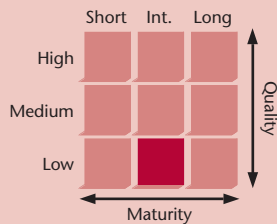


Portfolio Overview
Investment Management Style

Portfolio Information

Inception date: **11/02/87**
 Total Net Assets: **\$759.1 million**
 Benchmark: **Lehman Brothers High Yield Bond Index**

Investment Objective

Seeks high current income and, secondarily, growth of capital.

Investment Strategy

- Invests in high-yield, high-risk bonds and other debt obligations or preferred securities, with a focus on "junk bonds" rated within or below the "Ba" category as defined by Moody's.
- Emphasizes middle-tier high-yield bonds while minimizing exposure to more speculative high-yield bonds.
- Uses smaller allocations to convertible and preferred securities to reduce volatility and enhance total return potential.

Investment Performance - Average Annual Total Return*

	3 Mo.	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Inception
Without Charges**	(2.73)%	(2.73)%	(3.33)%	4.08%	7.51%	0.67%	N/A
With Charges***	(7.59)%	(7.59)%	(8.16)%	2.32%	6.41%	0.16%	N/A
Lipper High Current Yield Median	(3.15)%	(3.15)%	(3.09)%	4.49%	7.67%	3.67%	—
Lehman Brothers High Yield Bond Index	(3.02)%	(3.02)%	(3.74)%	4.89%	8.62%	4.84%	—

* All data represents past performance and should not be viewed as an indication of future results. Total investment returns and principal value of an investment will fluctuate and your units when redeemed may be worth more or less than your original cost. Current performance may be lower or higher than the performance data quoted. Market volatility can significantly affect short-term performance, and more recent returns may be different from those shown. Call 800-THRIVENT or visit www.thrivent.com for most recent month end performance results.

Periods less than one year are not annualized. Subaccount total return calculations assume an initial investment of \$10,000. At various times, the Portfolio's adviser may have reimbursed Portfolio expenses. Had the adviser not done so, the Portfolio's total returns would have been lower. This reimbursement of expenses may be discontinued at any time.

Average annual total returns are calculated for the contract subaccount of the underlying Thrivent Financial Variable Universal Life underlying portfolio. The portfolio was in existence prior to the subaccount's inception on 12/31/03. Portfolio inception date was 11/02/87. All returns shown reflect the deduction of the applicable investment advisory fee and the current maximum mortality and expense charge.

**Rates labeled "Without Charges" do not reflect the premium expense charge of 5%, the basic monthly charge, decrease charges, cost of insurance charges or other charges deducted at the individual contract level. If these charges had been deducted, the performance quoted would have been significantly lower.

***Rates labeled "With Charges" do reflect the premium charge of 5%, but do not reflect the basic monthly charge, decrease charges, cost of insurance charges or other charges deducted at the individual contract level. If these charges had been deducted, the performance quoted would have been significantly lower.

Since charges and fees vary from individual to individual at the contract level based on several factors, including the amount of the death benefit, the contract value, the insured's attained age, sex and risk classification, it is not possible to include them in this report. You are urged to contact your registered representative for a personalized illustration to determine what additional charges and fees you may incur. You can also review the hypothetical illustrations in the prospectus to see the effects of fees and charges on performance.

Lipper figures do not include charges or fees. If included, returns would have been lower. The Lehman Brothers U.S. Corporate High Yield Bond Index is an index which measures the performance of fixed-rate non-investment grade bonds. An index is unmanaged, and investments cannot be made directly into an index.





Portfolio Management

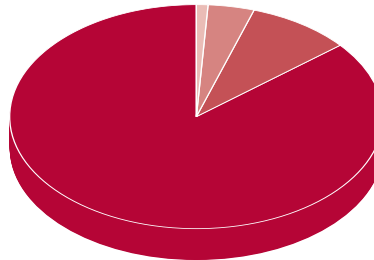


Paul J. Ocenasek, CFA
 Began managing this fund: 2001
 Investment experience: 21 years

Risks: The Portfolio typically invests a majority of its assets in high yield bonds (commonly referred to as junk bonds). Although high yield bonds typically have a higher current yield than investment-grade bonds, high yield bonds are also subject to greater price fluctuations and increased risk of loss of principal than investment-grade bonds.

Portfolio Diversification³

	Corporate Bonds	86%
	Cash & Cash Equivalent	9%
	Preferred Stock	4%
	Agency Short Term	1%



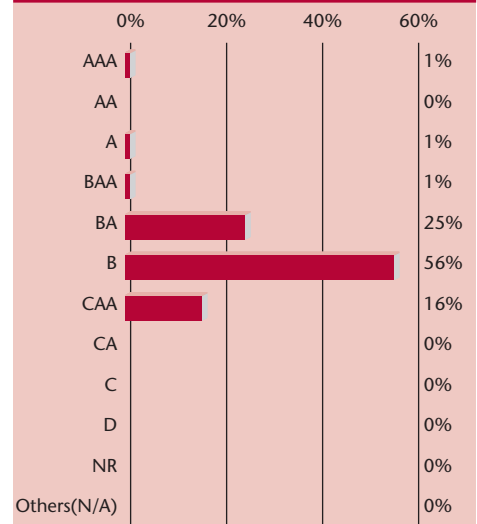
Portfolio Statistics³

Number of holdings:	255		
Average Life (years) ¹ :	6.8		
Average Quality:	B		
Standard Deviation ² :			
	3-year	5-year	10-year
	4.36%	5.13%	9.19%

Top Ten Holdings

HCA, Inc.	1.40%
General Motors Acceptance Corporation	1.29%
NRG Energy, Inc.	1.06%
Goldman Sachs Mortgage Securities Corporation II	0.93%
TransDigm, Inc.	0.91%
Lear Corporation	0.90%
Tunica Biloxi Gaming Authority	0.87%
Leucadia National Corporation	0.86%
LVB Acquisition	0.85%
Idearc, Inc.	0.85%

Moody's Bond Quality Rating Distribution³



¹Average Life: Average length of time before the bond issuer pays the bond holder.

²Standard Deviation: A statistical measure of volatility. The higher the standard deviation, the riskier an investment is considered to be.

³This is subject to change.

When not presented as part of the complete booklet, these pages must be preceded or accompanied by the current prospectus for the Thrivent Flexible Premium Variable Life Insurance.

Investing in a variable insurance product involves risks, including the possible loss of principal. The prospectus contains more complete information on the objectives, risks, charges and expenses of the investment company which investors should read and consider carefully before investing. To obtain a prospectus contact a registered representative or visit www.thrivent.com.

Variable insurance products, where available, are offered and underwritten by Thrivent Financial for Lutherans, Appleton, WI 54919-0001 and distributed by Thrivent Investment Management Inc., 625 Fourth Ave. S., Minneapolis, MN 55415-1665, (800-THRIVENT;800-847-4836), a wholly owned subsidiary of Thrivent Financial for Lutherans. Member FINRA. Member SIPC.