



**March 31, 2018**

**Portfolio Inception Date** 4/29/2005    **Separate Account Date** 10/31/2002    **Total Portfolio Assets** \$10.0 billion

**Portfolio Description**

The Thrivent Moderate Allocation Portfolio is the approximate “mid-point” risk option in Thrivent’s suite of Asset Allocation Portfolios. The Portfolio is globally diversified and has a long-term target allocation of 57% equity securities and 43% fixed income. It invests in a combination of other Thrivent portfolios and direct investments in stocks, bonds, and derivatives.

**Investment Strategy/Process**

The Portfolio’s asset allocation strategy starts with the construction of a model that sets the long-term target allocations for 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. The Portfolio is regularly rebalanced to ensure that the holdings are within appropriate ranges.

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

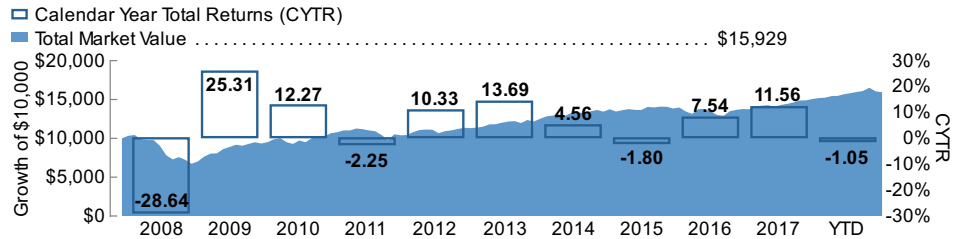


Chart represents the total market value if the contract is not surrendered. Performance reflects the deduction of current mortality and expense charge of 1.25% and applicable annual portfolio operating expenses. Performance of other contracts will be greater or less than the data shown based on the differences 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. |
|--|---------|-------|--------|--------|--------|---------|---------------|
| If Contract Is Held  | -1.05   | -1.05 | 6.98   | 4.45   | 5.81   | 4.77    | 5.09          |
| If Contract Is Surrendered   | -7.29   | -7.29 | 0.24   | 2.86   | 5.24   | 4.77    | 5.09          |
| S&P 500® Index   | -0.76   | -0.76 | 13.99  | 10.78  | 13.31  | 9.49    | N/A           |
| BBgBarc U.S. Aggregate Bond Index                                  | -1.46   | -1.46 | 1.20   | 1.20   | 1.82   | 3.63    | N/A           |
| MSCI ACWI ex-USA - USD Net Returns                                 | -1.18   | -1.18 | 16.53  | 6.18   | 5.89   | 2.70    | N/A           |
| Lipper Mixed-Asset Target Alloc Moderate Funds Median <sup>1</sup> | -0.92   | -0.92 | 8.29   | 4.74   | 6.24   | 5.79    | 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. Visit Thrivent.com or call 800-847-4836 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 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.

**Portfolio Operating Expense Ratio**

Gross: 0.80%  
Net: 0.64%

The Adviser has contractually agreed, for as long as the current fee structure is in place, to waive certain investment advisory fees associated with the Portfolio. Refer to the expense table in the Portfolio’s prospectus.

**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 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**

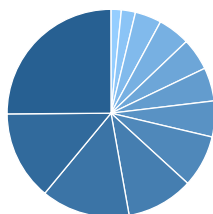
**David C. Francis, CFA** - Portfolio Start: 2005; Industry Start: 1978; **Mark L. Simenstad, CFA** - Portfolio Start: 2005; Industry Start: 1983; **Darren M. Bagwell, CFA** - Portfolio Start: 2016; Industry Start: 1991; **Stephen D. Lowe, CFA** - Portfolio Start: 2016; Industry Start: 1996

*Risks: The Portfolio invests in other Thrivent variable portfolios 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, and is subject to all of 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 incorrect assessments of investments by its investment adviser. Foreign investments involve additional risks, including currency fluctuations, liquidity, political, economic and market instability, and different legal and accounting standards. 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. 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 MODERATE ALLOCATION PORTFOLIO

March 31, 2018

## Portfolio Diversification



|                          |       |
|--------------------------|-------|
| Large Cap Equity         | 25.1% |
| International Equity     | 13.9% |
| Investment Grade Credit  | 13.8% |
| Securitized Debt         | 10.4% |
| Small Cap Equity         | 8.1%  |
| Short Term Bonds         | 5.6%  |
| Government Bonds         | 5.2%  |
| Mid Cap Equity           | 5.0%  |
| Cash                     | 5.0%  |
| High Yield Bonds         | 4.1%  |
| International Debt       | 2.2%  |
| Floating-Rate Bank Loans | 1.6%  |

## Top 10 Holdings—Excluding Derivatives

(36.22% of Portfolio, as of 02/28/2018)

|                                     |       |
|-------------------------------------|-------|
| Thrivent Partner WW Alloc Portfolio | 6.37% |
| Thrivent Large Cap Value Portfolio  | 5.95% |
| Thrivent Income Portfolio           | 5.36% |
| Thrivent Mid Cap Stock Portfolio    | 3.50% |
| Thrivent Large Cap Stock Portfolio  | 3.39% |
| FNMA Conv'l 30-yr. Pass-Thru        | 3.19% |
| Thrivent Ltd Mat Bond Portfolio     | 3.15% |
| FNMA Conv'l 30-yr. Pass-Thru        | 2.02% |
| Thrivent High Yield Portfolio       | 1.78% |
| Thrivent Core EM Debt Fund          | 1.51% |

## 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                                      | 2.3        |
| U.S. Gov't Guaranteed                     | 38.4       |
| AAA                                       | 5.4        |
| AA  | 1.2        |
| A   | 6.9        |
| BBB                                       | 21.4       |
| <b>HIGH YIELD (HY)</b>                    |            |
| BB  | 9.7        |
| B   | 7.5        |
| CCC                                       | 1.6        |
| CC  | 0.6        |
| C   | —          |
| D   | 0.2        |
| <b>OTHER</b>                              |            |
| Non-Rated (NR)                            | 3.1        |
| ETFs/Closed-End Funds (may be (HQ/HY/NR)) | 1.7        |

<sup>2</sup>Turnover Ratio: 12-month rolling as of 2/28/2018. 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. ©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.**

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 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                           | 1,865 |
| Turnover Ratio (last 12-months) <sup>2</sup> | 150%  |
| Percent U.S.                                 | 83.9% |
| Percent Non-U.S.                             | 16.1% |

### 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  | 6.43%     | 10.26%                      | 2.63%                               |
| 5 Year  | 6.14%     | 9.87%                       | 2.88%                               |
| 10 Year | 10.62%    | 15.05%                      | 3.24%                               |

### Equity Characteristics (52.1% 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        | \$23.1 B  | \$48.9 B                    |
| Wtd Median Mkt Cap | \$20.8 B  | \$100.5 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 | 20.9      | 21.5                        |

**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 | 16.9%     | 19.7%                       |

### Fixed Income Characteristics (47.9% 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) | 5.7       | 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) | 7.6       | 8.4                                 |