



**December 31, 2017**

**Portfolio Inception Date** 10/31/2002    **Separate Account Date** 10/31/2002    **Total Portfolio Assets** \$402.0 million

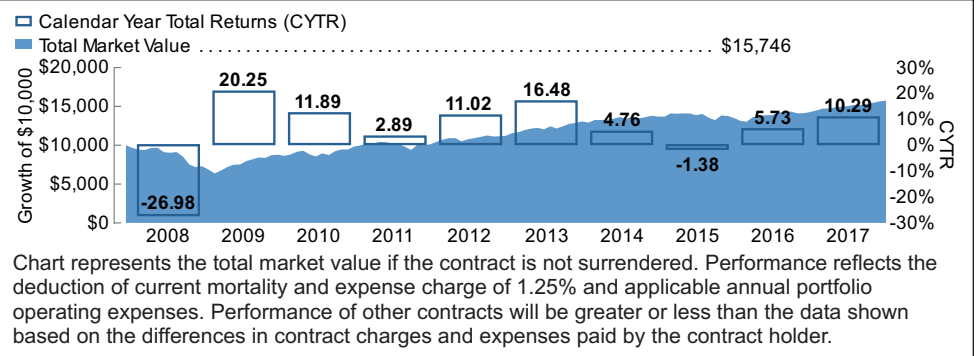
**Portfolio Description**

The Thrivent Balanced Income Plus Portfolio provides a balanced approach to income and capital appreciation. It has a long-term target allocation of 50% equity securities and 50% fixed income. Approximately half of the portfolio is invested in equity securities to provide potential growth, while the other half of the portfolio is invested in higher-yielding, higher-risk, fixed-income securities to generate income. Investments are diversified across sectors in order to manage risk, potentially provide more stability when interest rates rise, and to provide the opportunity for long-term capital growth and income.

**Investment Strategy/Process**

The portfolio management team actively manages the Portfolio with overweight and underweight positions in the various sectors 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. Prior to August 16, 2013, the Portfolio was named Thrivent Balanced Portfolio. It invested in a balanced mix of stocks, bonds and cash alternatives. On August 16, 2013, the Portfolio adopted its current name and investment strategy, which includes the ability to invest a greater portion of its assets in higher-yielding fixed-income securities.

**Growth of \$10,000 and Calendar Year Performance (%)**



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

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Incept.
If Contract Is Held	2.68	10.29	10.29	4.77	7.01	4.64	5.62
If Contract Is Surrendered	-3.79	3.34	3.34	3.17	6.43	4.64	5.62
MSCI World Index - USD Net Returns	5.51	22.40	22.40	9.26	11.64	5.03	N/A
BBgBarc U.S. Mortgage-Backed Securities Index	0.15	2.47	2.47	1.88	2.04	3.84	N/A
BBgBarc U.S. High Yield Ba/B 2% Issuer Capped Index	0.40	6.92	6.92	5.87	5.45	7.45	N/A
S&P/LSTA U.S. Leveraged Loan Index	1.11	4.12	4.12	4.44	4.03	4.85	N/A
Lipper Mixed-Asset Target Alloc Moderate Funds Median <sup>1</sup>	3.33	13.52	13.52	5.88	7.47	5.46	N/A

All data represents past performance of the subaccount in Thrivent Flexible Premium Deferred Variable Annuity (Contract W-BC-FPVA (05)) and is no guarantee 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. Data reflects the deduction of the current and maximum mortality and expense charge of 1.25% and applicable annual portfolio operating expenses. Annual expenses are subject to change. See the prospectus for detailed information on fees related specifically to this subaccount.

Periods less than one year are not annualized. Trailing return calculations assume an initial investment of \$10,000. At various times the investment adviser may have reimbursed Portfolio expenses. Had the investment adviser not done so, the total returns would have been lower.

Trailing returns do not include any adjustments for any annual administrative or additional feature charges. "If surrendered" data reflects the applicable surrender charge for the time period. "If held" values do not include surrender charges. Maximum surrender charge is 7% if surrendered in the first year and decreases by 1% each subsequent year for the next six years. "Since inception" returns are calculated from the inception date listed above and is based on the date the portfolio was added to the separate account used with this contract.

<sup>1</sup>Source: 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 Balanced Income Plus Portfolio seeks long-term total return through a balance between income and the potential for long-term capital growth.

**Who Should Consider Investing?**

The Portfolio may be suitable for investors who:

- Seek a balance of income and the opportunity for long-term growth.
- 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.

**Portfolio Operating Expense Ratio**

Gross: 0.70%  
Net: 0.70%

**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.

- **Morgan Stanley Capital International (MSCI) World Index - USD Net Returns** represents large and mid cap stocks in 23 developed market countries.
- **Bloomberg Barclays (BBgBarc) U.S. Mortgage-Backed Securities Index** represents the performance of securities backed by pools of mortgages.
- **Bloomberg Barclays (BBgBarc) U.S. High Yield Ba/B 2% Issuer Capped Index** represents the performance of the non-investment grade, Ba or B-rated corporate bond market. Issuers are constrained to a maximum 2% weighting.
- **S&P/LSTA U.S. Leveraged Loan Index** is a market-value weighted index representing the performance of the universe of U.S. dollar-denominated, senior secured, syndicated term loans.

**Portfolio Management & Experience**

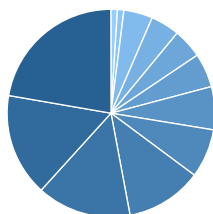
**Stephen D. Lowe, CFA** - Portfolio Start: 2013; Industry Start: 1996; **Mark L. Simenstad, CFA** - Portfolio Start: 2015; Industry Start: 1983; **Noah J. Monsen, CFA** - Portfolio Start: 2015; Industry Start: 2008; **Reginald L. Pfeifer, CFA** - Portfolio Start: 2015; Industry Start: 1986; **John T. Groton, Jr., CFA** - Portfolio Start: 2016; Industry Start: 1993

*Risks: The Portfolio invests in debt securities and equity securities. 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. Bond prices generally fall as interest rates rise. 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. Leveraged loans, REITs, preferred securities, convertible securities, sovereign debt, and mortgage-related and other asset-backed securities are subject to additional risks. Foreign investments involve additional risks, including currency fluctuations, liquidity, political, economic and market instability, and different legal and accounting standards; these risks are magnified for investments in emerging markets. An ETF is subject to additional fees and expenses, tracking error, and the risks of the underlying investments that it holds. 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.*

# THRIVENT BALANCED INCOME PLUS PORTFOLIO

December 31, 2017

## Portfolio Diversification



US Large Cap Equity	22.4%
Floating-Rate Bank Loans	16.1%
International Equity	14.8%
Securitized Debt	12.0%
US Mid/Small Cap Equity	7.7%
International Debt	6.8%
Opportunistic Fixed Income	5.4%
High Yield Bonds	4.7%
Real Estate	4.6%
Investment Grade Credit	4.6%
Cash	0.6%
Opportunistic Equity	0.3%

## Top 10 Holdings—Excluding Derivatives

(12.27% of Portfolio, as of 11/30/2017)

FNMA Conv'l 30-Yr. Pass-Thru	2.81%
FNMA Conv'l 30-Yr. Pass-Thru	1.40%
Amazon.com, Inc.	1.29%
UnitedHealth Group, Inc.	1.22%
Apple, Inc.	1.22%
FNMA Conventional	1.18%
Materials Select Sector SPDR Fund	0.91%
Comcast Corporation	0.79%
FHLM Corp Gold 30-Yr. Pass-Thru	0.74%
Visa, Inc.	0.71%

## 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	2.1
U.S. Gov't Guaranteed	13.1
AAA	0.6
AA	0.8
A	4.0
BBB	15.4
<b>HIGH YIELD (HY)</b>	
BB	25.0
B	24.5
CCC	3.1
CC	0.9
C	—
D	2.6
<b>OTHER</b>	
Non-Rated (NR)	4.3
ETFs/Closed-End Funds (may be (HQ/HY/NR))	3.6

<sup>2</sup>Turnover 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.

<sup>3</sup>Source: Barclays Capital Indices, POINT. ©2018 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.

**Investing in variable annuities involves risk, including the possible loss of principal. More complete information on the investment objectives, risks, charges and expenses of the variable annuity 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 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	1,113
Turnover Ratio (last 12-months) <sup>2</sup>	151%
Percent U.S.	75.4%
Percent Non-U.S.	24.6%

### 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	5.84%	10.07%	2.74%
5 Year	5.83%	9.49%	2.80%
10 Year	9.93%	15.08%	3.21%

### Equity Characteristics (49.8% 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	\$34.4 B	\$49.7 B
Wtd Median Mkt Cap	\$36.0 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 <sup>6</sup>
P/E Ratio	21.6	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 <sup>6</sup>
ROE	14.7%	19.3%

### Fixed Income Characteristics (50.2% 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)	3.2	6.0

**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)	6.6	8.2