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ANNUAL AUDITED REPORT

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Washington, DC
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PART III

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Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/2011 AND ENDING 12/31/2011 X
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Thrivent Investment Management Inc

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

625 Fourth Avenue South

(No. and Street)

Minneapolis

MN

55415-1624

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Kurt Tureson

612-844-8233

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Ernst & Young, LLP

(Name - if individual, state last, first, middle name)

220 South Sixth Street

Minneapolis

MN

55402

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

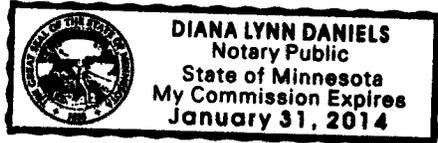
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OATH OR AFFIRMATION

I, Kurt S. Tureson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Thrivent Investment Management, Inc., as of December 31, 20 11, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:


Signature
Kurt S. Tureson, VP & CFO
Title


Notary Public



- This report ** contains (check all applicable boxes):
- (a) Facing Page.
 - (b) Statement of Financial Condition.
 - (c) Statement of Income (Loss).
 - (d) Statement of Changes in Financial Condition.
 - (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
 - (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
 - (g) Computation of Net Capital.
 - (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
 - (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
 - (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
 - (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
 - (l) An Oath or Affirmation.
 - (m) A copy of the SIPC Supplemental Report.
 - (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

Thrivent Investment Management Inc.

Consolidated Statement of Financial Condition

For the year ended December 31, 2011

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Report of Independent Registered Public Accounting Firm

The Board of Directors
Thrivent Investment Management Inc.

We have audited the accompanying consolidated statement of financial condition of Thrivent Investment Management Inc. as of December 31, 2011. This statement of financial condition is the responsibility of Thrivent Investment Management Inc.'s management. Our responsibility is to express an opinion on this statement of financial condition based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. We were not engaged to perform an audit of Thrivent Investment Management Inc.'s internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Thrivent Investment Management Inc.'s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition, assessing the accounting principles used and significant estimates made by management, and evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the consolidated financial position of Thrivent Investment Management Inc. at December 31, 2011, in conformity with U.S. generally accepted accounting principles.

Minneapolis, Minnesota
February 24, 2012



Thrivent Investment Management Inc.
Consolidated Statement of Financial Condition
December 31, 2011
(dollars in thousands, except per share information)

Assets

Cash and cash equivalents	\$ 45,235
Segregated cash	3,383
Investments in Thrivent Mutual Funds	3,427
Receivable from affiliates	7,478
Receivable from other entities	454
Deferred tax asset, net	2,551
Prepaid expenses	1,364
Other assets	3

Total assets	\$ 63,895
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Liabilities and shareholder's equity

Payable to affiliates	\$ 4,441
Commissions and bonuses payable	2,069
Accrued expenses	3,734
Income tax payable	146
Subadvisory fees payable	476

Total liabilities	10,866
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Shareholder's equity

Common stock, par value \$0.01 per share, 1,000 shares authorized, 98 shares issued and outstanding	-
Additional paid-in capital	51,791
Accumulated deficit	(1,721)
Non-controlling interest in subsidiary	3,451
Accumulated other comprehensive loss	(492)

Total shareholder's equity	53,029
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Total liabilities and shareholder's equity	\$ 63,895
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The accompanying notes are an integral part of this statement of financial condition.

Thrivent Investment Management Inc.
Notes to Consolidated Statement of Financial Condition
For the Year Ended December 31, 2011

Note 1. Nature of Operations and Significant Accounting Policies

Nature of Operations

Thrivent Investment Management Inc. (the "Company") is a registered broker-dealer in securities under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company is a wholly owned subsidiary of Thrivent Financial Holdings Inc. ("Holdings"). Holdings is a wholly owned subsidiary of Thrivent Financial for Lutherans ("Thrivent Financial"), a fraternal benefit society and Registered Investment Adviser.

The Company serves as the distributor of Thrivent Financial's family of mutual funds (collectively, the "Funds") and Thrivent Financial's variable product offerings (collectively, the "Variable Accounts"). The Company also serves as the investment advisor of the Funds through its subsidiary, Thrivent Asset Management LLC ("Asset Mgt.").

Substantially all of the revenue and expenses of the Company are derived from transactions with affiliated entities (see Note 3). All significant intercompany transactions have been eliminated.

Significant Accounting Policies

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP").

Principles of Consolidation

The consolidated financial statements for 2011 include the accounts of the Company and its subsidiary, Asset Mgt., of which the Company holds a 60% interest. The non-controlling interest in Asset Mgt. is reported as a component of equity in the Consolidated Statement of Financial Condition and as non-controlling interest in the Consolidated Statement of Operations.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

The significant accounting practices used in preparation of the financial statements are summarized as follows:

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and investments in money market mutual funds, of which \$6,294,000 are invested in the Thrivent Money Market Fund as of December 31, 2011. The carrying amounts of all cash and cash equivalents approximate their fair value.

Cash of \$129,000 at December 31, 2011, has been segregated in escrow accounts at clearing broker-dealers as part of clearing agreements and cash of \$3,254,000 has been segregated for the benefit of customers in connection with the Company's compliance with Securities Exchange Commission (SEC) Rule 15c3-3.

Investments in the Thrivent Mutual Funds

The Company's investments in the Thrivent Mutual Funds are carried at fair value with unrealized gains and losses reported in earnings as a component of investment income. During 2011, the Company recognized an investment loss of \$122,000 from its investments in the Thrivent Mutual Funds. These securities are classified as trading securities.

Thrivent Investment Management Inc.
Notes to Consolidated Statement of Financial Condition, continued

Note 1. Nature of Operations and Significant Accounting Policies, continued

Income Taxes

The Company is included in the consolidated federal income tax return of Holdings and Holdings' wholly owned subsidiaries. Consolidated federal income tax liabilities or credits, including utilization of loss carryforwards, are allocated among the affiliated members in accordance with a tax-sharing agreement with Holdings.

Subsequent Events

On February 15, 2012 the Company approved and paid a cash dividend of \$15 million to Thrivent Financial Holdings, Inc. Financial notification was provided to FINRA and the SEC as per Rule 15c3-1(e)(1).

The Company evaluated events or transactions that may have occurred after the balance sheet date for potential recognition or disclosure through the date the financial statements were available to be issued. No other events or transactions were identified that affect the Company's December 31, 2011, consolidated financial statements or that require further disclosure.

Note 2. Income Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the Company's deferred tax assets and liabilities as of December 31 were as follows (dollars in thousands):

Deferred tax assets:	
Retirement and pension	\$ 875
Non-qualified deferred compensation	1,216
State NOL carryforward	907
Unrealized loss on investments (AOCI)	303
Charitable contributions carryforward	159
Other	29
Deferred tax assets	<u>3,489</u>
Deferred tax liabilities:	
Unrealized gain on investments (income statement)	<u>(35)</u>
Deferred tax liabilities	(35)
Valuation allowance	(903)
Net deferred tax asset	<u>\$ 2,551</u>

At December 31, 2011, the Company had state net operating loss carryforwards of approximately \$15,689,000, which expire beginning in 2021. A valuation allowance has been recorded related to the state operating loss carryforward and the state tax estimated on the other deferred tax items.

There are no unrecognized or uncertain tax positions at December 31, 2011. The IRS has completed an examination of tax years through 2007. Tax years 2008 through 2011 are open under the statute of limitations and remain subject to examination by the Internal Revenue Service.

Thrivent Investment Management Inc.
Notes to Consolidated Statement of Financial Condition, continued

Note 3. Related Party Transactions

The Company provides services to the Funds for distribution, investment management, and certain transfer agency services, such as shareholder servicing, account setup, review, and maintenance. The Company also provides distribution services to the Variable Accounts.

In accordance with agreements with the Funds, the Company earns revenue for the services it provides. The Company reimburses the Funds a portion of its investment advisory fees if the Funds' expenses exceed various percentages of Funds' assets under management.

In accordance with its intercompany services agreement, the Company reimbursed Thrivent Financial for various services and costs incurred by Thrivent Financial on behalf of the Company. These reimbursements were for commissions, compensation and benefits; field distribution services and incentives; promotional and marketing materials; general and administrative expenses such as accounting, marketing, legal, compliance, technology, and other office services; and leased office space and furniture.

Note 4. Benefit Plans

Employees of the Company are covered by non-contributory defined-benefit pension plans and a contributory savings plan sponsored by Thrivent Financial. In addition, Thrivent Financial also sponsors a health and life insurance postretirement benefit plan in which employees of the Company participate.

The Company also has a non-qualified, non-contributory defined benefit retirement plan (the Plan) to provide certain employees with benefits in addition to those provided by the noncontributory defined benefit plans sponsored by Thrivent Financial. The Company uses a measurement date of December 31 in its benefit plan disclosures.

Thrivent Investment Management Inc.
Notes to Consolidated Statement of Financial Condition, continued

Note 4. Benefit Plans, continued

The Plan's funded status and the amounts recognized in the financial statements as of December 31, 2011, were as follows (dollars in thousands):

Change in projected benefit obligation:	
Benefit obligation at beginning of year	\$ 2,663
Interest cost	145
Actuarial loss	168
Benefit payments	<u>(31)</u>
Benefit obligation at end of year	<u>2,945</u>
Change in plan assets:	
Company contributions	31
Benefit payments	<u>(31)</u>
Plan assets at end of year	<u>-</u>
Funded status	(2,945)
Unrecognized net loss	<u>-</u>
Accrued pension cost	<u>\$ (2,945)</u>
Amounts recognized in accumulated other comprehensive income:	
Net loss (\$757 less deferred taxes of \$265)	<u>\$ 492</u>
Accumulated benefit obligation	<u>\$ (2,945)</u>

The Company used a weighted average discount rate of 5.50% as of December 31, 2011, to determine the pension benefit costs/obligation. Projected benefit payments for the next ten years are as follows:

Fiscal 2012	\$ 40,000
Fiscal 2013	\$ 60,000
Fiscal 2014	\$ 60,000
Fiscal 2015	\$ 70,000
Fiscal 2016	\$ 70,000
Fiscal 2017 - 2021	\$600,000

Note 5. Clearing Agreement

The Company is an introducing broker and clears certain securities transactions with and for customers on a fully disclosed basis with certain clearing companies. The Company transmits all customer funds and securities to the clearing companies. In connection with these arrangements, the Company is contingently liable for its customers' transactions. As of December 31, 2011, the Company was not deemed to be liable for any such transactions.

Thrivent Investment Management Inc.
Notes to Consolidated Statement of Financial Condition, continued

Note 6. Contingencies

The Company is involved in various lawsuits, contractual matters, and other contingencies that have arisen from the normal course of business. The Company reevaluates its exposure to these matters periodically and adjusts its provision accordingly. As of December 31, 2011, the Company believes adequate provision has been made for any potential losses that may result from these matters.

Note 7. Regulatory Requirements

The Company is subject to SEC Uniform Net Capital Rule (Rule 15c3-1). The Company computes its net capital requirements under the alternative method provided for in Rule 15c3-1. Advances to affiliates, repayment of subordinated borrowings, dividend payments, and other equity withdrawals are subject to certain notification and other provisions of the SEC Uniform Net Capital Rule or other regulatory bodies.

At December 31, 2011, the Company had net capital of \$36,902,000, which was \$36,652,000 in excess of its required net capital of \$250,000.

Under the clearing arrangement with the clearing broker, the Company is required to maintain a minimum level of net capital. At December 31, 2011, the Company was in compliance with such requirement.

The Company is subject to the reserve requirement of SEC Rule 15c3-3. The Company had cash of \$3,254,000 segregated for the benefit of customers at December 31, 2011.

Note 8. Fair Value of Financial Instruments

Fair Value of Financial Instruments Carried at Fair Value

In estimating the fair values for financial instruments carried at fair value, the amount of observable and unobservable inputs used to determine fair value are taken into consideration. Each of the Company's financial instruments has been classified into one of three categories based on that evaluation:

- Level 1: Fair value based on quoted prices for identical assets in active markets that are accessible.
- Level 2: Fair value based on quoted prices for similar instruments in active markets that are accessible; quoted prices for identical or similar instruments in markets that are not active; or model-derived valuations where the significant value driver inputs are observable.
- Level 3: Fair value based on significant value driver inputs that are not observable.

Cash Equivalents

The fair value for cash equivalents carried at fair value is based on the quoted daily net asset value of the invested funds.

Thrivent Investment Management Inc.
Notes to Consolidated Statement of Financial Condition, continued

Note 8. Fair Value of Financial Instruments, continued

Investments in Thrivent Mutual Funds

The fair values for investments in Thrivent Mutual Funds are based on the quoted daily net asset value of the invested funds.

The carrying value and estimated fair value of the Company's financial instruments carried at fair value as of December 31 were as follows (in thousands):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fair Value at December 31, 2011:				
Cash equivalents	\$ 45,115	\$ -	\$ -	\$ 45,115
Investment in Thrivent Mutual Funds	-	3,427	-	3,427
Total	<u>\$ 45,115</u>	<u>\$ 3,427</u>	<u>\$ -</u>	<u>\$ 48,542</u>

The Company had no transfers into or out of Level 1 or Level 2 fair value measurements during 2011, nor did it hold any Level 3 Financial instruments during 2011.

Ernst & Young LLP

Assurance | Tax | Transactions | Advisory

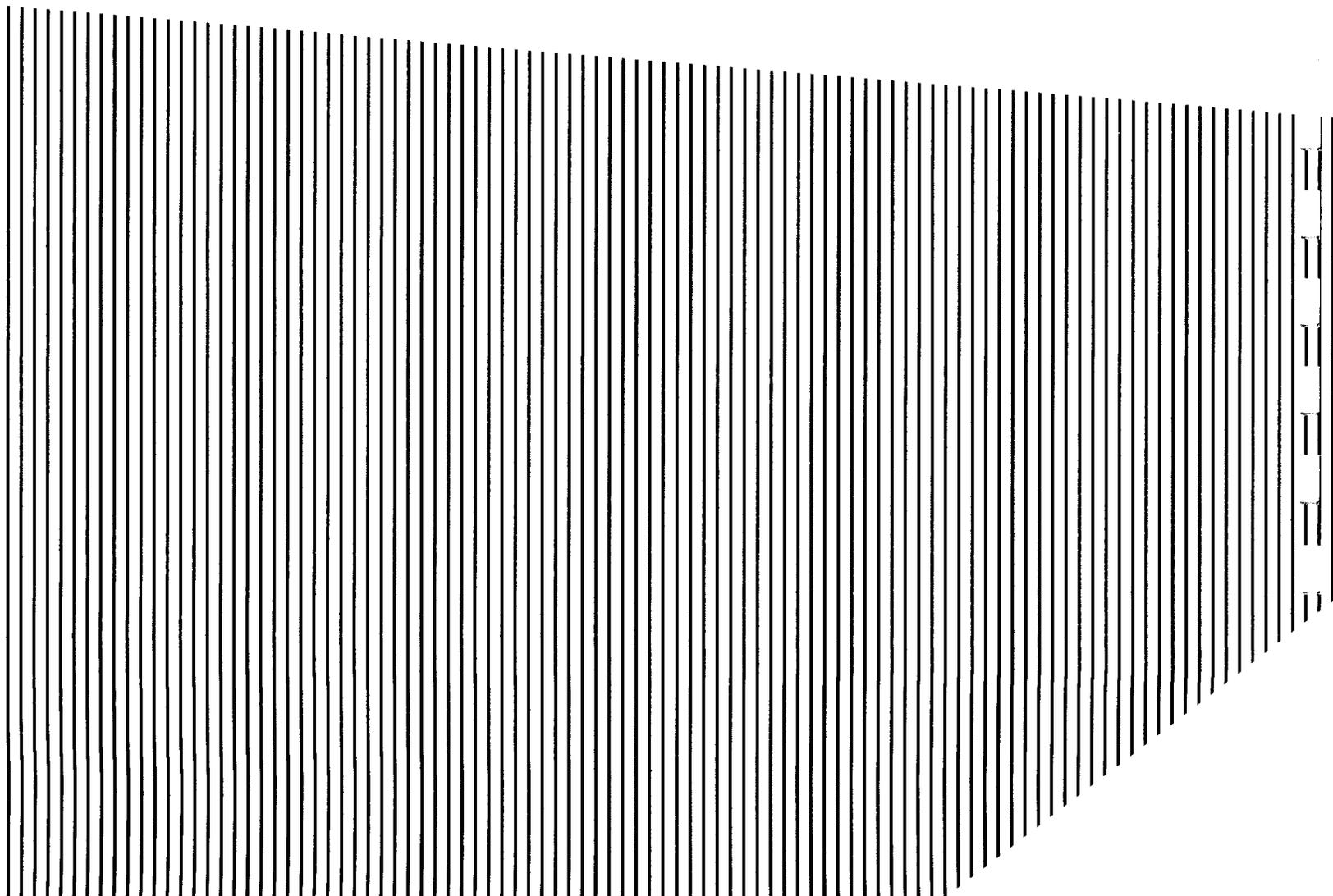
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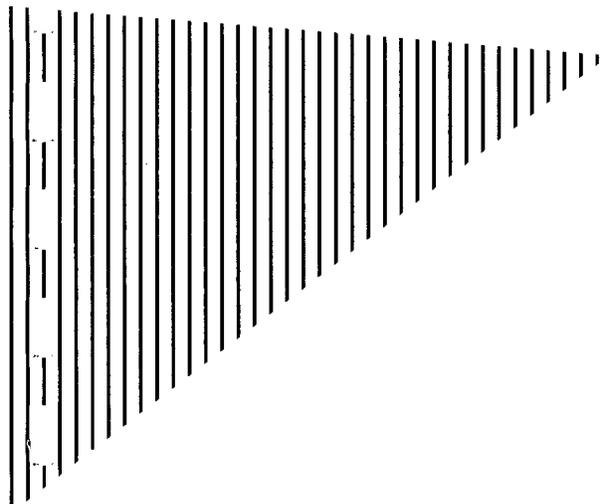
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Thrivent Investment Management Inc.

Consolidated Statement of Financial Condition

For the year ended December 31, 2011
with Report of Independent Registered
Public Accounting Firm

Ernst & Young LLP