



**December 31, 2018**

**Portfolio Inception Date** 10/31/2002    **Separate Account Date** 10/31/2002    **Total Portfolio Assets** \$510.9 million

**Portfolio Description**

The Thrivent Small Cap Stock Portfolio looks 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. Growth stocks are companies whose earnings are expected to grow at an above-average rate relative to the market. Value stocks are companies that trade at a lower price compared to the market average, as measured by valuation ratios that compare the stock's price to the company's earnings and growth trends. Small companies may have the opportunity to grow more rapidly than larger companies as they potentially emerge from small- to medium-sized companies. However, they typically do not pay significant dividends to shareholders and instead reinvest earnings back into the company. Smaller companies have greater volatility (or more risk) because they are often less-seasoned, have narrower product lines, less liquidity, smaller revenues and fewer resources than larger companies.

**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 identify and purchase small, financially-sound companies that appear to have strong, long-term growth prospects and capable management teams.

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

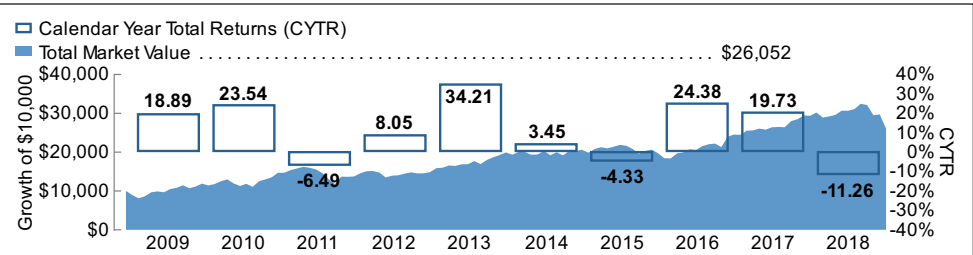


Chart represents the total market value if the contract is not surrendered. Performance reflects the deduction of current mortality and expense charge of 1.25% and applicable annual portfolio operating expenses. Performance of other contracts will be greater or less than the data shown based on the differences 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	-18.90	-11.26	-11.26	9.74	5.52	10.05	7.81
If Contract Is Surrendered	-24.01	-16.85	-16.85	8.07	4.94	10.05	7.81
S&P SmallCap 600 Index	-20.10	-8.48	-8.48	9.46	6.34	13.61	N/A
Lipper Small-Cap Core Funds Median <sup>1</sup>	-19.84	-12.09	-12.09	6.68	4.01	11.81	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 for or visit Thrivent.com for the 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 adjustments for annual administrative or additional feature charges. Maximum surrender charge is 7% if surrendered in the first year and decreases by 1% each subsequent year for the next six years. "If surrendered" data reflects the applicable surrender charge for the time period. "If held" values do not include surrender charges. "Since inception" returns are calculated from the later of the inception dates 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. The Lipper median represents the median annualized total return for all reported portfolios in the classification. Lipper medians do not include sales charge/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.

**Portfolio Operating Expense Ratio**

Gross: 0.73%  
Net: 0.73%

**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.

**Portfolio Management & Experience**

**Matthew D. Finn, CFA**

Portfolio Start: 2013  
Industry Start: 1985

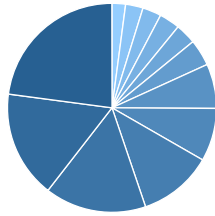
**James M. Tinucci, CFA**

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 investments that do not perform as anticipated by the investment adviser.*

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## Portfolio Diversification



Financials	22.9%
Industrials	16.6%
Information Technology	15.7%
Health Care	11.5%
Consumer Discretionary	8.2%
Consumer Staples	6.9%
Miscellaneous	4.1%
Energy	3.2%
Materials	3.2%
Utilities	2.9%
Real Estate	2.7%
Stocks	2.1%

## Top 10 Holdings (18.83% of Portfolio, as of 11/30/2018)

Omniceil, Inc.	2.38%
Dolby Laboratories, Inc.	2.20%
Children's Place, Inc.	2.20%
Crocs, Inc.	2.08%
Assured Guaranty, Ltd.	1.74%
LHC Grp, Inc.	1.74%
MRC Global, Inc.	1.66%
Primoris Srvc Corp	1.63%
Plexus Corp	1.61%
Syneos Health, Inc.	1.59%

<sup>2</sup>Turnover Ratio: 12-month rolling as of 11/30/2018. 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>3,4,5</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: (3) Morningstar; (4) FactSet; (5) Thrivent Financial.

**Investing involves risk, including the possible loss of principal. The product and summary prospectus contains information on investment objectives, risks, charges and expenses. Read carefully before investing. Available at Thrivent.com. Since every investor's situation is unique, please work with a financial professional 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	107
Turnover Ratio (last 12-months) <sup>2</sup>	54%

### 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 <sup>3</sup>
3 Year	14.98%	10.95%
5 Year	13.98%	10.95%
10 Year	17.20%	13.61%

### 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 <sup>4</sup>
Avg Mkt Cap	\$3.7 B	\$45.7 B
Wtd Median Mkt Cap	\$2.5 B	\$99.1 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>5</sup>
P/E Ratio	5.1	16.4

**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>5</sup>
ROE	8.4%	20.1%