



December 31, 2017

Portfolio Inception Date 3/2/2001 **Total Portfolio Assets** \$613.2 million

Portfolio Description

The Thrivent Small Cap Stock Portfolio seeks to provide investors with competitive performance through favorable stock selection while monitoring risk. The Portfolio typically invests in a combination of both small-capitalization “growth” stocks and “value” stocks. Small companies may have the opportunity to grow more rapidly than larger companies as they potentially emerge from a small to a medium-sized company. However, they typically have greater volatility (or more risk) and often do not pay significant dividends to shareholders and instead reinvest earnings back into the company.

Investment Strategy/Process

The portfolio management team seeks to add value through stock 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 seek to identify and purchase small companies that appear to have strong, long-term growth prospects and that are financially sound and led by capable management teams.

Calendar Year Performance (%)

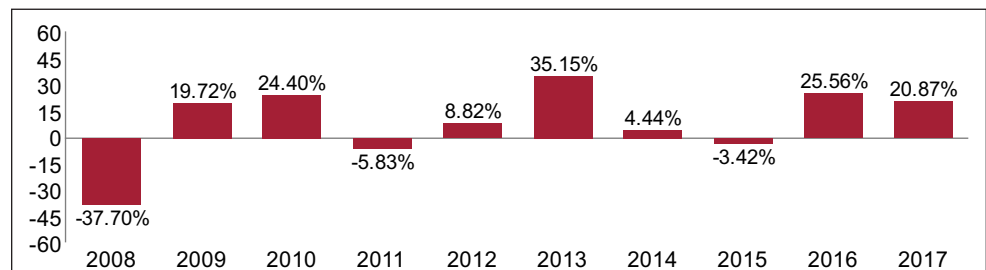


Chart represents calendar year performance and reflects the deduction of investment advisory fees, operating expenses and current mortality and expense charge of 0.30%. Performance of other contracts will be greater or less than the bars shown based on the differences in contract charges and expenses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

Trailing Returns — Average Annual (%)

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Incept.
Subaccount	5.18	20.87	20.87	13.59	15.71	7.13	8.17
Subaccount (w/addl fees)	-0.35	13.62	13.62	10.50	13.59	5.31	7.01
S&P SmallCap 600 Index	3.96	13.23	13.23	12.00	15.99	10.43	N/A
Lipper Small-Cap Core Funds Median ¹	3.55	13.49	13.49	9.72	13.98	8.57	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

Thrivent Small Cap Stock Portfolio seeks long-term capital growth.

Who Should Consider Investing?

The Portfolio may be suitable for investors who:

- Seek long-term growth.
- Have a long-term investment time horizon and an aggressive risk tolerance.
- Are able to withstand a high level of risk and volatility 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 SmallCap 600 Index** represents the average performance of a group of 600 small capitalization stocks.
- **Russell 2000® Index** measures the performance of small cap stocks. It was a benchmark for the Portfolio until 4/30/2017. See the prospectus for more information.

Portfolio Management & Experience

Matthew D. Finn, CFA

Portfolio Start: 2013

Industry Start: 1985

James M. Tinucci, CFA

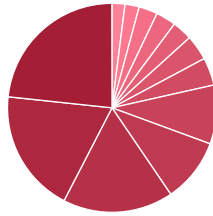
Portfolio Start: 2015

Industry Start: 2008

Risks: The Portfolio primarily invests in securities of small companies. Smaller, less seasoned companies often have greater price volatility, lower trading volume, and less liquidity than larger, more established companies. 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



Financials	23.3%
Industrials	19.1%
Information Technology	17.1%
Consumer Discretionary	9.9%
Health Care	9.1%
Miscellaneous	4.3%
Consumer Staples	3.9%
Cash	3.1%
Materials	3.1%
Energy	2.9%
Utilities	2.2%
Real Estate	2.0%

Top 10 Holdings (17.78% of Portfolio, as of 11/30/2017)

Arista Networks, Inc.	2.12%
Kirby Corp	2.09%
Orbital ATK, Inc.	1.84%
Dolby Laboratories, Inc.	1.77%
Tupperware Brands Corp	1.75%
Synovus Financial Corp	1.74%
Chemed Corp	1.66%
Cott Corp	1.65%
AZZ, Inc.	1.58%
MGP Ingredients, Inc.	1.58%

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.

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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	115
Turnover Ratio (last 12-months) ²	43%

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	13.06%	10.07%
5 Year	12.67%	9.49%
10 Year	18.47%	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	\$3.7 B	\$49.7 B
Wtd Median Mkt Cap	\$3.2 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	23.1	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	9.9%	19.3%