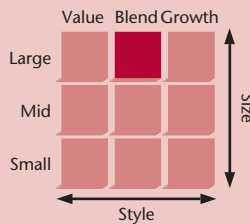


Portfolio Overview

Investment Management Style



Portfolio Information

Inception date: **01/18/96**
 Total Net Assets: **\$1.3 billion**
 Benchmark: **MSCI EAFE Index**

Investment Objective

To achieve long-term growth of capital by investing primarily in a professionally managed diversified portfolio of common stocks of established, non-U.S. companies.

Investment Strategy

- Invests primarily in a broad array of stocks of large, non-U.S. companies within both developed and emerging markets throughout the world.
- Principal’s portfolio investment philosophy is based on the belief that superior stock selection and disciplined risk management provide consistent outperformance. They focus on companies with improving and sustainable business fundamentals, rising investor expectations and attractive relative valuations.
- Mercator combines a relative value style with bottom-up stock analysis, seeking attractive, undervalued securities with solid earnings prospects.

Investment Performance - Average Annual Total Return*

	3 Mo.	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Inception
Without Charges**	(7.56)%	(7.56)%	(2.32)%	11.55%	17.91%	3.97%	N/A
With Charges***	(12.18)%	(12.18)%	(7.21)%	9.66%	16.71%	3.44%	N/A
Lipper International Median	(9.15)%	(9.15)%	(0.77)%	13.88%	20.30%	5.67%	—
MSCI EAFE Index	(8.82)%	(8.82)%	(2.27)%	13.79%	21.90%	6.56%	—

* 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 01/18/96. 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 MSCI EAFE Index is a stock index that measures the equity performance of developed countries outside of North America. An index is unmanaged, and investments cannot be made directly into an index.

Portfolio Management

Equities
Fixed
Income
Real Estate

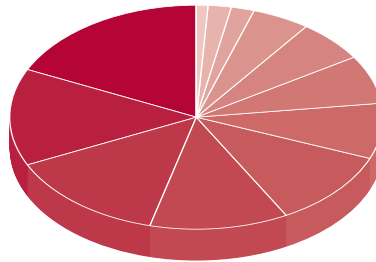


MERCATOR ASSET MANAGEMENT®

Risks: Foreign investments involve additional risks, including currency fluctuations and greater political, economic and market instability and different accounting standards, as compared with domestic investments. These risks are magnified when the fund invests in emerging markets which may be of relatively small size and less liquid than domestic markets. These and other risks are described in the prospectus.

Portfolio Diversification³

Financials	18%
Industrials	14%
Consumer Discretionary	14%
Materials	12%
Consumer Staples	11%
Health Care	8%
Informational Technology	7%
Communication Services	6%
Energy	5%
Commercial Paper	2%
Utilities	2%
Capital Goods	1%



Portfolio Statistics³

Number of holdings:	220
Weighted Average Market Cap:	\$54.2 billion
Median Market Cap:	\$31.8 billion
Turnover ratio:	120%
Beta ¹ :	0.93
Standard Deviation ² :	
3-year	11.78%
5-year	13.23%
10-year	16.45%

Top Ten Holdings

Nestle SA	3.29%
Telefonica SA	2.93%
Novartis AG	1.82%
Unilever plc	1.75%
Adidas AG	1.57%
Vivendi Universal SA	1.53%
GlaxoSmithKline plc	1.50%
Finmeccanica SPA	1.47%
Siemens AG	1.38%
Statoil ASA	1.35%

¹Beta: A measure of the 3-year volatility of an investment compared to the S&P 500 Index.
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.