

June 30, 2019
Portfolio Inception Date 10/31/2002 **Total Portfolio Assets** \$867.0 million

Portfolio Description

Thrivent High Yield Portfolio invests primarily in corporate bonds that are either unrated or rated as "below investment-grade," commonly known as "junk bonds." Credit rating agencies evaluate bond issuers and assign ratings based on their ability to pay interest and repay principal as scheduled. Bond issuers that are considered to have a greater risk of defaulting on payments pay higher interest rates to compensate investors for the additional risk. The Portfolio is managed as a "core" high yield Portfolio that emphasizes bonds in the middle of the high yield credit quality spectrum. The high yield sector may provide portfolio diversification benefits because it has a low correlation to other sectors of the fixed-income market and less sensitivity to interest rate risk, but is more risky than investment-grade debt. The Portfolio may also utilize derivatives for investment exposure or hedging purposes.

Investment Strategy/Process

The portfolio management team seeks to add value through security selection and active management, and monitors risk in an effort to build a well-diversified portfolio. The team uses fundamental, quantitative and technical investment research techniques to determine which securities to buy and sell. Through careful credit research, the team strives to identify U.S. companies that will have adequate cash flows to meet their principal and interest obligations. The team also considers the macro-economic environment and performs an ongoing assessment of relative value and risk. Based on this market outlook, the Portfolio may take overweight and underweight positions in various industries and may reallocate across the higher- and lower-quality segments of the high yield market.

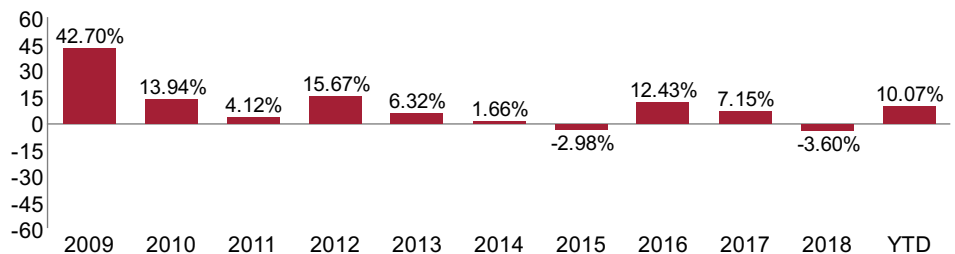
Calendar Year Performance (%)


Chart represents calendar year performance and reflects the deduction of investment advisory fees, operating expenses and current mortality and expense charge of 0.30%. Performance of other contracts will be greater or less than the bars shown based on the differences in contract charges and expenses paid by the contract holder.

Average Annualized Returns (%)

Periods less than one year are not annualized.

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Incept.
Subaccount	2.47	10.07	6.80	6.28	3.76	8.08	8.02
Subaccount (w/addl fees)	-2.93	4.00	0.33	3.40	1.56	6.75	7.06
BBgBarc U.S. Corporate High Yield Bond Index	2.50	9.94	7.48	7.52	4.70	9.24	N/A
Lipper High Current Yield Funds Median ¹	2.54	9.91	6.78	6.64	3.90	8.41	N/A

All data represents past performance of this subaccount in Thrivent Financial Variable Universal Life Insurance II (contract V-VQ-VUL (07) and ICC07V-VM-VUL) and should not be viewed as an indication of future results. Total investment returns and principal value of an investment will fluctuate and units, when redeemed, may be worth more or less than the original investment. 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 800-847-4836 or visit Thrivent.com for most recent month-end performance results.

Average annualized return calculations are based on the fees associated with an initial investment of \$10,000. At various times, the investment adviser may have waived and/or reimbursed Portfolio expenses. Had the investment adviser not done so, the performance data shown would have been lower. "Since Inception" returns are calculated from the date the Subaccount was made available through the separate account used with this contract.

Average annualized return reflect the deduction of investment advisory fees and operating expenses (reduced by any applicable waivers) associated with the Subaccount, as well as the current mortality and expense charge of 0.30%. "Subaccount w/addl fees" data reflects additional deductions of the policy fee and the 5% premium expense charge. The following charges are not reflected in the Subaccount's trailing returns and vary by contract: percent of asset charge, monthly administrative charge, cost of insurance charge, and rider or additional benefits charges. 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 encouraged to contact your Thrivent Financial 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.

¹Source: Lipper. The Lipper median represents the median annualized total return for all reported portfolios in the classification. Lipper medians do not include sales charge/fees. If included, returns would have been lower.

Investment Objective

Thrivent High Yield Portfolio seeks to achieve a higher level of income. The Portfolio will also consider growth of capital as a secondary objective.

Who Should Consider Investing?

The Portfolio may be suitable for investors who:

- Seek a high level of income.
- Have a medium- to long-term investment time horizon and a moderate risk tolerance.
- Are comfortable with a higher level of risk and volatility compared to other bond portfolios.

Benchmark(s)

Indexes are unmanaged and do not reflect the fees and expenses associated with active management. Investments cannot be made directly into an index.

- **Bloomberg Barclays (BBgBarc) U.S. Corporate High Yield Bond Index** is an index which measures the performance of fixed-rate non-investment grade bonds.

Portfolio Management & Experience

Paul J. Ocenasek, CFA

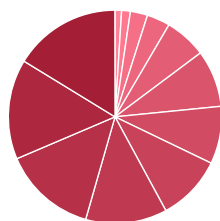
Portfolio Start: 1997

Industry Start: 1987

Risks: The Portfolio primarily invests in high-yield, high-risk bonds, notes, debentures and other debt obligations, or preferred stocks. Credit risk is the risk that an issuer of a debt security may not pay its debt, and high yield securities are subject to increased credit risk, as well as liquidity risk. Bond prices may decline during periods of rising interest rates. Leveraged loans are subject to numerous risks, including liquidity, credit, declines in the value of collateral underlying them, and detrimental legal actions against them. Convertible securities are subject to additional risks such as interest rate and market risk. Preferred securities are subject to risks such as credit and liquidity risk. The value of the Portfolio is influenced by factors impacting the overall market, certain asset classes, certain investment styles, and specific issuers. The Portfolio may incur losses due to investments that do not perform as anticipated by the investment adviser. Foreign investments involve additional risks, including currency fluctuations, liquidity, political, economic and market instability, and different legal and accounting standards. In periods when dealer inventories of bonds are low in relation to market size, there is the potential for decreased liquidity and increased price volatility in the fixed-income markets. Quantitative investing uses models and factors that rely on historical data and may be incomplete. The use of derivatives (such as futures and swaps) involves additional risks and transaction costs, which could leave the Portfolio in a worse position than if it had not used these instruments. These and other risks are described in the Portfolio's prospectus.

June 30, 2019

Portfolio Diversification



Communications	16.3%
Energy	15.2%
Consumer Cyclical	14.2%
Consumer Noncyclical	12.4%
Capital Goods	10.0%
Finance	8.8%
Basic Industry	8.7%
Technology	6.4%
Utilities	3.6%
Cash	2.7%
Transportation	1.4%
Miscellaneous	0.3%

Top 10 Holdings—excluding derivatives and cash (8.28% of Portfolio, as of 05/31/2019)

The coupon rate is the yield paid by a fixed income security. The maturity date is when the principal of the security is due and payable to the investor.

Security	% of Portfolio	Coupon Rate	Maturity Date
Sprint Corp	1.03%	7.63	02/25
CCO Holdings, LLC	0.95%	5.88	04/24
Cheniere Corpus Christi Holdings, LLC	0.91%	7.00	06/24
Intelsat Jackson Holdings SA	0.91%	5.50	08/23
Alliance Data Systems Corp	0.82%	5.38	08/22
Contura Energy, Inc., Term Loan	0.82%	N/A	11/25
Tenet Healthcare Corp	0.77%	6.25	02/27
CSC Holdings, LLC	0.70%	6.50	02/29
Six Flags Entertainment Corp	0.69%	4.88	07/24
Albertson's Companies, LLC	0.68%	6.63	06/24

Bond Quality Rating Distribution (%)

The lower of the bond ratings assigned by Moody's Investor Services, Inc. or Standard & Poor's® Financial Services, LLC ("S&P"). Investments in derivatives and short-term investments are not included.

Category	Percentage
HIGH QUALITY (HQ)	9.1
Cash	2.8
U.S. Gov't Guaranteed	—
AAA	—
AA	—
A	—
BBB	6.3
HIGH YIELD (HY)	89.6
BB	34.8
B	44.2
CCC	10.3
CC	—
C	—
D	0.3
OTHER	1.3
Non-Rated (NR)	1.3
ETFs/Closed-End Funds (may be (HQ/HY/NR))	—

²Turnover Ratio: 12-month rolling as of 05/31/2019. A measure of the Portfolio's trading activity, which is calculated by dividing the lesser of long-term purchases or long-term sales by average long-term market value.

³Source: Barclays Capital Indices, POINT. ©2019 Barclays Capital Inc. Used with permission. POINT is a registered trademark of Barclays Capital Inc. Bloomberg Barclays U.S. Aggregate Bond Index measures the performance of U.S. investment-grade bonds.

This document must be preceded or accompanied by the current [prospectus](#) for Thrivent Financial Variable Universal Life Insurance II.

Investing involves risk, including the possible loss of principal. The product and summary prospectus contains information on investment objectives, risks, charges and expenses. Read carefully before investing. Available at [Thrivent.com](#). Since every investor's situation is unique, please work with a financial professional to determine which products and strategies are most appropriate for your needs and goals.

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PORTFOLIO STATISTICS

Statistics shown below are compared to the Bloomberg Barclays U.S. Aggregate Bond Index. The benchmark is intended to provide a comparison to the broad U.S. bond market, and may not be representative of the Portfolio's investment strategies and holdings.

Holdings Information

Number of Holdings	293
Turnover Ratio (last 12-months) ²	39%

Risk/Volatility Measures

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

	Portfolio	BBgBarc U.S. Aggregate ³
3 Year	4.51%	3.08%
5 Year	5.23%	2.89%
10 Year	6.10%	2.87%

Fixed Income Characteristics

Average Duration: A measure of a portfolio's sensitivity to changes in interest rates; the longer the portfolio's duration, the more sensitive it is.

	Portfolio	BBgBarc U.S. Aggregate ³
Average Duration (years)	3.2	5.8

Weighted Average Life: The market-value weighted average of the time remaining until the bond in the portfolio will repay principal.

	Portfolio	BBgBarc U.S. Aggregate ³
Wtd Avg Life (years)	4.4	8.0