



**December 31, 2018**

**Portfolio Inception Date** 4/29/2005 **Total Portfolio Assets** \$9.3 billion

**Portfolio Description**

The Thrivent Moderate Allocation Portfolio is the approximate “mid-point” risk option among Thrivent’s suite of Asset Allocation Portfolios. It is designed for investors with a medium to long-term time horizon and a moderate risk tolerance. The Portfolio is globally-diversified across all major equity and fixed-income sectors. It is actively-managed, investing in other portfolios managed by the Adviser and direct investments in stocks, bonds, and derivatives.

**Investment Strategy/Process**

The Portfolio has a long-term target allocation of 57% equity securities and 43% fixed-income. The Portfolio’s asset allocation strategy starts with the construction of a model that sets the long-term target allocations for the broad asset classes of equity and fixed-income. Next, the target weightings for sub-classes are determined. Equity sub-classes are often based on market-capitalization (large, mid, and small), investment style (such as growth and value), economic sector and world region. Fixed-income sub-classes may be based on maturity, duration, credit quality and security type. The portfolio management team actively manages the Portfolio with overweight and underweight positions in the various sub-classes based on their views of the market and economy. Individual stocks and bonds are analyzed and selected on an ongoing basis. The Portfolio is regularly rebalanced to ensure that the holdings are within appropriate ranges.

**Calendar Year Performance (%)**

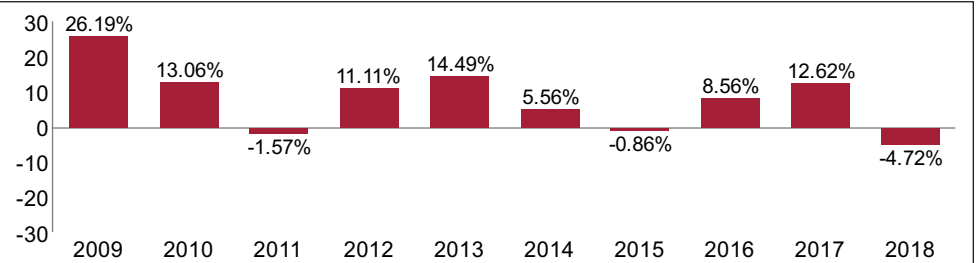


Chart represents calendar year performance and reflects the deduction of investment advisory fees, operating expenses and current mortality and expense charge of 0.30%. Performance of other contracts will be greater or less than the bars shown based on the differences in contract charges and expenses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

**Trailing Returns — Average Annual (%)**

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Incept.
Subaccount	-7.93	-4.72	-4.72	5.22	4.04	8.23	5.44
Subaccount (w/addl fees)	-12.79	-10.51	-10.51	2.38	1.92	6.90	4.15
S&P 500® Index	-13.52	-4.38	-4.38	9.26	8.49	13.12	N/A
BBgBarc U.S. Aggregate Bond Index	1.64	0.01	0.01	2.06	2.52	3.48	N/A
MSCI ACWI ex-USA - USD Net Returns	-11.46	-14.20	-14.20	4.48	0.68	6.57	N/A
Lipper Mixed-Asset Target Alloc Moderate Funds Median <sup>1</sup>	-7.41	-4.94	-4.94	4.40	3.35	8.02	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.**

Periods less than one year are not annualized. Trailing 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 total returns would have been lower. “Since Inception” trailing returns are calculated from the date the Subaccount was made available through the separate account used with this contract.

**Trailing Returns 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.

<sup>1</sup>Source: 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 Moderate Allocation Portfolio seeks long-term capital growth while providing reasonable stability of principal.

**Who Should Consider Investing?**

The Portfolio may be suitable for investors who:

- Seek long-term growth and reasonable stability of principal.
- Have a medium to long-term investment time horizon and a moderate risk tolerance.
- Are able to withstand a moderate level of risk and volatility in pursuit of moderate long-term returns.

**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.

- **S&P 500® Index** is a market-cap weighted index that represents the average performance of a group of 500 large-capitalization stocks.
- **Bloomberg Barclays (BBgBarc) U.S. Aggregate Bond Index** is an index that measures the performance of U.S. investment-grade bonds.
- **Morgan Stanley Capital International (MSCI) All Country World Index ex-USA - USD Net Returns** is an index that is designed to measure equity market performance in all global developed- and emerging-markets outside of the U.S.

**Portfolio Management & Experience**

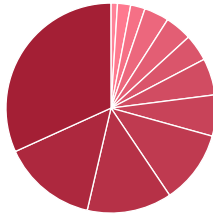
**David C. Francis, CFA** - Portfolio Start: 2005; Industry Start: 1978; **Mark L. Simenstad, CFA** - Portfolio Start: 2005; Industry Start: 1983; **Darren M. Bagwell, CFA** - Portfolio Start: 2016; Industry Start: 1991; **Stephen D. Lowe, CFA** - Portfolio Start: 2016; Industry Start: 1996; **David S. Royal** - Portfolio Start: 2018; Industry Start: 1997

*Risks: The Portfolio invests in other portfolios managed by the Adviser and in directly-held equity and debt instruments. The Portfolio is subject to its own fees and expenses and the expenses of the other portfolios in which it invests, as well as the risks of the other portfolios in which it invests. 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. Bond prices may decline during periods of rising interest rates. 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. 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. The Portfolio may engage in active and frequent trading of portfolio securities in implementing its principal investment strategies, which may result in higher transaction costs and higher taxes. The Portfolio is considered “non-diversified” according to SEC regulations, which means that it may invest a greater percentage of its assets in the securities of any single issuer compared with diversified portfolios.*

# THRIVENT MODERATE ALLOCATION PORTFOLIO

December 31, 2018

## Portfolio Diversification



Large Cap Equity	31.7%
Investment Grade Credit	14.6%
International Equity	13.1%
Securitized Debt	11.3%
Government Bonds	6.4%
Mid Cap Equity	5.7%
High Yield Bonds	4.2%
Small Cap Equity	4.2%
Short Term Bonds	3.9%
International Debt	2.3%
Floating-Rate Bank Loans	2.1%
Cash	0.5%

## Top 10 Holdings—Excluding Derivatives

(36.83% of Portfolio, as of 11/30/2018)

Thrivent Large Cap Value Portfolio	6.21%
Thrivent Income Portfolio	5.47%
Thrivent Partner WW Alloc Portfolio	5.06%
Thrivent Mid Cap Stock Portfolio	3.61%
Thrivent Large Cap Stock Portfolio	3.38%
Thrivent Ltd Mat Bond Portfolio	3.28%
Thrivent Core Low Volatility Equity Fund	3.12%
FNMA Conv'l 30-Yr. Pass-Thru	2.59%
FNMA Conv'l 30-Yr. Pass-Thru	2.16%
FNMA Conv'l 30-Yr. Pass-Thru	1.95%

## 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
<b>HIGH QUALITY (HQ)</b>	
Cash	2.4
U.S. Gov't Guaranteed	37.9
AAA	4.9
AA	1.3
A	7.1
BBB	22.5
<b>HIGH YIELD (HY)</b>	
BB	8.8
B	7.1
CCC	1.1
CC	0.4
C	—
D	—
<b>OTHER</b>	
Non-Rated (NR)	5.4
ETFs/Closed-End Funds (may be HQ/HY/NR)	1.1

<sup>2</sup>Turnover Ratio: 12-month rolling as of 11/30/2018. 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.

<sup>3</sup>Source: 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.

<sup>4,5,6</sup>S&P 500® is a registered trademark of Standard & Poor's® Financial Services LLC, a part of McGraw Hill Financial, Inc. and/or its affiliates. The Index is a market-cap weighted index that represents the average performance of a group of 500 large-capitalization stocks. Sources: (4) Morningstar; (5) FactSet; (6) Thrivent Financial.

**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 S&P 500® Index and Bloomberg Barclays U.S. Aggregate Bond Index. These benchmarks are intended to provide a comparison to the broad U.S. large cap stock market and broad U.S. bond market, and may not be representative of the Portfolio's investment strategies and holdings.

### Holdings Information

Number of Holdings	1,877
Turnover Ratio (last 12-months) <sup>2</sup>	134%
Percent U.S.	84.6%
Percent Non-U.S.	15.4%

### Risk/Volatility Measures

**Beta (3-year vs. S&P 500®):** A measure of the volatility, or market risk, of an investment compared to the broad U.S. large-cap stock market.



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

	Portfolio	S&P 500® Index <sup>4</sup>	BBgBarc U.S. Aggregate <sup>3</sup>
3 Year	6.33%	10.95%	2.81%
5 Year	6.47%	10.95%	2.77%
10 Year	8.99%	13.61%	3.02%

### Equity Characteristics (54.7% of Portfolio)

**Market-Capitalization:** A measure of the size of the companies held in the portfolio, calculated by multiplying a company's total outstanding shares by the stock price.

	Portfolio	S&P 500® Index <sup>5</sup>
Avg Mkt Cap	\$23.5 B	\$45.7 B
Wtd Median Mkt Cap	\$23.1 B	\$99.1 B

**Price to Earnings (P/E) Ratio:** A valuation ratio calculated by dividing the share price of each stock held in the portfolio by its trailing 12-month earnings per share.

	Portfolio	S&P 500® Index <sup>6</sup>
P/E Ratio	15.8	16.4

**Return on Equity (ROE):** A measure of corporate profitability that shows how much net income the companies in the portfolio have generated as a percentage of shareholder equity.

	Portfolio	S&P 500® Index <sup>6</sup>
ROE	17.1%	20.1%

### Fixed Income Characteristics (45.3% of Portfolio)

**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 <sup>3</sup>
Average Duration (years)	5.6	5.9

**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 <sup>3</sup>
Wtd Avg Life (years)	7.7	8.3