March 15, 2019

Mr. Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Subject: Updated Disclosure Requirements and Summary Prospectus for Variable Annuity and Variable Life Insurance Contracts: SEC File Number S7-23-18 (the “Release” or “Proposal”)

Dear Mr. Fields:

Broadridge Financial Solutions appreciates the opportunity to comment on proposed rule 498A.1 We support the SEC’s efforts to “modernize disclosures by using a layered disclosure approach designed to provide investors with key information.”

The Proposal has the potential to both improve the disclosure experience for individual investors and to reduce by 75% the paper, printing, and postage costs of mailing statutory contract prospectuses and portfolio company prospectuses.2 As explained below, we estimate that the potential cost savings could reach $25 million annually if all providers were to rely on the rule.3

We also provide comments from an online survey of 120 variable annuity investors. The survey asked individual investors to evaluate the helpfulness of the Appendix to the proposed contract summary. The Proposal notes that the Appendix “is intended to remind investors of one of the most important decisions they face during the life cycle of a contract – that is, whether and where to allocate additional purchase payments and reallocate contract value among the portfolio companies or investment options available to them.”4 Approximately 90% of respondents said the Appendix would be more helpful to them if its legend includes a table of contents on the information generally found in mutual fund

1 Broadridge provides technology services to fund companies and variable annuity/variable life insurance providers to assist them in fulfilling their obligations to communicate with their client accounts.

2 We have frequently provided data on how regulatory communications can be both more cost efficient and more effective for individual investors.

3 This figure is substantially greater than an estimate provided in the Proposal’s Economic Analysis due largely to different assumptions on the unit costs of variable annuity contract prospectuses. We do not provide estimates of filers’ costs to create summary prospectuses for variable annuity contracts.

prospectuses and if each fund’s Investment Objective is provided (instead of Investment Type). These enhancements would not add costs to providers.

The Release notes that some variable annuity providers send their clients a summary prospectus for the particular funds in which their client is invested, while other annuity providers send summary prospectuses for all portfolio companies offered under the contract. Respondents to the survey indicated that they would prefer to receive an Appendix with summary prospectuses for their chosen funds instead of an Appendix without additional summary information. However, as we explain below, it was unclear to us in reading the Proposal if providers who wish to rely on the new rule would be permitted to continue to serve their clients in this way. If personalizing portfolio company information continues to be an option for variable annuity providers under the new rule, then most of the paper, printing, and postage cost savings of the Proposal could be realized, and each annuity provider would need to evaluate the tradeoffs.

Finally, our comments include a discussion of technology and processing. Over the long run, we believe the Proposal might continue to serve investors if it were to give annuity providers flexibility in how they engage and inform their particular clients. “Flexibility” might be as simple as including summary prospectuses or other additional information for a client’s particular portfolio holdings (as mentioned above) or it might go further — by permitting providers to incorporate other technology applications. For example, if the Proposal were to permit variable annuity providers to add an easy means for investors to enroll in electronic delivery or, for that matter, to add QR codes to mailed disclosures, we believe it would further smooth the transition to electronic disclosure for the vast majority of variable annuity investors who currently receive disclosures by mail. With a fully digital experience, more layering and more tools can be provided while additional cost savings for eliminating physical mailings are realized.

**Estimated Baseline Costs of Paper, Printing, and Postage**

At $32.8 million, our estimate of current baseline costs of paper, printing, and postage is substantially greater than the estimate found in the Proposal’s Economic Analysis. That is because the Release’s estimate is based in part on unit cost data for mutual fund shareholder annual reports. In comparison to mutual fund shareholder reports, variable annuity contract prospectuses are far lengthier and, therefore, more costly to print and mail. Moreover, because variable annuity documents are typically sent by First Class and Priority Mail to new investors (rather than by Standard Class “bulk” mail for shareholder reports), their postage is also substantially more expensive on a unit cost basis.

---

5 Release at 17.

6 Speech by Dalia Blass, Director of the SEC’s Division of Investment Management, Keynote Address - ICI Securities Law Developments Conference, Washington, DC (“We support innovation, but we are not the innovators. We promote clear disclosure, but we do not write the documents. We oversee a framework, but we are not part of the investment relationship. At the end of the day, asset managers, their counsels, data aggregators and other service providers play a central role in the investor experience. I encourage them, and each of you, to think not just about what the Commission should do to improve it but also about what steps you can take today.”) (October 25, 2018), available at https://www.sec.gov/news/speech/speech-blass-102518

We provide the following baseline unit cost estimates for initial mailings and annual update mailings of variable annuity documents:

**Initial Mailings (new investors):** Our estimate of the baseline unit cost of the current method of sending a contract’s statutory prospectus (packaged with summary prospectuses for all portfolio companies offered by the contract) is approximately $6.00 for each new investor.\(^8\) Our assumptions are as follows:

- Printing cost of $1.25, on average, for a 400-page statutory prospectus (inclusive of summary prospectuses for all funds offered by the contract).\(^9\) This average is based on a range of $1.00 to $1.50 per package which reflects print “runs” of different quantities (large and small). This figure assumes that all materials are printed in one run for the annual delivery event, and that materials are retained for use with new investors throughout the year.

- Postage cost of $4.75, on average, for a 400-page statutory contract prospectus (inclusive of summary prospectuses for all funds offered by the contract). Our understanding is that providers generally use First Class or Priority Mail to send these documents. We estimate that a 400-page document weighs approximately 13 ounces. The weight of each prospectus (13 ounces, +/-) varies depending on a number of factors. Under U.S. Postal Service rates, documents that weigh less than 13 ounces are sent by First Class mail; while documents that exceed 13 ounces are sent by Priority Mail. As we do not have comprehensive industry information on the proportion of materials sent by First Class or Priority Mail, our estimate of $4.75 uses the midpoint between First Class and Priority Mail rates for an average weight 400-page document, recognizing that many of these disclosures are slightly more or slightly less than 13 ounces.

Based on our estimate of the unit cost, and the Release’s estimate of the annual volume (i.e., 700,000),\(^10\) the current baseline cost of initial mailings is approximately $4.2 million.

**Annual Update Mailings:** Our estimate of the unit cost of the current baseline is approximately $2.20 for each annual update sent by mail to existing investors. In comparison to initial mailings, the unit cost difference is because annual updates can generally be sent by bulk mail at a lower postage rate.

- Printing cost of $1.25 for a 400-page statutory contract prospectus (inclusive of summary prospectuses for each of the funds the contract offers). Refer to printing assumptions above for initial mailings.

---

\(^8\) This estimate is based on industry data and characteristics of typical industry distributions. Actual costs can vary based on volumes, print characteristics (paper weight, color, etc.), and postage method.

\(^9\) This assumes an average 100-page length for a statutory contract prospectus (based on our review of all variable annuity and variable life insurance statutory prospectus filings in EDGAR as of January 9, 2019). We assume that the book contains 295 additional pages based on an average offering of 59 funds (Insured Retirement Institute, IRI Fact Book 2018) and use of summary prospectuses, for each, that average 5 pages in length (based on our review of all mutual fund summary prospectus filings in EDGAR as of January 9, 2019).

\(^10\) Release at 323.
• Postage cost of $0.95 for a 400-page statutory contract prospectus (inclusive of summary prospectuses for all of the funds the contract offers). This estimate is based in part on a range of $0.85 to $1.10, using Standard Class “bulk” mail.

Based on our estimate of the unit cost and the Release’s estimate of the annual volume (i.e., 13 million), the current baseline cost of annual update mailings is $28.6 million.

**Taken together, the total baseline paper, printing and postage costs of initial mailings and annual update mailings are approximately $32.8 million annually.**

**ESTIMATED BASELINE ANNUAL COSTS OF STATUTORY CONTRACT PROSPECTUS MAILINGS**

<table>
<thead>
<tr>
<th></th>
<th>Initial Mailing</th>
<th>Annual Update Mailings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Cost</td>
<td>$6.00</td>
<td>$2.20</td>
</tr>
<tr>
<td>Mailings per Year</td>
<td>700,000</td>
<td>13 million</td>
</tr>
<tr>
<td>Annual Cost</td>
<td>$4.2 million</td>
<td>$28.6 million</td>
</tr>
<tr>
<td>Total Annual Cost</td>
<td></td>
<td>$32.8 million</td>
</tr>
</tbody>
</table>

**Estimated Proposed Costs of Paper, Printing, and Postage**

Our estimate of the printing and postage unit cost of the contract summary prospectus, as proposed, is based on a number of assumptions. For example, because the proposed document is far shorter in length, we believe some annuity providers may find it more economical to print these documents “on demand” rather than undertake a large offset print run once annually as they do today with the current statutory prospectus documents. Some annuity providers may reason that incurring the comparatively greater per page cost for ‘print-on-demand’ is less burdensome to them than warehousing, picking, packing, and spoilage of documents from inventories incident to annual offset print runs.

Based on the assumptions below, we estimate that the unit cost for the proposed contract summary prospectus (including the Appendix) would be $1.20 for initial mailings and $0.55 for annual updates. We use the following assumptions for our estimates of the unit costs of initial and annual update mailings of the proposed summary document:

**Initial Mailings (new investors):** We estimate that the unit cost for the proposed “initial summary prospectus” (including the Appendix) would be $1.20 for an initial mailing to new investors. Our assumptions are as follows:

---

11 *Id.*
• Printing cost of $0.50 for a 16-page summary document.\textsuperscript{12} For the reasons we outlined above, we assume that these documents would be digitally printed on demand. Our estimate is based on Broadridge’s experience with digital print on demand. The actual costs could be higher or lower based on daily volume and other factors.

• Postage cost of $0.70 for an average weight 16-page contract summary prospectus. We assume that all initial mailings would be sent by First Class mail.

Based on our estimate of the unit cost (i.e., $1.20), and the Release’s estimate of the annual volume (i.e., 700,000), the total annual cost of initial mailings would be approximately $840,000.

**Annual Update Mailings:** We estimate that the unit cost of the annual update mailings of the proposed “updating summary prospectus” (including the Appendix) would be $0.55. This reflects the comparatively lower printing and postage cost of a 9-page updating summary prospectus. Our assumptions are as follows:

• Printing cost of $0.25 for a 9-page updating summary prospectus.\textsuperscript{13} We assume that large quantity jobs would be ‘offset printed’ and smaller jobs would be printed on demand. We used industry estimates and assumed a midpoint. Our estimate was based on a range, with a low of $0.15 per unit for a long offset print run and a high of $0.40 per unit for short digital print runs.

• Postage cost of $0.30 for an average weight, 9-page updating summary prospectus. This estimate assumes that all documents are sent by Standard Class “bulk” mail.

Based on the Release’s estimate of the annual volume (i.e., 13 million) and our estimate of the unit cost, the new cost would be $7.2 million.

**Taken together, the Proposal’s printing and postage costs of initial mailings and annual update mailings are approximately $8 million annually.**

**ESTIMATED ANNUAL COSTS OF PROPOSAL**

<table>
<thead>
<tr>
<th></th>
<th>Initial Mailing</th>
<th>Annual Update Mailings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unit Cost</strong></td>
<td>$1.20</td>
<td>$.55</td>
</tr>
<tr>
<td><strong>Mailings per Year</strong></td>
<td>700,000</td>
<td>13 million</td>
</tr>
<tr>
<td><strong>Annual Costs</strong></td>
<td>$840,000</td>
<td>$7.2 million</td>
</tr>
<tr>
<td><strong>Total Annual Costs</strong></td>
<td></td>
<td>$8 million</td>
</tr>
</tbody>
</table>

\textsuperscript{12} The hypothetical initial summary prospectus included with the Release is 16 pages.

\textsuperscript{13} The hypothetical updating summary prospectus included with the Release is 9 pages.
Estimated Total Cost Savings on Paper, Printing, and Postage

Considering current baseline costs of $32.8 million and proposed costs of $8 million, we estimate that the Proposal’s total annual cost savings on paper, printing, and postage would be approximately $25 million if all providers were to rely on the rule.

TOTAL COST AND SAVINGS COMPARISON OF THE PROPOSAL VERSES THE BASELINE

<table>
<thead>
<tr>
<th></th>
<th>Initial Mailing</th>
<th>Annual Update Mailings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline Annual Cost</td>
<td>$4.2 million</td>
<td>$28.6 million</td>
</tr>
<tr>
<td>Proposal Annual Cost</td>
<td>$840,000</td>
<td>$7.2 million</td>
</tr>
<tr>
<td>Annual Cost Savings</td>
<td>$3.4 million</td>
<td>$21.4 million</td>
</tr>
<tr>
<td>Total Annual Cost Savings</td>
<td></td>
<td>$24.8 million</td>
</tr>
</tbody>
</table>

Testing with Individual Investors in Variable Annuities

The Release requests comments on the usefulness and effectiveness of information included in the Appendix. It asks if the Appendix would be sufficient for investors to monitor their investments. Specifically, on page 90, “Is the information that we propose to require in the body or appendix of the initial summary prospectus appropriate?,” and on page 86, “Are the requirements of the proposed appendix, and the associated proposed instructions, clear and appropriate in light of the goals of the initial summary prospectus? Should we modify them in any way?”

To shed light on these questions, we asked variable annuity investors for their views through UserTesting, an online survey panel. We tested a scenario that modifies the level of information contained in the proposed Appendix because “… the investment experience of a variable annuity investor will largely depend on his or her selection of portfolio companies.”

---

14 For example, “Are the particular disclosure items that we have proposed for inclusion in the appendix useful and appropriate for consideration by investors, or should we revise, supplement, or replace those items?”; “Are the requirements of the proposed appendix, and the associated proposed instructions, clear and appropriate in light of the goals of the initial summary prospectus? Should we modify them in any way?”; “Is the information that we propose to require in the body or appendix of the initial summary prospectus appropriate? Should we include any additional information or eliminate any of the information that we have proposed to include?”; “Should we modify any of the proposed conditions related to the new option for satisfying portfolio company prospectus delivery requirements, or add any additional conditions?”; “Should we revise the legend to include alternate or additional information?” Release at 86-90, 160-162.

15 UserTesting is an online panel comprised of over 1 million participants.

16 Release at 85.
120 individuals who “self-identified” as current variable annuity investors. The test was run from January 31, 2019 through February 3, 2019.\(^{17}\)

We asked respondents to compare the Appendix to a “modified” Appendix whose legend includes a table of contents on the information found generally in portfolio company summary prospectuses and whose table replaces information on “Investment Type” with “Investment Objective.” The table of contents also highlights language intended to encourage investors to review the prospectuses. (See Diagram 1 below and refer to the Attachment for the full illustration of the modified Appendix that we tested with investors.)

Diagram 1. Appendix, whose legend is modified to include a generic table of contents, and that replaces “Investment Type” information with “Investment Objective” information

When it comes to understanding the type of information investors can expect to find in portfolio company summary prospectuses, the modified Appendix was regarded as helpful by 90% of respondents.

- Respondents were asked whether including a table of contents in the legend of the Appendix would “help you understand the type of information in the fund prospectus?":
  - Almost 90% said it would help them understand what information is found in fund prospectuses.

\(^{17}\) Responses are not intended to be statistically representative of all variable annuity investors. Given the comparatively small number of variable annuity investors (compared to mutual fund investors overall) and the likelihood that many of them are not frequent users of the Internet, it was difficult to obtain a large number of participants in the online survey. The survey was launched in ten waves through UserTesting.
The Proposal gives providers the option of including “Investment Objective” information or “Investment Type” information in the Appendix table. Information on “Investment Objective” was seen as more helpful by nearly 90% of respondents.

- Respondents were asked whether “the Investment Objective information in the list of funds is helpful in monitoring the funds?”:
  - Over 90% said it would be helpful in monitoring their investments.

- Respondents were asked which data field, “Investment Objective” or “Investment Type,” was “more helpful in monitoring your funds?”:
  - Nearly 90% said “Investment Objective” was more helpful than “Investment Type.”

More than twice as many respondents preferred the format of the modified Appendix over the format of the proposed Appendix.

- Respondents were asked, “Which format do you prefer?”:
  - Over 70% preferred to view “Investment Objective” information and fund name together -- verses “Investment Type” -- in a separate column.

The testing suggests that the Proposal could be enhanced to provide greater awareness of portfolio company summary prospectuses if the Appendix legend were modified. This is a minimal step which would not add costs to providers. The testing also indicates that if either “Investment Objective” information or “Investment Type” (i.e., one of these data fields, but not both) were to be included in the Appendix, “Investment Objective” would be more useful to investors.\(^{18}\)

The survey also asked respondents to evaluate several scenarios for layering information contained in the Appendix and provided in portfolio company summary prospectuses. (See Diagram 2 below and refer to the Attachment for the full illustration that we tested with investors.)

\(^{18}\) See Instruction 2 to proposed Item 18 of Form N-4; Instruction 2 to proposed Item 18 of Form N-6. “Type/Investment Objective. Briefly describe each Portfolio Company’s type (e.g., money market fund, bond fund, balanced fund, etc.), or include a brief statement concerning the Portfolio Company’s investment objectives.” Release at 600, 649; “The appendix would include separate columns for each portfolio company’s type (e.g., money market fund, bond fund, balanced fund, etc.) or investment objective...” Release at 83. (Emphasis added.)
By a factor of more than 3 to 1, respondents preferred an Appendix that includes fund summary prospectuses for each investor’s chosen funds over the Appendix as proposed. Respondents like the idea of receiving additional information when it is personalized for the holdings they have chosen to invest in.

If the Proposal permits summary contract prospectuses to include a personalized selection of fund company summary prospectuses, each annuity provider would need to evaluate the tradeoffs involved. However, it is unclear to us in reviewing the Proposal if providers who wish to personalize portfolio company information (e.g., by sending summary prospectuses or other additional information), would be able to rely on the new delivery option at all. On the one hand, the Release states that portfolio company summary prospectuses, for example, could be bundled with summary contract prospectuses. And on the other hand, it expresses the concern that including more information in or with the Appendix would obscure the information contained in a contract’s summary prospectus. Greater clarity would be helpful in this regard.

19 Proposed rule 498A(f)(2)(i) and (ii). The rule would permit binding these materials together so long as: (1) all of the underlying portfolio companies whose prospectuses are bundled together are available to the investor to whom they are sent or given; and (2) a table of contents identifying each portfolio company summary and/or statutory prospectus that is bound together (and the page number on which each document is found), is included at the beginning or immediately following a cover page of the bound materials. Release at 113 note 247.

20 “...we are concerned that investors may not read or understand information if the variable contract summary prospectus is accompanied by hundreds of pages of underlying portfolio company prospectuses. To address this issue, the proposed option for satisfying portfolio company prospectus delivery requirements would provide investors with certain key summary information about underlying portfolio companies in an appendix to the contract summary prospectus.” If an investor desires more detailed information about a particular portfolio
The Release poses many questions on the format and content of Appendix information. Answers to some of these questions would come from observing the actual experiences of investors. Larger studies than the one we provide here could help ensure that the Appendix is useful to investors while providing significant cost savings opportunities to variable annuity providers.

In this regard, over the long run, the Proposal might serve investors and annuity providers well if it offers providers flexibility in how annuity providers may choose to use the Appendix to engage and inform their particular clients. This might be as simple as including summary prospectuses or other additional information for a client’s particular portfolio holdings. The Proposal might permit but not require greater personalization if an annuity provider determines it is best to do so. Because including additional personalized information would increase costs over the proposed Appendix (while providing substantial savings over current baseline costs), additional testing should be undertaken to determine whether the benefits outweigh the costs.

Certain Modifications Could Provide a Smooth Path to Digital Delivery and, Ultimately, Greater Engagement and Greater Cost Savings.

The Release estimates that only 15% of variable annuity investors rely on electronic delivery for variable annuity documents.21 Given the additional cost savings of e-delivery (which would eliminate physical mailings of the smaller, lighter contract summary prospectuses and their associated costs of paper, printing, and postage), and the potential for e-delivery to provide a more engaging user experience, the Proposal can help provide a smooth transition to a fully digital experience without leaving any investors behind. The Proposal’s use of links, URLs, and Interactive data (XBRL) can aid additional numbers of variable annuity investors in monitoring their investments as greater numbers of them choose e-delivery.

Integrating the physical and digital experience for contract summary prospectuses can facilitate migration to a more digital experience. For example, over the past several years major device manufacturers have introduced native QR code readers in mobile phone cameras.22 Use of QR codes now requires no special applications, downloads, or “pins,” which has led to a renewed interest in this technology by businesses and greater awareness by consumers.23 The capability enables users to point company, prospectuses and other documents relating to the portfolio company would be available online and in paper or electronically upon request.” Release at 155-156.

21 Release at 304-305.

22 Juniper Research Analyst Lauren Foye said, “Apple’s addition of QR code reading facilities directly addresses a major barrier for use in Western markets. The lack of an in-built reader had been a hindrance, with consumers needing to download a separate QR code scanner app.” (January 3, 018), available at https://www.businesswire.com/news/home/20180103005014/en/Juniper-Research-Mobile-QR-Code-Coupon-Redemptions

23 Nicolina Savelli, Don’t Call It a Comeback: Why QR Codes Are Here to Stay, CUSTOMER THINK, (“And big brands are taking notice. Marketers are once again harnessing QR codes as a tactic to engage and convert consumers. As brand experiences continue to change and consumers become increasingly mobile, QR codes have more power
a mobile phone camera at a QR code on a printed document in order to access robust, personalized, and interactive digital representations of content which is “mobile-first” in its design. Potential applications could include the ability with one click to view cost calculators, account statements, and other tools and information, to contact one’s adviser or insurance agent, and to enroll in e-delivery. As more investors enroll in e-delivery, technologies for personalization, machine learning, and data presentment will help better engage and inform them and provide even greater cost savings on paper, printing, and postage. In this regard, the Proposal might clarify that variable annuity providers would be permitted (but not required) to add technologies like QR codes to printed materials and also to include offers to enroll in e-delivery.

Broadridge would welcome the opportunity to work with the industry, investor advocates, and others, if and when final rules are approved. We are committed to making investments in technology, processing, and intellectual capital to enhance investors’ experience with regulatory communications while reducing paper, printing and postage costs to annuity providers and fund companies.

Conclusion

We support the Proposal's goals of improving the disclosure experience for individual investors and reducing paper, printing, and postage costs. We estimate that it could save providers approximately $25 million over current baseline costs.

The investor testing we undertook suggests that the Proposal might be more helpful to investors if the legend in the Appendix were modified to include a generic table of contents on the information found generally in portfolio company summary prospectuses and if “Investment Objective” information were included in the Appendix table below the legend. By a factor of more than 3 to 1, survey respondents also said that an Appendix with summary prospectuses for the particular funds in which they are invested would be more helpful to them than the Appendix alone. Finally, if technologies like QR codes and offers to enroll in e-delivery were permitted (but not required) to be included in the new disclosure, the path to digital delivery could be smoother for the 85% of variable annuity investors who currently receive these documents in the mail. These modifications to the Proposal would give variable annuity providers additional flexibility in how they choose to engage their clients and provide added longevity to the rule as technologies evolve.

We look forward to any questions you may have.

Sincerely,

Charles V. Callan

cc: The Honorable Jay Clayton, Chair, U.S. Securities and Exchange Commission
    The Honorable Robert J. Jackson, Jr., Commissioner
    The Honorable Hester M. Peirce, Commissioner
    The Honorable Elad L. Roisman, Commissioner
    Dalia Blass, Director, Division of Investment Management
    Paul Cellupica, Deputy Director – Chief Counsel, Division of Investment Management
    Michael C. Pawluk, Senior Special Counsel, Investment Company Regulation Office
    Daniel K. Chang, Senior Counsel, Division of Investment Management
    James Maclean, Senior Counsel, Division of Investment Management
    Amy Miller, Senior Counsel, Division of Investment Management
    Amanda Hollander Wagner, Branch Chief, Division of Investment Management
    Keith Carpenter, Senior Special Counsel, Division of Investment Management
    Michael Kosoff, Senior Special Counsel, Division of Investment Management

Attachment: Investor Testing of Illustrative Scenarios for Layering Portfolio Company Prospectus Information
Attachment

Investor Testing of Illustrative Scenarios for Layering Portfolio Company Prospectus Information

- Investor Survey - Background

- Scenarios that Were Tested with Investors
  - Appendix, as proposed ("Type 1")
  - Appendix, whose legend is modified to include a generic table of contents, and that replaces “Investment Type” information with “Investment Objective” information ("Type 1.1")
  - Appendix with personalized fund summary prospectuses ("Type 2")
Investor Survey - Background

Variable annuity investors were administered an online survey (January 31 – February 3, 2019). They were asked to review several scenarios for how portfolio company information could be provided. We received responses to questions, below, from 120 investors. The testing was conducted through UserTesting.com, a national consumer panel. Participants self-identified as current investors in variable annuities.

Introduction:

You own a variable annuity. You must choose what mutual funds the variable annuity is invested in. Some variable annuities offer as many as 50 to 100 funds for you to choose among. We’d like to ask a series of questions on the information you use to monitor the funds you selected.

SEC regulations require sellers of variable annuities to provide you with prospectuses for the mutual funds you own. Typically, once a year the prospectus for each of the funds is provided to you in a summary format of 4-5 pages in length. The summary prospectus contains information on the fund’s objectives, investment strategy, risks, expenses, performance, and other topics.

Recently, the SEC proposed to change this rule. Instead of providing summary prospectuses, sellers of variable annuities would be given the option of providing a selection of the information contained in the prospectus. The information would be limited to the fund name and type, objective, expense ratio, and performance of the past 1, 5, and 10 years. You would have the ability to view the prospectus online, or to request it by mail or email.

You will be shown different formats and selections of information about the mutual funds contained in a variable annuity.

At the conclusion of the test, you will be asked to rank the materials you were shown by your preference.

Mutual Fund Prospectus TYPE 1: You will now be shown the first document type (“Type 1”). Please keep this prototype in mind for the questions that follow at the end of the test. Type 1 includes certain information about the funds in the variable annuity you own. Keep this document open for reference.

Mutual Fund Prospectus TYPE 2: You will now be shown the second document type (“Type 2”). Please keep this prototype in mind for the questions that follow at the end of the test. Type 2 includes certain information about all the funds available AND a 4-5 page summary prospectus for each fund you own in your variable annuity. Keep this document open for reference.

We are now going to ask you questions about the 2 document types to understand your preferences.

Questions:

1) Which document type do you prefer?

2) Which document type do you want to receive?
3) Type 1 does not include fund prospectuses. Rather, a URL is provided where you can view the prospectus. How likely are you to view a fund prospectus if you receive Type 1? (Rate on a scale of 1 to 5, with 1 being “not at all likely”, and 5 being “extremely likely”)

4) Type 2 includes summary prospectuses for the funds you own in your variable annuity. How likely are you to view fund prospectus if you receive Type 2? (Rate on a scale of 1 to 5, with 1 being “not at all likely”, and 5 being “extremely likely”)

*We are now going to ask you specific questions about Type 1.*

**Questions:**

5) Type 1 includes a website address to view the fund prospectuses. Will this make it more or less likely that you will view and read the fund prospectus? (More likely, less likely)

*You are now being shown a modified version of Type 1 (“Type 1.1”). It contains a gray box that highlights additional information contained in fund prospectuses and the list of funds includes each fund’s investment objective.*

**Questions:**

6) Does the information in the gray box help you understand the type of information in the fund prospectus? (Yes, no)

*You will now be shown a document that contains Type 1 and Type 1.1. Type 1 includes a column labeled INVESTMENT TYPE while Type 1.1 includes a column labeled INVESTMENT OBJECTIVE. The format/columns are also arranged differently. Review the content in these columns.*

**Questions:**

7) Is the Investment Objective information in the list of funds helpful in monitoring the funds? (Yes, no)

8) Which information do you find more helpful in monitoring your funds?
   Investment Objective (Type 1.1)
   Investment Type (Type 1)
9) Which format do you prefer?
Investment Objective and fund name together
Investment Type in a separate column

10) Which do you find easier to review?
Investment Objective and fund name together
Investment Type in a separate column

11) Rate Type 1 in terms of how useful the information is in regards to monitoring your funds.
(Rate on a scale of 1 to 5, with 1 being ‘not useful at all’, and 5 being ‘extremely useful’)

12) Rate Type 2 in terms of how useful the information is in regards to monitoring your funds.
Rate on a scale of 1 to 5, with 1 being ‘not useful at all’, and 5 being ‘extremely useful’
Scenarios that Were Tested with Investors
APPENDIX: Portfolio Companies Available Under the Contract

The following is a list of portfolio companies currently available under the contract, which is subject to change, as discussed in the prospectus for the contract. Before you invest, you should review the prospectuses for the portfolio companies. These prospectuses contain more information about the portfolio companies and their risks and may be amended from time to time. You can find the prospectuses and other information about the portfolio companies online at XYZInsuranceCo.com/VAdocuments. You can also request this information at no cost by calling 888-555-1234 or by sending an email request to email@XYZInsuranceCo.com.

The performance information below reflects fees and expenses of the portfolio companies, but does not reflect the other fees and expenses that your contract may charge. Performance would be lower if these charges were included. Each portfolio company's past performance is not necessarily an indication of future performance.

<table>
<thead>
<tr>
<th>INVESTMENT TYPE</th>
<th>PORTFOLIO COMPANY AND ADVISER/SUBADVISER</th>
<th>EXPENSE RATIO (expenses/average assets)</th>
<th>AVERAGE ANNUAL TOTAL RETURNS (as of 12/31/2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocation</td>
<td>XYZ Aggressive Allocation Portfolio</td>
<td>0.97%</td>
<td>17.49% 11.68% 5.87%</td>
</tr>
<tr>
<td>Allocation</td>
<td>XYZ Balanced Portfolio</td>
<td>0.81%</td>
<td>14.80% 10.06% 5.89%</td>
</tr>
<tr>
<td>Allocation</td>
<td>XYZ Conservative Allocation Portfolio</td>
<td>0.97%</td>
<td>8.06% 6.25% 5.36%</td>
</tr>
<tr>
<td>Allocation</td>
<td>XYZ Moderate Allocation Portfolio</td>
<td>0.97%</td>
<td>11.77% 8.28% 5.73%</td>
</tr>
<tr>
<td>Allocation</td>
<td>XYZ Target Date 2020 Portfolio</td>
<td>1.03%</td>
<td>11.69% 5.52%</td>
</tr>
<tr>
<td>Allocation</td>
<td>XYZ Target Date 2030 Portfolio</td>
<td>1.03%</td>
<td>13.14% 6.14%</td>
</tr>
<tr>
<td>Allocation</td>
<td>XYZ Target Date 2040 Portfolio</td>
<td>1.02%</td>
<td>14.69% 6.96%</td>
</tr>
<tr>
<td>Allocation</td>
<td>XYZ Target Date 2050 Portfolio</td>
<td>1.02%</td>
<td>18.91% 9.10%</td>
</tr>
<tr>
<td>Allocation</td>
<td>XYZ Target Date 2060 Portfolio</td>
<td>1.02%</td>
<td>24.09%</td>
</tr>
<tr>
<td>Allocation</td>
<td>XYZ Target Date Income Portfolio</td>
<td>1.01%</td>
<td>4.02% 5.88%</td>
</tr>
<tr>
<td>Alternative</td>
<td>Long/Short Equity Portfolio (Subadviser:123 Asset Management)</td>
<td>2.53%</td>
<td>10.93%</td>
</tr>
<tr>
<td>Alternative</td>
<td>XYZ Alternative Growth Portfolio</td>
<td>2.71%</td>
<td>1.75% 3.81% 1.75%</td>
</tr>
<tr>
<td>Alternative</td>
<td>XYZ Multimanager Alternative Portfolio (Subadvisers:123 Asset Management; 456 Asset Management; 789 Advisers)</td>
<td>2.03%</td>
<td>2.11%</td>
</tr>
<tr>
<td>Global Bond</td>
<td>QRS Global Bond Portfolio (Subadviser:456 Asset Management)</td>
<td>1.31%</td>
<td></td>
</tr>
<tr>
<td>Global Bond</td>
<td>XYZ Unconstrained Bond Portfolio</td>
<td>1.27%</td>
<td>1.81% 0.62% 2.91%</td>
</tr>
<tr>
<td>Global Equity</td>
<td>ABCD Total Return Portfolio</td>
<td>1.05%</td>
<td>6.02% 0.43%</td>
</tr>
<tr>
<td>Global Equity</td>
<td>QRS Emerging Market Debt Portfolio (Subadviser: 456 Asset Management)</td>
<td>1.31%</td>
<td>12.48% 3.58%</td>
</tr>
<tr>
<td>Global Equity</td>
<td>QRS Emerging Markets Portfolio (Subadviser: 456 Asset Management)</td>
<td>1.29%</td>
<td>37.87% 7.24%</td>
</tr>
<tr>
<td>Global Equity</td>
<td>QRS Global Growth Portfolio (Subadviser: 456 Asset Management)</td>
<td>1.22%</td>
<td>31.77% 11.56% 6.30%</td>
</tr>
<tr>
<td>Money Market</td>
<td>XYZ Government Money Market Portfolio</td>
<td>0.37%</td>
<td>0.31% 0.06% 0.19%</td>
</tr>
</tbody>
</table>
Appendix, whose legend is modified to include a generic table of contents, and that replaces “Investment Type” information with “Investment Objective” information

Type 1.1

APPENDIX: Portfolio Companies Available Under the Contract

The following is a list of portfolio companies currently available under the contract, which is subject to change, as discussed in the prospectus for the contract.

Before your invest, we encourage you to access and review the underlying portfolio prospectuses. They contain performance, expenses, investment strategies and risks and other important information (which may be amended from time to time) as listed below:

- Risk/Return Summary: Investment Objective/Goals
- Risk/Return Summary: Fee Table
- Risk/Return Summary: Investments, Risks, and Performance Management
- Purchase and Sale of Fund Shares
- Tax information
- Financial Intermediary Compensation

You can find the prospectuses and other information about the portfolio companies online at XYZInsuranceCo.com/VAdocuments. You can also request this information at no cost by calling 888-555-1234 or by sending an email request to email@XYZInsuranceCo.com.

The performance information below reflects fees and expenses of the portfolio companies, but does not reflect the other fees and expenses that your contract may charge. Performance would be lower if these charges were included. Each portfolio company’s past performance is not necessarily an indication of future performance.

<table>
<thead>
<tr>
<th>PORTFOLIO COMPANY AND ADVISER/SUBADVISER</th>
<th>INVESTMENT OBJECTIVE</th>
<th>EXPENSE RATIO</th>
<th>AVERAGE ANNUAL TOTAL RETURNS (as of 12/31/2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1 YEAR</td>
<td>5 YEAR</td>
</tr>
<tr>
<td>XYZ Aggressive Allocation Portfolio</td>
<td>Investment Objective: High total return consistent with an aggressive level of risk</td>
<td>0.97%</td>
<td>17.49%</td>
</tr>
<tr>
<td>XYZ Balanced Portfolio</td>
<td>Investment Objective: Income and capital growth consistent with reasonable risk</td>
<td>0.81%</td>
<td>14.80%</td>
</tr>
<tr>
<td>XYZ Conservative Allocation Portfolio</td>
<td>Investment Objective: High total return consistent with a conservative level of risk</td>
<td>0.97%</td>
<td>8.06%</td>
</tr>
<tr>
<td>XYZ Moderate Allocation Portfolio</td>
<td>Investment Objective: Capital appreciation and current income</td>
<td>0.97%</td>
<td>11.77%</td>
</tr>
<tr>
<td>XYZ Target Date 2020 Portfolio</td>
<td>Investment Objective: High total return until its target retirement date. Thereafter, high current income and, as a secondary objective, capital appreciation</td>
<td>1.03%</td>
<td>11.69%</td>
</tr>
<tr>
<td>XYZ Target Date 2030 Portfolio</td>
<td>Investment Objective: High total return until its target retirement date. Thereafter, high current income and, as a secondary objective, capital appreciation</td>
<td>1.03%</td>
<td>13.14%</td>
</tr>
<tr>
<td>XYZ Target Date 2040 Portfolio</td>
<td>Investment Objective: High total return until its target retirement date. Thereafter, high current income and, as a secondary objective, capital appreciation</td>
<td>1.02%</td>
<td>14.69%</td>
</tr>
</tbody>
</table>
**Appendix with personalized fund summary prospectuses**

**Type 2**

**APPENDIX: Portfolio Companies Available Under the Contract**

The following is a list of portfolio companies currently available under the contract, which is subject to change, as discussed in the prospectus for the contract. Before you invest, you should review the prospectuses for the portfolio companies. These prospectuses contain more information about the portfolio companies and their risks and may be amended from time to time. You can find the prospectuses and other information about the portfolio companies online at [XYZInsuranceCo.com/VAdocuments](http://XYZInsuranceCo.com/VAdocuments). You can also request this information at no cost by calling 888-555-1234 or by sending an email request to email@XYZInsuranceCo.com.

The performance information below reflects fees and expenses of the portfolio companies, but does not reflect the other fees and expenses that your contract may charge. Performance would be lower if these charges were included. Each portfolio company’s past performance is not necessarily an indication of future performance.

<table>
<thead>
<tr>
<th>INVESTMENT TYPE</th>
<th>PORTFOLIO COMPANY AND ADVISER/SUBADVISER</th>
<th>EXPENSE RATIO (expenses/average assets)</th>
<th>AVERAGE ANNUAL TOTAL RETURNS (as of 12/31/2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocation</td>
<td>XYZ Aggressive Allocation Portfolio</td>
<td>0.97%</td>
<td>17.49% 11.68% 5.87%</td>
</tr>
<tr>
<td>Allocation</td>
<td>XYZ Balanced Portfolio</td>
<td>0.81%</td>
<td>14.80% 10.06% 5.89%</td>
</tr>
<tr>
<td>Allocation</td>
<td>XYZ Conservative Allocation Portfolio</td>
<td>0.97%</td>
<td>8.06% 6.25% 5.36%</td>
</tr>
<tr>
<td>Allocation</td>
<td>XYZ Moderate Allocation Portfolio</td>
<td>0.97%</td>
<td>11.77% 8.28% 5.73%</td>
</tr>
<tr>
<td>Allocation</td>
<td>XYZ Target Date 2020 Portfolio</td>
<td>1.03%</td>
<td>11.69% 5.52%</td>
</tr>
<tr>
<td>Allocation</td>
<td>XYZ Target Date 2030 Portfolio</td>
<td>1.03%</td>
<td>13.14% 6.14%</td>
</tr>
<tr>
<td>Allocation</td>
<td>XYZ Target Date 2040 Portfolio</td>
<td>1.02%</td>
<td>14.69% 6.96%</td>
</tr>
<tr>
<td>Allocation</td>
<td>XYZ Target Date 2050 Portfolio</td>
<td>1.02%</td>
<td>18.91% 9.10%</td>
</tr>
<tr>
<td>Allocation</td>
<td>XYZ Target Date 2060 Portfolio</td>
<td>1.02%</td>
<td>24.09%</td>
</tr>
<tr>
<td>Allocation</td>
<td>XYZ Target Date Income Portfolio</td>
<td>1.01%</td>
<td>4.02% 5.88%</td>
</tr>
<tr>
<td>Alternative</td>
<td>Long/Short Equity Portfolio (Subadviser:123 Asset Management)</td>
<td>2.53%</td>
<td>10.93%</td>
</tr>
<tr>
<td>Alternative</td>
<td>XYZ Alternative Growth Portfolio</td>
<td>2.71%</td>
<td>1.75% 3.81% 1.75%</td>
</tr>
<tr>
<td>Alternative</td>
<td>XYZ Multimanager Alternative Portfolio (Subadvisers:123 Asset Management; 456 Asset Management; 789 Advisers)</td>
<td>2.03%</td>
<td>2.11%</td>
</tr>
<tr>
<td>Global Bond</td>
<td>QRS Global Bond Portfolio (Subadviser:456 Asset Management)</td>
<td>1.31%</td>
<td></td>
</tr>
<tr>
<td>Global Bond</td>
<td>XYZ Unconstrained Bond Portfolio</td>
<td>1.27%</td>
<td>1.81% 0.62% 2.91%</td>
</tr>
<tr>
<td>Global Equity</td>
<td>ABCD Total Return Portfolio</td>
<td>1.05%</td>
<td>6.02% 0.43%</td>
</tr>
<tr>
<td>Global Equity</td>
<td>QRS Emerging Market Debt Portfolio (Subadviser: 456 Asset Management)</td>
<td>1.31%</td>
<td>12.48% 3.58%</td>
</tr>
<tr>
<td>Global Equity</td>
<td>QRS Emerging Markets Portfolio (Subadviser: 456 Asset Management)</td>
<td>1.29%</td>
<td>37.87% 7.24%</td>
</tr>
<tr>
<td>Global Equity</td>
<td>QRS Global Growth Portfolio (Subadviser: 456 Asset Management)</td>
<td>1.22%</td>
<td>31.77% 11.56% 6.30%</td>
</tr>
<tr>
<td>Money Market</td>
<td>XYZ Government Money Market Portfolio</td>
<td>0.37%</td>
<td>0.31% 0.06% 0.19%</td>
</tr>
</tbody>
</table>
This Summary Prospectus is designed to provide investors with key information about the Portfolio in a clear and concise format. Before you invest, you may want to review the Portfolio’s complete prospectus, which contains more information about the Portfolio and its risks.

- **If you purchased shares of Thrivent Variable Portfolios through Thrivent Financial:**
  You can find the Portfolio’s prospectus and other information about the Portfolio online at ThriventPortfolios.com. You can also get this information at no cost by calling 800-847-4839 or by sending an email request to mail@thrivent.com

- **If you purchased shares of Thrivent Variable Portfolios from a firm other than Thrivent Financial:**
  You can find the Portfolio’s prospectus and other information about the Portfolio online at ThriventPortfolios.com. You can also get this information by calling or emailing your financial advisor.

The Portfolio’s prospectus and statement of additional information, both dated April 30, 2018, are incorporated by reference into this Summary Prospectus and may be obtained, free of charge, at the website, phone number or email address noted above.

Shares of the Portfolio are sold only to insurance company separate accounts or to other investment companies funded by insurance company separate accounts. This Summary Prospectus is not intended for use by other investors.
**Investment Objectives**

The investment objective of the Thrivent Partner Growth Stock Portfolio (the "Portfolio") is to achieve long-term growth of capital and, secondarily, increase dividend income.

**Fees and Expenses**

This table describes the fees and expenses that you may pay if you buy and hold shares of the Portfolio. If you own a variable annuity contract or variable life insurance contract, you will have additional expenses including mortality and expense risk charges. Please refer to the prospectus for your variable contract for additional information about charges for those contracts.

<table>
<thead>
<tr>
<th>SHAREHOLDER FEES</th>
<th>(fees paid directly from your investment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Sales Charge (load) Imposed On Purchases (as a percentage of offering price)</td>
<td>N/A</td>
</tr>
<tr>
<td>Maximum Deferred Sales Charge (load) (as a percentage of the net asset value at time of purchase or redemption, whichever is lower)</td>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ANNUAL PORTFOLIO OPERATING EXPENSES</th>
<th>(expenses that you pay each year as a percentage of the value of your investment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Fees</td>
<td>0.65%</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>0.14%</td>
</tr>
<tr>
<td>Total Annual Portfolio Operating Expenses</td>
<td>0.79%</td>
</tr>
</tbody>
</table>

**EXAMPLE** This example is intended to help you compare the cost of investing in the Portfolio with the cost of investing in other mutual funds. The Portfolio is an investment option for variable contracts, and the example does not include charges imposed by variable contracts. If variable contract charges were imposed, your expenses would be higher than those shown. The example assumes that you invest $10,000 in the Portfolio for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year, and that the Portfolio’s operating expenses remain the same. Although your actual cost may be higher or lower, based on the foregoing assumptions, your cost would be:

<table>
<thead>
<tr>
<th></th>
<th>1 Year</th>
<th>3 Years</th>
<th>5 Years</th>
<th>10 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thrivent Partner Growth Stock Portfolio</td>
<td>$81</td>
<td>$252</td>
<td>$439</td>
<td>$978</td>
</tr>
</tbody>
</table>

**Portfolio Turnover**

The Portfolio pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Portfolio shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Portfolio’s performance. During the most recent fiscal year, the Portfolio’s portfolio turnover rate was 52% of the average value of its portfolio.

**Principal Strategies**

The Portfolio’s principal strategy for achieving its investment objectives under normal circumstances is to invest at least 80% of net assets (plus the amount of any borrowing for investment purposes) in common stocks. Should the Adviser determine that the Portfolio would benefit from reducing the percentage of its assets invested in common stocks from 80% to a lesser amount, it will notify you at least 60 days prior to such a change.

The Portfolio concentrates its investments in growth companies. The Portfolio’s subadviser, T. Rowe Price Associates, Inc. (“T. Rowe Price”), seeks investments in companies that have the ability to pay increasing dividends through strong cash flow. The subadviser generally looks for companies with an above-average rate of earnings growth and a lucrative niche in the economy that gives them the ability to sustain earnings momentum even during times of slow economic growth. T. Rowe Price believes that when a company increases its earnings faster than both inflation and the overall economy, the market will eventually reward it with a higher stock price. The Portfolio may at times invest significantly in technology stocks.

In pursuing the Portfolio’s investment objectives, T. Rowe Price has the discretion to purchase some securities that do not meet its normal investment criteria, as described above, when it believes such purchase will provide an opportunity for substantial appreciation. These situations might arise when T. Rowe Price believes a security could increase in value for a variety of reasons including a change in management, an extraordinary corporate event, a new product introduction or innovation, or a favorable competitive development.

While the Portfolio invests primarily (at least 80%) in common stocks, it may also invest in foreign stocks (up to 30% of total assets), and futures and options to obtain investment exposure or for hedging, in keeping with the Portfolio’s objectives.
The Portfolio may sell securities for a variety of reasons, such as to secure gains, limit losses, or reposition assets into more promising opportunities.

**Principal Risks**

The Portfolio is subject to the following principal investment risks. Shares of the Portfolio will rise and fall in value and there is a risk that you could lose money by investing in the Portfolio. The Portfolio cannot be certain that it will achieve its investment objectives.

**Derivatives Risk.** The use of derivatives (such as futures and options) involves additional risks and transaction costs which could leave the Portfolio in a worse position than if it had not used these instruments. The use of derivatives can lead to losses because of adverse movements in the price or value of the underlying asset, index or rate, which may be magnified by certain features of the contract. Changes in the value of the derivative may not correlate as intended with the underlying asset, rate or index, and the Portfolio could lose much more than the original amount invested. Derivatives can be highly volatile, illiquid and difficult to value. Certain derivatives may also be subject to counterparty risk, which is that the other party in the transaction will not fulfill its contractual obligations due to its financial condition, market events, or other reasons.

**Foreign Securities Risk.** To the extent the Portfolio is exposed to foreign securities, it is subject to various risks associated with such securities. Foreign securities are generally more volatile than their domestic counterparts, in part because of higher political and economic risks, lack of reliable information and fluctuations in currency exchange rates. Foreign securities may also be more difficult to resell than comparable U.S. securities because the markets for foreign securities are often less liquid. Even when a foreign security increases in price in its local currency, the appreciation may be diluted by adverse changes in exchange rates when the security’s value is converted to U.S. dollars. Foreign withholding taxes also may apply and errors and delays may occur in the settlement process for foreign securities.

**Growth Investing Risk.** Growth style investing includes the risk of investing in securities whose prices historically have been more volatile than other securities, especially over the short term. Growth stock prices reflect projections of future earnings or revenues and, if a company’s earnings or revenues fall short of expectations, its stock price may fall dramatically.

**Investment Adviser Risk.** The Portfolio is actively managed and the success of the Portfolio’s investment strategy depends significantly on the skills of the Adviser or subadviser in assessing the potential of the investments in which the Portfolio invests. This assessment of investments may prove incorrect, resulting in losses or poor performance, even in rising markets.

**Issuer Risk.** Issuer risk is the possibility that factors specific to a company to which the Portfolio is exposed will affect the market prices of the company’s securities and therefore the value of the Portfolio. Common stock of a company is subordinate to other securities issued by the company. If a company becomes insolvent, interests of investors owning common stock will be subordinated to the interests of other investors in, and general creditors of, the company.

**Market Risk.** Over time, 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’s investments may move with these cycles and, in some instances, increase or decrease more than the applicable market(s) as measured by the Portfolio’s benchmark index(es). The securities markets may also decline because of factors that affect a particular industry.

**Technology-Oriented Companies Risk.** Common stocks of companies that rely extensively on technology, science or communications in their product development or operations may be more volatile than the overall stock market and may or may not move in tandem with the overall stock market. Technology, science and communications are rapidly changing fields, and stocks of these companies, especially of smaller or unseasoned companies, may be subject to more abrupt or erratic market movements than the stock market in general. There are significant competitive pressures among technology-oriented companies and the products or operations of such companies may become obsolete quickly. In addition, these companies may have limited product lines, markets or financial resources and the management of such companies may be more dependent upon one or a few key people.

**Volatility Risk.** Volatility risk is the risk that certain types of securities shift in and out of favor depending on market and economic conditions as well as investor sentiment. Growth style investing includes the risk of investing in securities whose prices historically have been more volatile than other securities, especially over the short term. Growth stock prices reflect projection of future earnings or revenues and, if a company’s earnings or revenues fall short of expectations, its stock price may fall dramatically.

**Performance**

The following bar chart and table provide an indication of the risks of investing in the Portfolio by showing changes in the Portfolio’s performance from year to year and by showing how the Portfolio’s average annual returns for one-, five-, and ten-year periods compared to
a broad-based securities market index. The index is the S&P 500 Growth Index, which measures the performance of the growth stocks in the S&P 500 Index. Call 800-847-4836 or visit Thrivent.com for performance results current to the most recent month-end.

The bar chart and table include the effects of Portfolio expenses, but not charges or deductions against your variable contract, and assume that you sold your investment at the end of the period. Because shares of the Portfolio are offered through variable life insurance and variable annuity contracts, you should carefully review the variable contract prospectus for information on applicable charges and expenses. If the charges and deductions against your variable contract were included, returns would be lower than those shown.

How a Portfolio has performed in the past is not necessarily an indication of how it will perform in the future. Performance information provides some indication of the risks of investing in the Portfolio by showing changes in the Portfolio’s performance over time.

YEAR-BY-YEAR TOTAL RETURN

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Annual Return (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>08</td>
<td>-42.35%</td>
</tr>
<tr>
<td>09</td>
<td>-16.62%</td>
</tr>
<tr>
<td>10</td>
<td>18.66%</td>
</tr>
<tr>
<td>11</td>
<td>38.54%</td>
</tr>
<tr>
<td>12</td>
<td>6.526%</td>
</tr>
<tr>
<td>13</td>
<td>10.65%</td>
</tr>
<tr>
<td>14</td>
<td>1.35%</td>
</tr>
<tr>
<td>15</td>
<td>33.91%</td>
</tr>
<tr>
<td>16</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td></td>
</tr>
</tbody>
</table>

Best Quarter: Q1 '12 +18.98%
Worst Quarter: Q4 '08 (23.96)%

AVERAGE ANNUAL TOTAL RETURNS (PERIODS ENDING DECEMBER 29, 2017)

<table>
<thead>
<tr>
<th>Fund</th>
<th>1 Year</th>
<th>5 Years</th>
<th>10 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thrivent Partner Growth Stock Portfolio</td>
<td>33.61%</td>
<td>17.69%</td>
<td>9.81%</td>
</tr>
</tbody>
</table>

S&P 500 Growth Index (reflects no deduction for fees, expenses or taxes) 27.44% 17.00% 9.99%

Management

Investment Adviser(s)
The Portfolio is managed by Thrivent Financial for Lutherans (“Thrivent Financial” or the “Adviser”), which has engaged T. Rowe Price Associates, Inc. (“T. Rowe Price”) to subadvise the Portfolio.

Portfolio Manager(s)

Joseph B. Fath, CPA is primarily responsible for the day-to-day management of the Portfolio. Mr. Fath has served as the portfolio manager of the Portfolio since April 2014. He currently serves as Chairman of the Portfolio’s Investment Advisory Committee. Mr. Fath joined T. Rowe Price in 2002. He joined as an equity research analyst and, since 2008, has assisted other T. Rowe Price portfolio managers in managing the Firm’s U.S. large-cap growth strategies.

Purchase and Sale of Shares

Shares of each series of Thrivent Series Fund, Inc. (the “Fund”) may be sold, without any minimum initial or subsequent investment requirements, only to:

- Separate accounts of Thrivent Financial and Thrivent Life Insurance Company;
- Separate accounts of other insurance companies not affiliated with Thrivent Financial; and
- Other Portfolios of the Fund.

Tax Information

For information about certain tax-related aspects of investing in the Portfolio through a variable contract, please see the variable product prospectus.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase the Portfolio through a broker-dealer or other financial intermediary (such as an insurance company), the Portfolio and its related companies may pay the intermediary for the sale of Portfolio shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Portfolio over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.