



December 31, 2017

Portfolio Inception Date 4/30/2003 **Total Portfolio Assets** \$184.5 million

Portfolio Description

The Thrivent Real Estate Securities Portfolio seeks to provide a combination of long-term growth and dividend income by focusing primarily on income-producing common stocks and other equity securities of U.S. real estate companies. A Real Estate Investment Trust (REIT) is a security that trades like a stock and invests in real estate directly, either through properties or mortgages. Equity REITs may own, invest or operate income-producing real estate properties, while Mortgage REITs hold mortgages. Hybrid REITs may invest in both properties and mortgages.

Investment Strategy/Process

The Portfolio invests primarily in the equity securities of real estate-related companies that acquire, develop, lease, own, or actively manage residential, commercial, industrial or other types of properties primarily for the production of rental income. A real estate company generally derives at least 50% of its revenue from real estate ownership, leasing, management, development, financing or sale of residential, commercial or industrial real estate — or has at least 50% of its assets in real estate.

Calendar Year Performance (%)

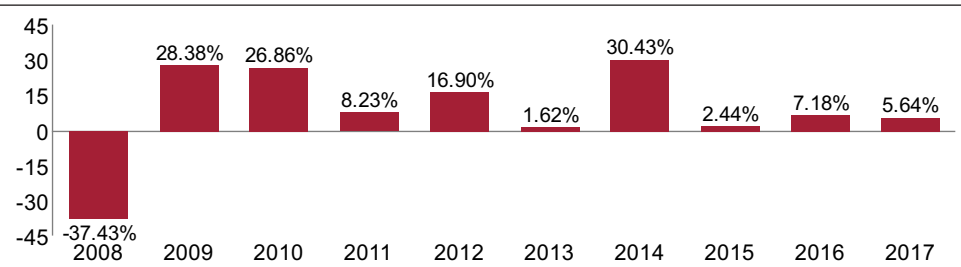


Chart represents calendar year performance and reflects the deduction of investment advisory fees, operating expenses and current mortality and expense charge of 0.30%. Performance of other contracts will be greater or less than the bars shown based on the differences in contract charges and expenses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

Trailing Returns — Average Annual (%)

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Incept.
Subaccount	2.45	5.64	5.64	5.07	9.04	7.21	10.62
Subaccount (w/addl fees)	-2.95	-0.76	-0.76	2.17	6.94	5.56	9.64
S&P Composite 1500® - Equity REITs Index	1.61	4.58	4.58	2.80	5.97	3.67	N/A
FTSE NAREIT All Equity REITs Index	2.48	8.67	8.67	6.67	9.83	7.77	N/A
Lipper Real Estate Funds Median ¹	2.34	5.55	5.55	4.78	8.58	7.24	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.

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

Investment Objective

The Thrivent Real Estate Securities Portfolio seeks to provide long-term capital appreciation and high current income.

Who Should Consider Investing?

The Portfolio may be suitable for investors who:

- Seek long-term growth and income.
- Have a long-term investment time horizon and an aggressive risk tolerance.
- Are able to withstand the high level of risk and volatility associated with investing in a single sector, in pursuit of potentially high 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 Composite 1500® – Equity REITs Index** tracks the performance of the stocks included in the S&P Composite 1500 Index that are classified as members of the GICS® Equity Real Estate Investment Trusts (REITs) industry.
- **FTSE NAREIT All Equity REITs Index** tracks the performance of tax-qualified REITs listed on the New York Stock Exchange, the American Stock Exchange and the Nasdaq National Markets System and was a benchmark for this portfolio until 12/31/2017.

Portfolio Management & Experience

Reginald L. Pfeifer, CFA

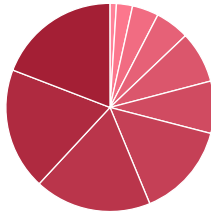
Portfolio Start: 2003

Industry Start: 1986

Risks: The Portfolio focuses on income-producing equity securities of U.S. real estate companies. Declines in real estate values, changes in interest rates or economic downturns can have a significant negative effect on companies in the real estate industry. REITs are subject to numerous risks and can be affected by interest rates, the values of the properties they own, and the credit quality of mortgage loans they hold. 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 incorrect assessments of investments by its investment adviser.

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Portfolio Diversification



Specialized REITs	19.2%
Retail REITs	19.0%
Residential REITs	18.2%
Office REITs	14.8%
Health Care REITs	8.2%
Industrial REITs	8.1%
Hotel & Resort REITs	5.4%
Diversified REITs	4.2%
Miscellaneous	2.6%
Cash	0.3%

Top 10 Holdings (33.03% of Portfolio, as of 11/30/2017)

Simon Property Group, Inc.	6.50%
Prologis, Inc.	4.45%
Equinix, Inc.	3.79%
AvalonBay Communities, Inc.	3.37%
Public Storage, Inc.	2.66%
Equity Residential	2.62%
Boston Properties, Inc.	2.59%
Welltower, Inc.	2.44%
Essex Property Trust, Inc.	2.34%
Alexandria Real Estate Equities, Inc.	2.27%

²Turnover Ratio: 12-month rolling as of 11/30/2017. 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.

^{3,4,5}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: (3) Morningstar; (4) FactSet; (5) Thrivent Financial.

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

Investing in a variable universal life insurance contract involves risks, including the possible loss of principal. More complete information on the investment objectives, risks, charges and expenses of the variable universal life insurance contract and underlying investment options is included in the prospectuses, which investors should read and consider carefully before investing. Prospectuses are available from a Thrivent Financial representative or at [Thrivent.com](#). Since every investor's situation is unique, please work with a financial representative to determine which products and strategies are most appropriate for your needs and goals.

Insurance products issued or offered by Thrivent Financial for Lutherans, Appleton, WI. Not all products are available in all states. Securities and investment advisory services are offered through Thrivent Investment Management Inc., 625 Fourth Ave. S., Minneapolis, MN 55415, 800-847-4836, a FINRA and SIPC member and a wholly owned subsidiary of Thrivent Financial, the marketing name of Thrivent Financial for Lutherans, Appleton, WI. Thrivent Financial representatives are registered representatives of Thrivent Investment Management Inc. They are also licensed insurance agents/producers of Thrivent Financial. For additional important disclosure information, please visit [Thrivent.com/disclosures](#).

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PORTFOLIO STATISTICS

Statistics shown below are compared to the S&P 500[®] Index. The benchmark is intended to provide a comparison to the broad U.S. large cap stock market, and may not be representative of the Portfolio's investment strategies and holdings.

Holdings Information

Number of Holdings	142
Turnover Ratio (last 12-months) ²	15%

Risk/Volatility Measures

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 ³
3 Year	13.07%	10.07%
5 Year	13.32%	9.49%
10 Year	24.20%	15.08%

Equity Characteristics

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 ⁴
Avg Mkt Cap	\$8.3 B	\$49.7 B
Wtd Median Mkt Cap	\$12.2 B	\$96.6 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 ⁵
P/E Ratio	36.3	23.2

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 ⁵
ROE	9.5%	19.3%