favorable overall executions for transactions.

TFL endeavors to be aware of current charges of eligible broker-dealers and to minimize the expenses incurred for effecting portfolio transactions to the extent consistent with the interests and policies of their advisory accounts. However, TFL will not select broker-dealers solely on the basis of "posted" commission rates nor always seek in advance competitive bidding for the most favorable commission rate applicable to any particular portfolio transaction. Although TFL generally seeks competitive commission rates, it will not necessarily pay the lowest commission. Transactions may involve specialized services on the part of the broker-dealer involved resulting in higher commissions than would be the case with transactions requiring more routine services.

The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, research, and other services, which will help TFL in providing

investment management services to its advisory clients. TFL may, therefore, use a broker that provides useful research and securities transaction services even though a lower commission may be charged by another broker.

TFL generally purchases fixed income securities from the issuer or a broker-dealer acting as principal for the securities on a net basis, with no stated brokerage commission paid by the client. However, for fixed income securities purchased in the secondary market, the price typically reflects undisclosed compensation to the broker-dealer; transactions through broker-dealers reflect the spread between the bid and asked prices. In addition, fixed income securities purchased through an underwriter typically include underwriting fees.

Research and Other Soft Dollar Benefits

Consistent with the duty to seek best execution, brokerage commissions on client accounts' portfolio transactions may be directed to broker-dealers in recognition of research furnished by them, as well as for services rendered in the execution of orders by such broker-dealers. The commissions used to acquire research in these arrangements are known as "soft dollars." Under an SEC interpretation, the term "commission" includes a markup, markdown, commission equivalent or other fee paid by an account to a dealer for executing a transaction where the fee and transaction price are fully and separately disclosed on the confirmation and the transaction is reported under conditions that provide independent and objective verification of the transaction price by a self-regulatory organization. As a result, fees charged in relation to certain NASDAQ-reported riskless principal transactions are eligible for use in soft dollar arrangements in addition to traditional agency commissions charged on equity securities transactions.

Broker-dealers typically provide a bundle of services that include research and execution. The research provided can be either proprietary (created and provided by the broker-dealer, including tangible research as well as access to analysts and traders) or third-party research and/or brokerage services and products (created by a third party but paid for with broker-dealer commissions). A statutory "safe harbor" – Section 28(e) of the Securities Exchange Act of 1934 – allows an investment adviser to use soft dollars to acquire either type of research, and TFL does receive both types of research with soft dollars. TFL also, in the past, has received brokerage services in exchange for soft dollars.

The receipt of research and/or brokerage products and services in exchange for soft dollars benefits TFL by allowing it, at no cost to itself, to supplement its own research and analysis activities, to receive the views and information of individuals and research staffs of other securities firms, and to gain access to persons having special expertise on certain companies, industries, areas of the economy and market factors. To the extent the receipt of such soft dollar services supplants services TFL would have acquired on its own, TFL's expenses are reduced. TFL therefore may have an incentive to select or recommend a broker-dealer based on its interest in receiving research or other products or services, rather than on the advisory clients' interest in receiving most favorable execution. TFL, however, has a fiduciary duty to its advisory clients, which it takes seriously, and other controls, described below, which limit this incentive's effect.

Where more than one broker-dealer is believed to be capable of providing the best combination of price and execution with respect to a particular portfolio transaction, TFL often selects a broker-dealer that furnishes research products or services, including, but not limited to, reports on the economy, industries, sectors and individual companies or issuers; subscriptions to certain financial publications and research compilations; compilations of securities prices, earnings, dividends and similar data; financial and market databases; quotation services; and services of economic and other consultants providing advice with respect to portfolio strategy. TFL only uses client brokerage commissions to acquire research and/or brokerage products and services that fall within the statutory "safe harbor."

TFL maintains an internal allocation procedure to identify those brokers that have provided research products or services and the amount of research products or services they provided, and tries to direct sufficient commissions to them to ensure the continued receipt of research products and services that TFL believes are useful, consistent with the duty to seek best execution. The determination and

evaluation of the reasonableness of the commissions paid in connection with portfolio transactions are based primarily on the professional opinions of the person responsible for the placement of such transactions and oversight of the Brokerage Practices Committee. The general level of commissions paid is also reviewed at least quarterly by TFL through its Brokerage Committee.

It is not possible to place a dollar value on the special executions or on the research services TFL receives from broker-dealers effecting transactions in portfolio securities. Accordingly, broker-dealers selected by TFL may be paid commissions for effecting portfolio transactions for client accounts in excess of amounts other broker-dealers would have charged for effecting similar transactions if TFL determines in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or TFL's overall fiduciary obligations to its discretionary accounts. In determining whether a service or brokerage product qualifies as research or execution, TFL evaluates whether the service or product provides lawful and appropriate assistance to TFL in carrying out its investment decision-making responsibilities.

TFL does not usually attempt to allocate the relative costs or benefits of research and/or brokerage products and services among client accounts because it believes that, in the aggregate, the research and/or brokerage products and services received benefits clients and assists TFL in fulfilling its overall duty to its respective clients. As a general matter, research and/or brokerage products and services received in exchange for soft dollars may be shared across all of the accounts managed by the Advisers (i.e., TAM and TFL) and their Supervised Persons. However, research and/or brokerage products and services obtained with soft dollars may not be utilized for the specific account that generated the soft dollars and not every research service may be used to service every account managed by these Advisers. Personnel outside of the public equity group may not use such research unless there is no incremental cost associated with the use of such research by such personnel. For example, it is expected that research can be freely shared in cases where there is a platform access arrangement that grants enterprise-wide access to research. Investment personnel outside the equity investment group may not use research services that are paid for through commissions generated by equity transactions unless there is no incremental cost associated with the use of such research.

TFL will not enter into any agreement or understanding with any broker-dealer that would obligate it to direct a specific amount of brokerage transactions or commissions to that broker-dealer in return for research services. However, certain brokers may specify in advance the amount of brokerage commissions they require for certain services and the applicable cash equivalent. TFL may use its available soft dollar credits to obtain a particular product and pay cash to make up any difference. In some cases, TFL receives products or services that are used both as investment research and for administrative, marketing or other non-research purposes ("mixed use" items). In such instances, TFL makes a good faith effort to determine the relative proportions of such products or services that may be considered as investment research and may use soft dollars for the research portion and pay cash for the non-research portion. Although the allocation between soft dollars and cash is not always capable of precise calculation, and accordingly represents a conflict of interest for TFL, TFL will make a good faith effort to allocate such items reasonably. Records of any such allocations and payments are prepared and maintained by TFL in accordance with federal securities laws.

TFL may obtain third-party research from broker-dealers or non-broker-dealers by entering into a commission sharing arrangement (a "CSA"). Under a CSA, the executing broker-dealer agrees that part of the commissions it earns on certain equity trades will be allocated to a centralized commission aggregator which will facilitate payment to one or more research and/or brokerage products or services.

Client-Directed Brokerage Transactions

Advisory clients are not generally permitted to direct TFL to use specified broker-dealers in performing portfolio transactions. To the extent that a client may direct TFL to use a particular broker-dealer to execute transactions under terms negotiated by the client with a particular broker-dealer, however, such direction may result in higher commissions, greater spreads or less favorable net prices than might be the case if TFL could negotiate commission rates or spreads freely or select broker-dealers

based on best execution. In addition, in a directed brokerage account, the client may pay higher brokerage commissions because TFL may not be able to aggregate orders to reduce transaction costs.

Batch Transaction and Allocation Policy

Occasions may arise when two or more client accounts intend to purchase or sell the same security at approximately the same time on a combined basis. These transactions are referred to as “bunched” or “batched” trades. Due to differences in strategies, some securities may be held in more than one client account but not traded at the same time.

On those occasions when “bunched” trades are made, authorized traders will seek to achieve the same net unit price of the securities for each account. Where the aggregate order is executed by the same broker in a series of transactions at various prices on a given day, each participating portfolio receives a proportionate share of such order reflecting the same average net price paid or received with respect to the total order. When orders are not aggregated clients may pay prices for transactions that are more or less than the client would have paid had the order been aggregated. A determination may be made not to aggregate orders for a number of reasons, including that it may be impractical because of specific trade directions received from the portfolio manager, the order involves a different trading strategy, or if the trader otherwise determines that aggregation is not consistent with seeking best execution. From time to time, especially in the case of equity or fixed income new issues, an order may be only partially filled. In these instances, the executed portion of the order will generally be allocated on a pro rata basis based on original order size or portfolio assets. On some occasions, it may be necessary to change the allocation to one or more accounts given the circumstances at the time of the trade or client guidelines. In such circumstances, the partially filled order would be allocated across the remaining accounts based on the following exceptions:

- **De minimis allocations.** Exceptions may be justified based upon large differences in asset sizes. This de minimis exception permits smaller accounts, or accounts with a small initial allocation after pro rata calculations, to receive their entire allocation before larger accounts are given their pro rata amount.
- **Uneconomic lot sizes.** Proportionate allocations may be rounded off to avoid holding uneconomic share quantities, which might result in lower bids when the securities are eventually sold. Tracking uneconomic lot sizes may be accomplished by tracking both an absolute figure of an economic lot size (e.g., 50 share increments) in conjunction with the total asset size of each participating account.
- **Cash flow disparities.** Proportionate allocations may also be affected by the differing cash flow situations of each portfolio at the time of the transaction.
- **Specialized accounts.** Where there is an insufficient number of securities to satisfy all orders, portfolios with specialized investment policies may take priority over other clients for acquisitions of particular securities which satisfy that portfolio's specialized needs. Tracking specialized account considerations may be accomplished by allocating portions based upon a pro rata allocation using the relative asset size of each participating account's benchmark's holdings in securities of the same class as those being requested.
- **Strategy driven.** The pro rata allocation could be adjusted if it is not in alignment with the account's investment strategy and/or objectives or the account is already at its target weighting for the investment.

TFL is not obligated to provide the same investment advice to each account it manages, including the purchase of, or participation in, initial public offerings (“IPOs”). In general, each portfolio manager is responsible for determining whether any particular IPO is an appropriate investment for the account he/she manages, based on investment objectives, investment restrictions and trading strategies. Accounts whose investment restrictions preclude investing in new, “unseasoned” or small capitalization issuers will not be considered for investments in IPOs. Accounts that are not prohibited from purchasing IPOs may nevertheless not participate in such transactions if to do so would be

inconsistent with their trading practices. As a result, certain accounts managed by TFL may have greater opportunities than others to participate in IPOs.

Portfolio managers may purchase IPOs for the Thrivent Financial for Lutherans Defined Benefit Plan Trust and TFL's general account. While this is an inherent conflict of interest, TFL and its affiliated investment adviser, TAM, take steps to ensure that it does not disadvantage client accounts by allowing Thrivent Financial for Lutherans Defined Benefit Plan Trust and TFL's general account to participate only on the same terms and at the same price as client accounts.

Money Market portfolio managers may allocate "bunched" trades to client accounts based on a number of factors including pro-rata as determined by the size of the original order, based on odd-lot size of the allocation received, based on updated cash or liquidity levels, or based on block size and/or current portfolio holding concentrations (i.e., issuer and sector concentrations). Due to the potential for large swings in cash movement or where investable cash numbers may not be available until after the market has commenced trading, a Money Market portfolio manager may allocate such trades after they are executed. Securities traded for this asset class are considered substitutable, meaning the characteristics of a security can be easily replicated by other available securities in the marketplace to achieve the desired investment objective.

Item 13 - Review of Accounts

The investments made by the Private Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, TFL closely monitors Portfolio Funds and portfolio companies in which the Private Funds invest and regularly monitors to confirm that each Private Fund is maintained in accordance with its stated objectives.

The Private Funds will provide to their limited partners (i) quarterly capital balance statements, (ii) audited financial statements annually, and (iii) annual tax information necessary for each partner's U.S. tax returns.

Other accounts, including the fund that invests primarily in public securities, are reviewed by TFL's Portfolio Compliance group and applicable portfolio managers on a daily basis for compliance with investment policies and for risk evaluation. On a periodic basis, TFL's senior investment personnel review each account using various risk metrics.

TFL does not review the account of the Separate Account Client.

TFL closely monitors the Issuer's account to confirm it is maintained in accordance with its stated objectives. The Issuer will provide to its Noteholders (i) quarterly reports on certain specified CFO items, (ii) audited financial statements annually, and (iii) annual tax information necessary for each Noteholder's U.S. tax returns.

It is TFL's policy that the utmost care be taken in making and implementing investment decisions on behalf of client accounts. To the extent that an error occurs, it is subject to TFL's Trade Error Policy and Procedures.

Item 14 - Client Referrals and Other Compensation

Other than the soft dollar arrangements that are described in Item 12 above, no non-advisory client provides TFL with an economic benefit for providing investment advice or other advisory services.

No person receives compensation for referring advisory clients to TFL. TIMI, TAN and Thrivent Trust Company, however, have arrangements in place where Financial Advisors of TIMI or TAN may receive compensation for client referrals.

A registered professional with TIMI who refers clients to a Financial Professional for the purpose of obtaining the Dedicated Planning Services may share in the planning fee for the services provided. This arrangement is only allowed if the registered professional making the referral is appropriately licensed and state-registered. Any payments to the registered professional making a referral will not increase the planning fee or any fees associated with accounts, products or services that you buy, sell or hold with TIMI. .

In addition, and separate from the above-referenced arrangement, Thrivent Trust Company compensates Financial Advisors who are investment adviser representatives of TAN or TIMI for referring clients to them for professional trust, estate, and investment management services. Thrivent Trust Company will pay ongoing management fees instead of referral fees to a Financial Advisor if they provide advisory services to assets. Any such compensation payment will be disclosed to the client, when applicable and as required by state law, and will not increase the client's fees. Such payments may be made for the duration of the client accounts held with Thrivent Trust Company.

Thrivent Charitable partners with TAN, TIMI and TFL. TFL pays Financial Advisors or TAN or TIMI for their work in bringing donor gifts to Thrivent Charitable to the extent these donor gifts are invested in a donor-advised fund available through Thrivent Charitable. This fee does not increase the cost of the product to clients.

Item 15 - Custody

TFL has established accounts with the following qualified custodians to hold funds and securities on behalf of the Private Funds: UMB Bank N.A., 1010 Grand Blvd, Kansas City, MO 64106, and State Street Bank and Trust Company, 1 Congress Street, Boston, MA 02114. Any custodian, if necessary, for the Separate Account Client is selected by the client and complies with the requirements of Rule 206(4)-2 under the Advisers Act.

Item 16 - Investment Discretion

TFL has discretionary authority to manage investments on behalf of the Private Funds and the CFO. As a general policy, TFL does not allow limited partners or noteholders to place limitations on this authority. TFL assumes this discretionary authority pursuant to the terms of the constituent documents and powers of attorney executed by the limited partners of the Private Funds.

Item 17 - Voting Client Securities

TFL does not have any responsibility to vote proxies with respect to portfolio securities held by the Separate Account Client; in such cases, the client is solely responsible for voting any proxies.

The Private Funds, other than the fund that primarily invests in public securities, typically invest in private rather than public companies. With respect to voting for private securities held by the Private Funds (including votes taken by and consents given for private funds in which the Private Funds invest), TFL's policy is to vote in the best interest of the Private Funds. Accordingly, the Adviser will vote in a manner intended to promote the Private Fund's investment objective, usually to maximize investment returns, following the investment restrictions and policies of the Private Fund. TFL believes that its interests are generally aligned with the Private Funds' interests through ownership by TFL in the Private Funds. In the event that there is a potential conflict of interest in voting private securities (including votes taken by and consents given for private funds in which the Private Funds invest), TFL is authorized to address the potential conflict using several alternatives, including by seeking the approval or concurrence of a Private Fund's advisory board on the proposed vote or through other alternatives set forth in the Private Funds' procedures. TFL does not consider service by TFL personnel on underlying fund boards to create a material conflict of interest for voting with respect to such companies. Additional information regarding the voting policy, procedures and voting record is available to TFL's Private Fund clients upon request. To the extent TFL is called upon to vote public securities on behalf of the Private Funds, it does so according to the policy described below. TFL votes proxies for public securities held by its other clients according to the policy described below.

Responsibility to Vote Proxies

Overview. Thrivent Financial for Lutherans and Thrivent Asset Management, LLC (collectively, in their capacity as investment advisers, “**Thrivent**”) have adopted Proxy Voting Policies and Procedures (“**Policies and Procedures**”) for the purpose of establishing formal policies and procedures for performing and documenting Thrivent’s fiduciary duty with regard to the voting of client proxies, including investment companies which it sponsors and for which it serves as investment adviser (“**Thrivent Funds**”) and by institutional accounts who have requested that Thrivent be involved in the proxy process.

Fiduciary Considerations. It is the policy of Thrivent that decisions with respect to proxy issues will be made primarily in light of the anticipated impact of the issue on the desirability of investing in the portfolio company. Thrivent seeks to vote proxies solely in the interests of the client, including Thrivent Funds, and in a manner consistent with its fiduciary obligations and responsibilities. Logistics involved may make it impossible at times, and at other times disadvantageous, to vote proxies in every instance.

The procedural requirements contained in these Policies and Procedures do not apply in the case of requests for consents related to investments in private funds. With respect to private fund investments, the procedures described below under “Consents Related to Private Fund Investments” apply.

Administration of Policies and Procedures

Thrivent has formed a committee that is responsible for establishing positions with respect to corporate governance and other proxy issues, as well as overseeing the environmental, social and governance (“**ESG**”) analysis components of Thrivent’s investment processes (“**Committee**”). Annually, the Committee reviews the Policies and Procedures, including in relation to recommended changes reflected in applicable benchmark policies and voting guidelines of Institutional Shareholder Services Inc. (“**ISS**”). As discussed below, Thrivent may, with the approval of the Committee, vote proxies other than in accordance with the applicable voting guidelines in the Policies and Procedures.

How Proxies are Reviewed, Processed and Voted

Proxy Voting Process Overview

Thrivent’s proxy voting process is designed to act in the best interests of the Thrivent Funds and other accounts it manages, adhering to legal and fiduciary standards. This process involves a careful evaluation of management and shareholder proposals pursuant to Thrivent’s Proxy Voting Guidelines, incorporating a wide range of factors that are financially material to portfolio companies’ and Thrivent clients’ objectives. Thrivent’s global approach is informed by various sources, including management’s recommendation, the advice of proxy voting advisory firms, and internal assessments. Thrivent’s Proxy Voting Guidelines are crafted to help clients and portfolio companies understand its voting rationale, maintaining flexibility to adapt to individual situations.

Thrivent may on any particular proxy vote determine that it is in the best interests of any of its clients to diverge from the applicable Voting Guidelines or process. In such cases, the person requesting to diverge from the Voting Guidelines or process is required to document in writing the rationale for their vote and submit all written documentation to the Committee for review and approval. In determining whether to approve any particular request, the Committee will determine that the request is not influenced by any conflict of interest and is in the best interests of the applicable client(s).

Retention of a Third Party Proxy Adviser

In order to facilitate the proxy voting process, Thrivent has retained ISS, an unaffiliated third-party proxy service provider, to provide proxy voting-related services, including custom vote

recommendations, research, vote execution, reporting, auditing and consulting assistance for the handling of proxy voting responsibilities. ISS specializes in providing a variety of fiduciary-level proxy advisory and voting services. ISS analyzes each proxy vote of Thrivent's client accounts and prepares a recommendation and/or materials for Thrivent's consideration which reflect ISS's application of the Policies and Procedures.

In determining how to vote proxies, Thrivent leverages applicable market specific ISS voting guidelines, generally the ISS Benchmark Proxy Voting Guidelines ("**Benchmark Guidelines**") and the ISS Sustainability Proxy Voting Guidelines ("**Sustainability Guidelines**," collectively the "**ISS Guidelines**"). For certain proposal types, Thrivent will provide standing instructions to ISS to vote proxies based on the recommendation of the Benchmark Guidelines. For other proposal types, Thrivent uses research and recommendations issued pursuant to the ISS Guidelines and a determination by investment and/or other Thrivent personnel as the circumstances warrant.

The ISS Guidelines can be found at <https://www.issgovernance.com/policy-gateway/voting-policies/>.

Thrivent utilizes ISS's voting agent services for notification of upcoming shareholder meetings of portfolio companies held in client accounts and to transmit votes on behalf of Thrivent's clients. ISS provides comprehensive summaries of proxy proposals, publications discussing key proxy voting issues, and specific vote recommendations regarding portfolio company proxies to assist in the proxy voting process. The final authority and responsibility for proxy voting decisions remains with Thrivent. Decisions with respect to proxy matters are made primarily in light of the anticipated impact of the issue on the desirability of investing in the company from the viewpoint of our respective clients, while adhering to legal and fiduciary standards to maximize shareholder value.

Supplement Applicable to Quantitative/Index Strategies

Certain of Thrivent's client accounts are accounts (or a portion thereof) that employ a quantitative strategy that relies on factor-based models or an index-tracking approach rather than primarily on fundamental security research and analyst coverage that an actively managed portfolio using fundamental research would typically employ ("Quantitative/Index Accounts"); often, these accounts hold a high number of positions. Accordingly, in light of the considerable time and effort that would be required to review ISS research and recommendations and the differing strategies for these accounts, absent client direction, for securities held only in Quantitative/Index Accounts, for certain categories of proposals, Thrivent may use a different process than is used for other accounts to review and determine a voting outcome. For these categories of proposals, Thrivent would, consistent with the best interest of its clients, provide standing instructions to ISS to vote proxies based on the recommendation of ISS pursuant to the Benchmark Guidelines. When securities are also held in accounts (or a portion thereof) that rely on fundamental security research and analyst coverage, the Quantitative/Index Accounts will generally vote in accordance with the voting determination of those fundamental account(s), subject to any exceptions that may arise consistent with these guidelines and policies, including pursuant to the Supplements below.

Supplement Applicable to Thrivent Small-Mid Cap ESG ETF (the "ETF") only

Thrivent expects to vote proxies on behalf of the ETF in many cases in accordance with its guidelines created as described above and discussed below under the heading "Thrivent's Proxy Voting Guidelines." However, Thrivent retains the discretion in all cases to vote in a manner inconsistent with these guidelines and policies if it believes such a vote is in the ETF's best interest after consideration of any information Thrivent believes relevant, including in light of the ETF's focus on long-term sustainable business models. This may mean that proxies are voted on behalf of the ETF in a manner that differs from votes for other clients.

Supplement Applicable to Thrivent ESG Index Portfolio ("ESG Index Portfolio") only

Thrivent expects to vote proxies on behalf of ESG Index Portfolio in many cases in accordance with its guidelines created as described above and discussed below under the heading "Thrivent's Proxy Voting Guidelines," using similar processes as for other clients employing a quantitative strategy as

discussed above. However, Thrivent retains the discretion in all cases to vote in a manner inconsistent with these guidelines and policies if it believes such a vote is in ESG Index Portfolio's best interest after consideration of any information Thrivent believes relevant, including in light of ESG Index Portfolio's focus on tracking the investment results of an index composed of companies selected by the index provider based on environmental, social and governance characteristics. This may mean that proxies are voted on behalf of ESG Index Portfolio in a manner that differs from votes for other clients.

Evaluation Framework

For environmental and social related proposals where Thrivent uses research and recommendations issued pursuant to the ISS Guidelines and a voting determination is made by investment and/or other Thrivent personnel, Thrivent has developed a proxy voting evaluation framework designed to thoroughly assess each proposal, ensuring alignment with the best interests of shareholders. Aspects of this framework may also be used for other proposals where Thrivent uses research and recommendations issued pursuant to the ISS Guidelines and a voting determination is made by investment and/or other Thrivent personnel.

Monitoring and Resolving Conflicts of Interest

The Committee is responsible for monitoring and resolving possible material conflicts between the interests of Thrivent and those of its clients with respect to proxy voting. Examples of situations where conflicts of interest can arise are when i) the issuer is a vendor whose products or services are material to Thrivent's business; ii) the issuer is an entity participating to a material extent in the distribution of proprietary investment products advised, administered or sponsored by Thrivent; iii) an Access Person² of Thrivent also serves as a director or officer of the issuer; and iv) there is a personal conflict of interest (e.g., familial relationship with company management). Other circumstances or relationships can also give rise to potential conflicts of interest.

All material conflicts of interest will be resolved in the interests of the clients. Application of the Policies and Procedures' applicable voting guidelines to vote client proxies is generally relied on to address possible conflicts of interest since the voting guidelines are pre-determined by the Committee. Where there is discretion in the voting guidelines, voting as recommended under an ISS policy may be relied on to address potential conflicts of interest.

In cases where Thrivent is considering overriding these Policies and Procedures' applicable voting guidelines, or in the event there is discretion in determining how to vote (for example, where or the guidelines provide for a case by case internal review) matters presented for vote are not governed by such guidelines, the Committee will follow these or other similar procedures:

- Compliance will conduct a review to seek to identify potential material conflicts of interest. If no material conflict of interest is identified, the proxy will be voted as determined by the Committee or the appropriate Thrivent personnel under these policies and procedures. The Compliance review process for identifying potential conflicts of interest will be reviewed by the Committee and may include a review of factors indicative of a potential conflict of interest or a determination that voting in accordance with ISS's recommendation(s) can reasonably be relied on to address potential conflicts of interest.
- If a material conflict of interest is identified, the Committee will be apprised of that fact and the Committee will evaluate the proposed vote in order to ensure that the proxy ultimately is voted in what Thrivent believes to be the best interests of clients, and without regard for the conflict of interest. The Committee will document its vote determination, including the nature of the material conflict, the Committee's analysis of the matters submitted for proxy vote, and the reasons why the Committee determined that the votes were cast in the best interests of clients.

² "Access Person" has the meaning provided under the current Thrivent Code of Ethics.

Certain Thrivent Funds ("top tier fund") may own shares of other Thrivent Funds ("underlying fund"). If an underlying fund submits a matter to a shareholder vote, the top tier fund will generally vote its shares in the same proportion as the other shareholders of the underlying fund. If there are no other shareholders in the underlying fund, the top tier fund will vote in what Thrivent believes to be in the top tier fund's best interest.

Shareblocking

Shareblocking is the practice in certain foreign countries of "freezing" shares for trading purposes in order to vote proxies relating to those shares. Thrivent generally refrains from voting shares in shareblocking countries unless the matter has compelling economic consequences that outweigh the loss of liquidity in the blocked shares.

Applying Proxy Voting Policies to non-U.S. Companies

Thrivent applies a two-tier approach to determining and applying global proxy voting policies. The first tier establishes baseline policy guidelines for the most fundamental issues, which apply without regard to a company's domicile. The second tier takes into account various idiosyncrasies of different countries, making allowances for standard market practices, as long as they do not violate the fundamental goals of good corporate governance. The goal is to enhance shareholder value through effective use of the shareholder franchise, recognizing that applying policies developed for U.S. corporate governance may not be appropriate for all markets.

Securities Lending

From time to time, certain clients may participate in a securities lending program. Thrivent will not have the right to vote shares on loan as of record date. Thrivent will generally not seek to recall shares on loan in order to vote, unless it determines that a vote would have a material effect on an investment in such loaned security. Thrivent will use reasonable efforts to recall securities. The ability to vote recalled shares is subject to administrative considerations, including the feasibility of a timely recall prior to record date. Thrivent may also restrict lending of securities in consideration of individual account and/or aggregate client investment in a company, or other criteria established from time to time.

Oversight, Reporting and Record Retention

Retention of Proxy Service Provider and Oversight of Voting

In overseeing proxy voting generally and determining whether or not to retain the services of ISS, Thrivent performs the following functions, among others, to determine that Thrivent continues to vote proxies in the best interest of its clients: i) periodic sampling of proxy votes; ii) periodic reviews of Thrivent's Policies and Procedures to determine they are adequate and have been implemented effectively, including whether they continue to be reasonably designed to ensure that proxies are voted in the best interest of Thrivent's clients; iii) periodic due diligence on ISS designed to monitor ISS's a) capacity and competency to adequately analyze proxy issues, including the adequacy and quality of its staffing and personnel, as well as b) its methodologies for developing vote recommendations and ensuring that its research is accurate and complete; and iv) periodic reviews of ISS's procedures regarding their capabilities to identify and address conflicts of interest.

Proxy statements and solicitation materials of issuers (other than those which are available on the SEC's EDGAR database) are kept by ISS in its capacity as voting agent and are available upon request. Thrivent retains documentation on shares voted differently than the Thrivent Policies and Procedures voting guidelines, and any document which is material to a proxy voting decision such as the Thrivent Policies and Procedures voting guidelines and the Committee meeting materials.

ISS provides Vote Summary Reports for each Thrivent Fund. The report specifies the company, ticker, cusip, meeting dates, proxy proposals, and votes which have been cast for the Thrivent Fund

during the period, the position taken with respect to each issue and whether the Thrivent Fund voted with or against company management.

Copies of Voting Records and Policies

A copy of Thrivent's detailed voting guidelines and the voting records of client accounts are available to Thrivent's clients upon request.

Consents Related to Private Fund Investments

From time to time, the Thrivent Funds may invest in private investment funds ("private funds"). When these private funds request consent to change the terms or other conditions of their securities, Thrivent will promptly review these solicitations. Thrivent is committed to voting in the best interests of its clients, taking into account any potential conflicts of interest. The responsibility to vote on consents is delegated to certain of the Investment Personnel, as defined in the Thrivent Code of Ethics, of the Private Investments Group. The Private Investments Group, alongside the Chief Compliance Officer, will document and assess any potential conflicts of interest related to the consent voting process. If a conflict is deemed material by the Chief Compliance Officer, the Committee will be apprised. The Committee will then determine the best way to manage the conflict, ensuring votes serve the clients' best interests. Other clients of Thrivent that vote on consents, including the Thrivent White Rose Funds, have other procedures related to the voting of consents as described in Thrivent Financial for Lutherans' Part 2A of Form ADV.

Thrivent's Proxy Voting Guidelines

Specific voting guidelines have been adopted by the Committee for regularly occurring categories of management and shareholder proposals. The detailed voting guidelines are available to Thrivent's clients upon request. The following is a summary of significant Thrivent policies, which are generally consistent with the Benchmark Guidelines referenced above.

Board of Directors and Corporate Governance

Voting on Director Nominees in Uncontested Elections

Generally, Thrivent votes for director nominees, except under specific circumstances.

Four fundamental principles apply when determining votes on director nominees:

1. **Accountability:** Boards should be sufficiently accountable to shareholders, including through transparency of the company's governance practices and regular board elections, by the provision of sufficient information for shareholders to be able to assess directors and board composition, and through the ability of shareholders to remove directors. It is expected that boards will engage in critical self-evaluation of themselves and of individual members. Individual directors, in turn, are expected to devote significant amounts of time to their duties and to limit the number of directorships they accept.
2. **Responsiveness:** Directors should respond to investor input, such as that expressed through significant opposition to management proposals, significant support for shareholder proposals (whether binding or non-binding), and tender offers where a majority of shares are tendered.
3. **Composition:** Boards should be sufficiently diverse to ensure consideration of a wide range of perspectives.
4. **Independence:** Thrivent believes boards are expected to have a majority of directors independent of management. The independent directors are expected to organize much of the board's work, even if the chief executive officer also serves as chairperson of the board. Key committees (audit, compensation, and nominating/corporate governance) of the board are expected to be entirely independent of management.

Circumstances under which Thrivent may vote against or withhold votes from directors include:

- **Low Attendance:** Thrivent withholds votes for directors who miss more than one-fourth of the scheduled board meetings.”
- **Material Oversight Failures:** Boards should be held responsible for risk oversight or fiduciary responsibility failures. Examples of risk oversight failures include but are not limited to: bribery; large or serial fines or sanctions from regulatory bodies; demonstrably poor risk oversight of environmental and social issues; or significant adverse legal judgements or settlement.
- **Limitations on Shareholder Rights:** Thrivent will generally withhold votes from appropriate directors if the company’s governing documents impose undue restrictions on shareholder’s ability to amend bylaws.
- **Excessive Non-Audit Fees:** Thrivent will generally withhold votes from appropriate directors if non-audit fees paid to the auditor are excessive.
- **Compensation-Related Issues:** Thrivent will generally withhold votes from appropriate directors if the company maintains significant problematic pay practices.
- **ESG-Related Failures:** Thrivent will generally vote case-by-case as appropriate on directors if the company is a significant greenhouse gas emitter and is not taking the minimum steps needed to understand, assess, and mitigate risks related to climate change via detailed disclosure of climate-related risks and appropriate greenhouse gas emissions reduction targets.

Voting on Director Nominees in Contested Elections

Thrivent votes case-by-case on the election of directors in contested elections.

Other Proposals Related to Board Structure & Accountability

Thrivent believes boards should be sufficiently accountable to shareholders, including through transparency of the company’s governance practices and regular board elections, by the provision of sufficient information for shareholders to be able to assess directors and board composition, and through the ability of shareholders to remove directors.

Thrivent may vote case-by-base on proposals related to age & term limits, proposals to establish or amend director qualifications, proposals to establish a new board committee, proposals to separate the board chair and CEO position, proposals related to director and officer indemnification, liability protection, and exculpation, and other proposals related to routine/standard board-related items.

Thrivent votes against management efforts to stagger board member terms because a staggered board may act as a deterrent to takeover proposals. For the same reason, Thrivent votes against proposals to eliminate cumulative voting and votes for proposals that seek to fix the size of the board.

Ratification of Auditors

Thrivent votes for proposals to ratify auditors, unless an auditor has a financial interest in or association with the company, and is therefore not independent; there is reason to believe that the independent auditor has rendered an opinion that is neither accurate nor indicative of the company’s financial position; non-audit fees paid represent 50 percent or more of the total fees paid to the auditor; or poor accounting practices are identified that rise to a serious level of concern.

Executive and Director Compensation

Well-designed incentive programs play a crucial role in guiding executive management decisions towards long-term value enhancement. Conversely, incentive programs with unsuitable performance targets or design flaws can hinder the alignment between management’s incentives and the interests of investors. We believe that as proactive investors, it’s our duty to comprehend the compensation structures of the companies in our portfolio and to offer constructive feedback — via our proxy voting

and direct interactions — whenever we identify areas of concern.

Advisory Vote on Executive Compensation (Say on Pay)

Shareholder votes to approve executive compensation — generally votes of an advisory nature — have become common in markets around the world. It is challenging to apply a rules-based framework to compensation votes because every pay program is a unique reflection of the company's performance, industry, size, geographic mix, and competitive landscape. Additionally, factors such as executives' individual performance, achievement of goals, experience, tenure, skills, and leadership should be taken into account in evaluating the overall compensation context. For these reasons, Thrivent votes on executive and director compensation proposals following a case-by-case evaluation. Generally, Thrivent opposes compensation packages that provide what we view as excessive awards to a few senior executives or that contain excessively dilutive stock option grants based on a number of criteria such as the costs associated with the plan, plan features, and dilution to shareholders.

Factors considered in our evaluation of "Say on Pay" votes includes an annual pay-for-performance analysis for companies in the S&P 1500, Russell 3000 or Russell 3000E Indices, conducted by ISS. This evaluation includes two primary factors:

- **Peer Group Alignment:** This assesses the relationship between the company's total shareholder return (TSR) rank and the CEO's total pay rank within a peer group, measured over three years. It also considers the CEO's pay multiple relative to the peer group median.
- **Absolute Alignment:** This examines the alignment between the trend in CEO pay and company TSR over the previous five fiscal years.

If this analysis indicates significant misalignment, Thrivent may include qualitative factors for a deeper evaluation, such as the ratio of performance- to time-based incentives, the rigor of performance goals, and transparency of pay program disclosures. Additionally, Thrivent scrutinizes problematic pay practices on a case-by-case basis, focusing on practices that contravene global pay principles.

Thrivent generally votes for holding annual advisory votes on compensation, which provide the most consistent and clear communication channel for shareholder concerns about companies' executive pay programs.

Equity-Based and Other Incentive Plans

We believe long-term equity plans, used appropriately, provide strong alignment of interests between executives and investors. These plans can be effective in linking executives' pay to the company's performance as well as attracting and retaining management talent.

We evaluate requests to approve or renew equity plans on a case-by-case basis, taking into account a combination of certain plan features and equity grant practices, where positive factors may counterbalance negative factors, and vice versa, as evaluated using an "Equity Plan Scorecard" (EPSC) approach with three pillars:

Plan Cost: The total estimated cost of the company's equity plans relative to industry/market cap peers, measured by the company's estimated Shareholder Value Transfer (SVT) in relation to peers and considering both:

- SVT based on new shares requested plus shares remaining for future grants, plus outstanding unvested/unexercised grants; and
- SVT based only on new shares requested plus shares remaining for future grants.

Plan Features:

- Quality of disclosure around vesting upon a change in control (CIC);
- Discretionary vesting authority;
- Liberal share recycling on various award types;
- Lack of minimum vesting period for grants made under the plan;
- Dividends payable prior to award vesting.

Grant Practices:

- The company's three year burn rate relative to its industry/market cap peers;
- Vesting requirements in CEO'S recent equity grants (3-year look-back);
- The estimated duration of the plan (based on the sum of shares remaining available and the new shares requested, divided by the average annual shares granted in the prior three years);
- The proportion of the CEO's most recent equity grants/awards subject to performance conditions;
- Whether the company maintains a sufficient claw-back policy;
- Whether the company maintains sufficient post exercise/vesting share-holding requirements.

Other Compensation Plans

Thrivent has varying approaches for evaluating other compensation-related proposals, guided by a set of principles aimed at ensuring fair and effective compensation practices.

Capital Structure and Incorporation

Thrivent generally votes on a case-by-case basis on proposals related to capital structure and incorporation and seeks to vote in a way that protects shareholders' value in the companies in which the Thrivent funds invest. When voting on capital structure issues, Thrivent considers the dilutive impact to shareholders and the effect on shareholder rights.

Thrivent will evaluate reincorporation proposals on a case-by-case basis. Considerations include:

- Regulations of both states or countries
- Required fundamental policies
- Increased flexibility available

Increases in Common Stock

Thrivent's policy for voting on proposals to increase the number of authorized shares of common stock is nuanced and case-by-case, guided by specific criteria. For general corporate purposes, the policy is to vote for an increase in authorized shares depending on the percentage of share usage: up to 50% increase if less than 50% of current shares are used, up to 100% if usage is between 50% and 100%, and up to the current share usage if it exceeds the authorized shares. However, Thrivent generally votes against increases, even within these parameters, if the proposal or the company's use of shares is problematic, such as seeking to increase shares with superior voting rights or having a non-shareholder approved poison pill. Exceptions are made for increases beyond these ratios in cases where non-approval poses severe risks, like imminent bankruptcy or requirements by government bodies. In states allowing unilateral capital increases without shareholder approval, Thrivent may vote against all nominees if the increase doesn't conform to these policies. For specific authorization requests linked to transactions (like acquisitions or SPAC transactions), the policy is generally to vote for the increase, with the allowable increase being the greater of twice the amount needed for the transactions or the calculated increase for general issuances.

Multi-Class Share Structures

Thrivent generally recommends voting against proposals to create a new class of common stock, except in specific circumstances where the company provides a compelling rationale for a dual-class capital structure. Such exceptions include situations where the company's auditor expresses substantial doubt about the company's ongoing viability, or when the new share class is intended to be temporary. Additionally, Thrivent may support the creation of a new class if it is aimed at financing purposes with minimal or no short-term and long-term dilution to current shareholders, and it is not structured to preserve or enhance the voting power of insiders or significant shareholders. The policy underscores a cautious approach to changes in capital structure that could impact shareholder rights and company governance.

Mergers and Acquisitions

Thrivent votes on mergers and acquisitions on a case-by-case basis, taking into account and balancing the following: anticipated financial and operating benefits, including the opinion of the financial advisor, market reaction, offer price (cost vs. premium) and prospects of the combined companies; how the deal was negotiated; potential conflicts of interest between management's interests and shareholders' interests; and changes in corporate governance and their impact on shareholder rights.

Anti-takeover and Shareholder Rights Plans

Thrivent adopts a nuanced approach towards voting on anti-takeover provisions, with a policy anchored in the principles of flexibility, fairness, and transparency in corporate governance. This approach involves critical evaluation of various factors, including the dilutive impact of capital structure changes, the balance of authority between the board and shareholders, especially in amending bylaws, and the careful scrutiny of provisions related to control share acquisitions, fair price, and poison pills. Thrivent also assesses the implications of litigation rights, voting disclosure, and mechanisms that empower shareholders, such as the ability to act by written consent or call special meetings. We believe in maintaining a market for corporate control that functions without undue restrictions, as it often leads to acquisitions that increase shareholder value. Consequently, Thrivent typically votes against the adoption of anti-takeover provisions like shareholder rights plans (poison pills), which can lead to management entrenchment and reduced board accountability, aiming to support proposals that enhance shareholder value and rights and oppose those that restrict or harm these interests.

Shareholders Rights Plans ("poison pills")

For shareholder proposals requesting the submission of a poison pill to a vote or its redemption, Thrivent generally votes in favor, except when there is an existing shareholder-approved poison pill or a policy that allows the board to adopt a pill under specific conditions, including immediate shareholder ratification. Such pills must be put to a shareholder vote within 12 months of adoption or they will expire.

In cases where management proposes ratification of a poison pill, Thrivent's vote is case-by-case, focusing on the rights plan's attributes like a trigger no lower than 20%, a maximum term of three years, the absence of features that limit a future board's ability to redeem the pill, and a shareholder redemption feature. The company's rationale for adopting the pill is also critically assessed, along with its governance structure, including board independence and existing defenses.

When it comes to poison pills aimed at preserving Net Operating Losses (NOLs), Thrivent votes against proposals if the term exceeds the shorter of three years or the exhaustion of the NOLs. For management proposals to ratify NOL pills with a shorter term, the vote is case-by-case, considering factors like the ownership threshold, the value of the NOLs, shareholder protection mechanisms, the company's governance structure, and other relevant factors.

Shareholder Ability to Call a Special Meeting & Act by Written Consent

Thrivent's policy regarding shareholder rights to act by written consent and to call special meetings is focused on maintaining and enhancing shareholder participation and influence in corporate governance. Generally, Thrivent votes against any proposals that seek to restrict or prohibit shareholders' ability to act by written consent. We generally support proposals that enable shareholders to act by written consent, considering factors such as the existing rights, consent thresholds, any exclusionary language, the investor ownership structure, and the history of shareholder support and management responses to related proposals.

When it comes to shareholders' ability to call special meetings, Thrivent typically votes against proposals that restrict or prohibit this right. We generally support management or shareholder proposals that facilitate the ability of shareholders to call special meetings, paying attention to current

rights, the minimum ownership threshold necessary for calling meetings (with a preference for a 10% threshold), any prohibitive language in the proposals, the investor ownership structure, and the track record of both shareholder support and management's responses to past proposals.

Voting Requirements

Thrivent generally supports management proposals to adopt a majority of votes cast standard for directors in uncontested elections.

Thrivent generally opposes proposals to require a supermajority shareholder vote and generally supports proposals to reduce supermajority vote requirements. However, for companies with shareholder who have significant ownership levels, Thrivent may vote case-by-case, taking into account: Ownership structure; Quorum requirements; and Vote requirements.

Thrivent generally votes case-by-case on proposals regarding proxy voting mechanics, taking into consideration whether implementation of the proposal is likely to enhance or protect shareholder rights. Specific issues include, but are not limited to, confidential voting of individual proxies and ballots, confidentiality of running vote tallies, and the treatment of abstentions and/or broker non-votes in the company's vote-counting methodology.

Social, Environmental and Corporate Responsibility Issues

Overview of Environmental and Social Issues

The consideration of environmental and social (E&S) issues in voting is integral to our review of corporate governance and general investment stewardship. Recognizing the diverse impact these issues can have on long-term shareholder value, our approach is grounded in a thorough evaluation of relevant issues. These issues may include business activity impacts on the environment and climate, human and labor rights, health and safety, diversity, equity and inclusion, as well as general impacts on communities. The overall guiding principle on vote determinations examines primarily whether the proposal is likely to enhance or protect shareholder value.

Considerations for Evaluating Environmental and Social Proposals

When evaluating environmental and social proposals, we adopt a case-by-case analysis that balances the specific circumstances of each company with the broader context of market norms and regulatory requirements. Our evaluation is rooted in a framework that involves analyzing the relevance of a proposal in terms of its direct relation to the company's business activities, strategies, and performance.

The potential material impact of the proposal on the company's long-term value is also scrutinized, focusing on those proposals that could significantly influence the company's financial performance or valuation. Additionally, Thrivent examines the company's current practices, policies, and disclosures relevant to the proposal, while considering industry-standard practices and trends (market norms) to provide a benchmark for evaluation. Understanding the legal and regulatory landscape, including existing laws and future regulatory trends, forms a part of this evaluation. The framework also encompasses identifying the proposal's proponents to understand their motivations and potential implications, as well as considering the proposal's potential reputational impact on the company. Assessing the reasonableness of the proposal in terms of practicality, feasibility, and logic, and evaluating its persuasiveness based on clarity, logic, and evidence, are also integral components of the process. Through this structured approach, integrating various relevant components, Thrivent ensures comprehensive and responsible decision-making in its proxy voting proposal evaluations.

Thrivent employs a structured set of questions in its proxy voting proposal evaluation process, integrating the various relevant components outlined above to ensure comprehensive decision-making.

Question	Explanation
1. Does the resolution address an issue that is material for this company? / Does the proposal reflect an industry-specific, materiality-driven approach?	The relevance of the resolution is crucial in determining if it aligns with the core business and operations of the company. Materiality is key to understanding if the issue can significantly impact the company's long-term value.
2. Are the proponents credible - Who are the proponents of the resolution, and are our objectives aligned with theirs? What is management's recommendation?	Understanding the proponent helps identify their motivations and alignment with the company's objectives. The reasonableness and persuasiveness of the proposal are essential to ensure it is practical and effectively communicated.
3. Does the proposal address a current shortcoming? If yes, has the company already announced intentions to address the shortcoming?	Current practices and disclosures are reviewed to check if the company has already taken steps to address the issue. Market norms provide context by showing industry standards and peer responses.
4. Are shareholders the optimal stakeholders to address the core issue that is the subject of the resolution?	This involves assessing whether the issue falls within shareholder influence or if it's better addressed through regulatory compliance and legal mandates.
5. Is the proposal NOT overly prescriptive?	The reasonableness of the proposal is evaluated to ensure it is not excessively demanding. The company's current practices and disclosures are reviewed to determine if there is already a framework addressing the issue.

Disclosure-Related Proposals

In assessing proposals that request enhanced disclosure, Thrivent focuses on several critical factors, such as the company's current level of disclosure, its compliance with relevant regulations and guidelines, and any significant controversies or fines that might have arisen. Thrivent recognizes the value of globally recognized reporting frameworks such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the Taskforce for Climate-Related Financial Disclosure (TCFD) in guiding companies to provide clear, relevant, comparable, and accurate information that enables informed investment decisions.

Thrivent's policy is to vote on a case-by-case basis on shareholder proposals seeking greater disclosure on a company's environmental and social practices, as well as any associated risks and liabilities. The goal is to ensure that disclosures effectively balance the needs and interests of various stakeholders, supporting long-term business growth, community support, and environmental stewardship.

Action-Related Proposals

Regarding proposals that require a company to take a certain action, our policy is to carefully scrutinize requests for the adoption of specific targets, goals, or changes in business practices. We acknowledge that while shareholders may not always have the intricate knowledge of a company's strategic operations, there are instances where such proposals can highlight areas needing improvement.

Thrivent assesses each proposal based on the nature of the company's business, the practicality and feasibility of implementing the proposed actions, and how these actions align with the company's overall strategy and operational capabilities. In considering these proposals, Thrivent pays close attention to the company's ability to address the issues raised in the proposal, the proposal's prescribed timetable and methods for implementation, and how the company's practices compare with those of its industry peers.

Copies of Voting Records and Policies

A copy of Thrivent's detailed voting guidelines and the voting records of client accounts are available to Thrivent's clients upon request.

Item 18 - Financial Information

TFL does not solicit prepayment of fees from the Private Funds nor has it been the subject of a bankruptcy petition at any time during the past ten years. TFL currently does not have any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients.

Item 19 - Requirements for State-Registered Advisers

Not applicable.