

Thrivent Healthcare Portfolio

Ticker QTHCPX
Inception April 30, 2008
Objective Thrivent Healthcare Portfolio seeks long-term capital growth.

Portfolio key points

Thrivent Healthcare Portfolio gives investors access to potential long-term global growth themes through dynamic healthcare investing.

Macro tailwinds

The United States is experiencing an aging population, which will drive overall healthcare spending higher. The portfolio management team wants to find companies that are aligned to market growth areas, as well as demographic trends.

Fundamental process

Ideas are generated through fundamental research of healthcare industries and companies with a heavy emphasis on operating performance, innovation, market penetration potential, and business models that provide a defensible competitive position.

Diversification

The Portfolio strives to maintain balanced exposure to four main industry groups: Biotech, Pharmaceuticals, Medical Devices and Healthcare Providers & Services. The Portfolio has an investable universe of about 1,000 companies globally with exposure to all cap sizes (small-, mid-, and large-cap companies).

Investment process

New idea generation & sub-industry analysis	Fundamental research	Stock selection	Portfolio construction & risk management
<ul style="list-style-type: none"> • Team analyzes healthcare industry groups on an ongoing basis • Key assessments are made to generate investment ideas • Provide context for company analysis • Looking for companies with market capitalizations of at least \$500 Million and profitable operations 	<ul style="list-style-type: none"> • Evaluate investment potential through in-depth fundamental analysis • Determine upside/downside potential • Emphasis on operating performance, innovation, market penetration potential, and business models that provide a defensible competitive position 	<ul style="list-style-type: none"> • Leverage portfolio manager stock picking skills • Strong and/or improving industry or company fundamental trends • Valuation • Collaborative process between analyst and portfolio manager 	<ul style="list-style-type: none"> • Active risk exposures are based on bottom-up fundamental and company research • Risk mitigated via diversification – industry, market cap, investment style, amongst others • Ongoing analysis of portfolio risk metrics relative to benchmark

Management



David Heupel, CFA
Senior Portfolio Manager

Industry since: 1994
Thrivent since: 2001
Portfolio since: 2023

“The healthcare industry is broad and diverse, providing potential investment opportunities in any macroeconomic environment.”

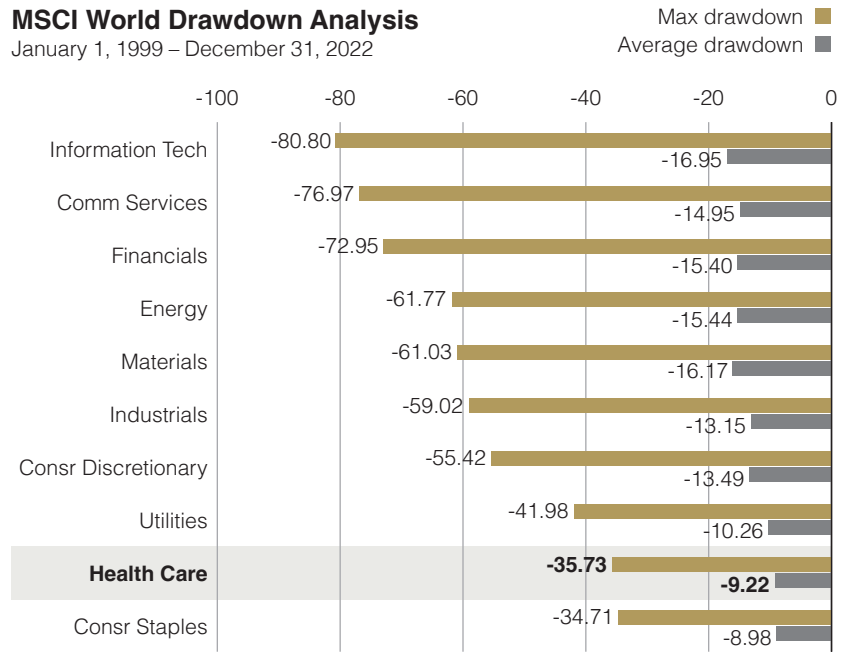
Why Health Care?

The Health Care sector typically outperforms during late cycle environments and shows low sensitivity to global growth.

The graph to the right shows the max and average drawdown for different sectors. Drawdown measures the peak-to-trough decline during a specific period. This can provide insight into how well these sectors performed during historical down markets.

There is demand from a growing aging population that provides long-term support for the broader sector and this transpires into increased spending on healthcare.

MSCI World Drawdown Analysis
January 1, 1999 – December 31, 2022



Source: Morningstar

As of April 30, 2023, Blackrock no longer serves as subadviser to the Portfolio.

Risks: Healthcare companies are subject to numerous risks including legislative or regulatory changes and adverse market conditions. Securities markets generally tend to move in cycles with periods when security prices rise and periods when security prices decline. The value of the Portfolio is influenced by a number of factors, including the performance of the broader market and risks specific to the Portfolio's asset classes, market cap groups, and issuers. Foreign investments involve additional risks, such as currency fluctuations and political, economic and market instability, which may be magnified for investments in emerging markets. The Adviser's assessment of investments may prove incorrect, resulting in losses or poor performance. These and other risks are described in the prospectus.

The Portfolio is only available to the public through a variable life or variable annuity product. Contact the applicable insurance company for more information and a contract prospectus which will include information on the additional charges and fees that apply to the specific contract.

Before investing, investors should consider carefully the investment objectives, risks, charges and expenses of a portfolio and the variable insurance product. This and other important information is contained in the portfolio and variable insurance product prospectuses, which may be obtained from a financial professional or by contacting the applicable insurance company. Read them carefully before investing.

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