

Thrivent Investment Management Inc. Managed Account Program Brochure

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Thrivent Investment Management Inc.
625 Fourth Avenue South
Minneapolis, MN 55415

1-(800)-THRIVENT / 1-800-847-4836
www.thrivent.com

This wrap fee program brochure provides information about the qualifications and business practices of Thrivent Investment Management Inc. If you have any questions about the contents of this brochure, please contact us at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Thrivent Investment Management Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Thrivent Investment Management Inc. is a registered investment adviser. Registration as an investment adviser does not imply a certain level of skill or training.

MATERIAL CHANGES

There have been material changes to this Brochure since the firm's last Form ADV Part 2A – Appendix 1 dated May 2011. These changes include the introduction of a new investment advisory service, the Income-Focused Managed Portfolios. This service is part of Thrivent's Managed Account Program and is generally intended for clients that are looking to supplement retirement income through periodic distributions. It is a discretionary service managed by Thrivent's Investment Committee. The investments in the Income-Focused Managed Portfolios include those that produce dividend or interest income and dividend paying stock mutual funds. Please see the following Sections of this Brochure for further important information related to this service: Service, Fees and Compensation - Income-Focused Managed Portfolios, Investment Committee Management of Advantage, SELECT and Income-Focused Portfolios and Cash Management.

Other material changes include the inclusion of certain investments in the Advantage Portfolios service, and an update to the Unified Managed Account ("UMA") service. Advantage is a service that includes Models that are primarily invested in mutual funds that are advised by an affiliate of the firm. The changes include the inclusion of certain non-affiliated mutual funds and investments in limited circumstances. Please see Service, Fees and Compensation - Advantage for further information related to the Advantage service and these changes. UMA is a service that combines multiple investment styles using separate account managers, mutual funds and/or ETFs to facilitate diversification within an individually managed account, utilizing an overlay portfolio manager. The service now includes the option of choosing a model allocation recommended and developed by your Investment Advisor Representative (UMA 2.0). You continue to have the option of choosing a model allocation developed by the firm's Platform Manager (UMA 1.0). In both instances, you will work with your Investment Advisor Representative to select a model allocation option. Please see Service, Fees and Compensation - UMA for further information regarding the UMA service and this change.

Certain other non-material changes have also been made to the Brochure related to the description of certain services and Thrivent.

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SERVICE, FEES and COMPENSATION

A. This Brochure provides information regarding various investment advisory and managed account services sponsored by Thrivent Investment Management Inc. ("Thrivent"); including:

- Thrivent Advisor ("Advisor"),
- Thrivent Advantage Managed Portfolios ("Advantage"),
- Thrivent SELECT Managed Portfolios ("SELECT"),
- Thrivent Income-Focused Managed Portfolios ("Income-Focused Portfolios"),
- Thrivent Separately Managed Accounts ("SMAs"); and
- Thrivent Unified Managed Accounts 1.0 and 2.0 ("UMA").

Advisor, Advantage, SELECT, Income-Focused Portfolios, SMAs and UMA are collectively referred to as the "Program" pursuant to which investment advice, brokerage and related services are provided to you for an annual fee ("Program Fee"). You should be aware that the Program may cost you more or less than purchasing the services separately.

In the Program, Thrivent, a registered investment adviser, and, as applicable, the Platform Manager (as that term is defined below) and other investment managers ("Sub-Managers") will provide you with managed account services. The Program is made available through Thrivent and Envestnet Asset Management, Inc. ("Platform Manager"), a registered investment adviser and unaffiliated company that operates the technology platform on which the Program functions. Platform Manager may from time to time provide investment advice to Thrivent. For SMA and UMA, the managed account services Sub-Managers provide are pursuant to agreements between Platform Manager and the applicable Sub-Manager(s). In Advisor, Advantage, SELECT and Income-Focused Portfolios, Thrivent, along with your investment advisor representative ("Investment Advisor Representative"), will be the sole provider of investment advisory services. Please see below for further discussion regarding the investment advisory and portfolio management services, fees and costs regarding the Program. As of December 31, 2011, on a discretionary basis, Thrivent had approximately \$603,595,256 in assets under management. As of December 31, 2011, on a non-discretionary basis, Thrivent had approximately \$4,174,306,441 in assets under management. As of December 31, 2011, Thrivent had approximately \$118,612,724 in assets in services where a third-party manager maintains discretion over the assets. Program assets are custodied by National Financial Services LLC ("NFS"), Member NYSE/SIPC, a Fidelity Investments® company.

PROGRAM OVERVIEW

The managed account services available within the Program include non-discretionary and discretionary asset management services in which you pay a Program Fee for the management of assets in various asset classes and styles and/or model portfolios created by Thrivent and its affiliates, Platform Manager or Sub-Managers, or other recommended investment strategies. Generally, the Program Fee will be charged on all eligible Program assets ("Eligible Program Assets"). Further details on the Program Fee can be found in the Sections describing each of the Programs as well as the "Fees" section below.

Depending on the particular service, each discussed in further detail below, your Account (as that term is defined below) may be invested in a variety of securities, including but not limited to, listed and unlisted stocks, exchange-traded funds ("ETFs"), exchange-traded notes ("ETNs"), bonds, certain open-end mutual funds (load-waived and no-load), closed-end funds, commercial paper, certificates of deposit, and municipal securities. Thrivent does not allow the purchase of certain non-traditional (i.e., inverse or leveraged) ETFs, ETNs or mutual funds within the Program or within other types of Thrivent accounts. Among the mutual funds available are those advised by a Thrivent affiliate ("Thrivent Funds"). The Advantage portfolios invest primarily in Thrivent Funds except as described below in "Advantage" and "Cash Management", including with respect to the use of an unaffiliated money market fund within the Program service. SELECT and Income-Focused

Portfolios may also invest in Thrivent Funds. Thrivent Asset Management, LLC serves as investment manager to the Thrivent Funds and receives a management fee for its services as disclosed in the applicable Thrivent Funds' prospectuses. Thrivent and its affiliates may earn distribution and other fees, including 12b-1 fees, in connection with the Thrivent Funds. These fees are in addition to the Program Fee you pay for enrollment in the Program. Generally, it is more profitable for us if you purchase products that are underwritten and advised by Thrivent and its affiliates, such as Thrivent Funds. Please see "Fees" and "Other Financial Industry Activities and Affiliation" below for further information related to these conflicts of interest. Eligible Program Assets may not be the same for all managed account services within the Program. Please consult the applicable client agreement ("Client Agreement") for further details on Eligible Program Assets. If you decide to participate in the Program, you will sign a Client Agreement with Thrivent and Platform Manager. The Client Agreement specifies terms and conditions that govern your participation in the applicable managed account service(s) included in the Program.

You will complete an investment profile questionnaire ("Investor Profile") designed to gather information about your financial situation, risk tolerance, time horizon and investment objectives and any other relevant information ("Financial Information"), including, as applicable, any reasonable investment restrictions on the management of your Account. Based on an analysis of the Investor Profile, Thrivent and your Investment Advisor Representative will recommend an investment strategy and managed account service through which the strategy can be implemented. In making this recommendation, your Investment Advisor Representative and/or Thrivent will consider factors it or they deem relevant, including but not limited to, your investment goals and objectives, and any reasonable restrictions you choose to impose on the management of your Account(s). Thrivent will notify Platform Manager, and Platform Manager will notify applicable Sub-Manager of the information contained in your Investor Profile, as well as any subsequent changes you submit to Thrivent in writing.

Investment Advisor Representatives may work with you individually or among a team or in partnership with other Investment Advisor Representatives, financial representatives and/or support staff. If your Investment Advisor Representative works among a team of other financial representatives and support staff, you should be aware that these individuals will have access to your Account and other information and may be responsible for certain aspects of servicing your Account and/or relationship. For instance, these other financial representatives may enter trades at your request, participate in the preparation of portfolio reviews, research and be available to answer general questions you may have related to your Account.

Below we discuss in more detail the Service, Fees and Compensation for each of the following services within the Program: Advisor, Advantage, SELECT, Income-Focused Portfolios, SMAs, and UMA.

ADVISOR

Advisor is a non-discretionary advisory service that provides you with access to a variety of investments. Assets that are eligible for inclusion in this service can be found in your Client Agreement. Advisor is intended to provide you with an opportunity to be an active, informed investor through one easy-to-manage service. The minimum Account size for Advisor is generally \$100,000. Your Investment Advisor Representative will provide you with professional investment advice and help you develop an asset allocation strategy or model portfolio that is intended to help you meet your financial needs. It is solely your decision to implement any investment recommendations provided by Thrivent or your Investment Advisor Representative. Your Investment Advisor Representative may use a variety of methods to construct a recommended asset allocation in a manner that is consistent with, among other things, your responses in your Investor Profile and your overall financial goals and investment objectives. In addition, your Investment Advisor Representative may recommend one or more sample model portfolios developed by Thrivent. These sample model portfolios may include a Conservative, Moderately Conservative, Moderate, Moderately Aggressive, and Aggressive investment strategy. Thrivent utilizes various software and analytical tools to create the model portfolios with, among other securities, mutual funds, ETFs, and ETNs. These model portfolios are periodically reviewed for,

among other things, style consistency and risk.

Rebalancing. The asset allocation model, including a sample model portfolio, developed and recommended to you includes established parameters from which the model portfolio generally may deviate or vary from its original allocation before your Investment Advisor Representative may recommend that the portfolio be rebalanced to its original allocation ("Program Rebalancing Recommendations"). You may request your Investment Advisor Representative to contact you when there are Program Rebalancing Recommendations that have been mutually agreed upon by you and your Investment Advisor Representative, or you may contact your Investment Advisor Representative to request account rebalancing. Program Rebalancing Recommendations should also be discussed with your Investment Advisor Representative during your Account review(s). It is solely your decision to implement any Program Rebalancing Recommendations.

Rebalancing may have adverse tax consequences for your Account. Neither Thrivent nor your Investment Advisor Representative give tax advice and you should consult your tax adviser for such advice.

Advisor Fees. For the managed account services provided under Advisor, you will be charged the Program Fee in accordance with the Program Fee Schedule below. Program Fees may be negotiable under certain circumstances. You may be eligible for a household billing rate if you or members of your household have one or more Accounts within the Advisor service. Please see "Fees" and "Additional Program Fee Information" below for further information.

Advisor Fee Schedule

Value of Account Assets	Maximum Program Fee (annual as a % of assets)	Client Fee Credit Amount of .45%*	Net Direct Program Fee (annual as a % of assets)
Up to \$100,000	2.45%	.45%	2.00%
\$100,000 - \$249,999	2.20%	.45%	1.75%
\$250,000 - \$499,999	1.95%	.45%	1.50%
\$500,000 - \$999,999	1.95%	.45%	1.50%
\$1,000,000 - \$2,999,999	1.70%	.45%	1.25%
\$3,000,000 - \$4,999,999	1.45%	.45%	1.00%
\$5,000,000 - \$9,999,999	1.40%	.45%	.95%
\$10,000,000 or above	1.35%	.45%	.90%

*Actual credit amount may be greater than .45%. See "Additional Program Fee Information" below.

ADVANTAGE

Advantage is a discretionary asset management service in which you pay a Program Fee for the management of assets invested primarily in Thrivent Funds (except as noted below), brokerage execution services, performance monitoring, reporting, custody and other related services. The minimum Account size for Advantage is generally \$25,000. Thrivent and your Investment Advisor Representative will initially work with you to help you choose an investment strategy that identifies a particular asset allocation model (the "Model") which is described in more detail below. Each Model is created and maintained by a committee, which currently consists of personnel from Thrivent and an affiliated registered investment adviser, Thrivent Asset Management, LLC (the "Investment Committee"). The make-up of the Investment Committee personnel, as listed below, may change from time to time.

Each of the Models invests primarily in load-waived Thrivent Funds. In certain circumstances, the Model may invest in no-load and/or load-waived mutual funds, closed-end funds, ETFs and ETNs other than Thrivent Funds (those mutual funds, closed-end funds, ETFs and ETNs are collectively referred to as the "Funds"). While the Advantage Models will primarily invest in Thrivent Funds, these Funds may be selected when the

Investment Committee decides to include an asset class or investment type in the Models for which there is no representative Thrivent Fund. We and/or our affiliates may earn advisory, distribution and other fees from the Funds. These fees are in addition to the Program Fee for Advantage. It is more profitable for us if you purchase products that are underwritten and advised by Thrivent and its affiliates, such as the Thrivent Funds. Please see “Additional Program Fee Information” and “Other Financial Industry Activities and Affiliations” below for further information related to this conflict of interest. A small percentage of your assets may be held in a money market mutual fund to facilitate the payment of fees. A tax-sensitive version of each Model is available. Tax-sensitive Models are managed with a focus on potential tax implications, including, but not limited to, the amount of trading and rebalancing activity of the Model, and the inclusion of certain municipal bond funds in the Model.

The Models currently offered include:

- *Aggressive Allocation:* This Model seeks long-term growth of capital by implementing an aggressive overall asset allocation strategy. Generally, this Model is expected to maintain an allocation of approximately 90% equity funds and 10% invested in bond funds and cash instruments.
- *Moderately Aggressive Allocation:* This Model seeks long-term capital growth by implementing a moderately aggressive overall asset allocation strategy. Generally, this Model is expected to maintain an allocation of approximately 75% equity funds and 25% invested in bond funds and cash instruments.
- *Moderate Allocation:* This Model seeks long-term capital growth while attempting to provide reasonable stability of principal by implementing a moderate overall asset allocation strategy. Generally, this Model is expected to maintain an allocation of approximately 55% equity funds and 45% invested in bond funds and cash instruments.
- *Moderately Conservative Allocation:* This Model seeks long-term capital growth while attempting to provide reasonable stability of principal by implementing a moderately conservative overall asset allocation strategy. Generally, this Model is expected to maintain an allocation of approximately 35% equity funds and 65% invested in bond funds and cash instruments.
- *Conservative Allocation:* This Model seeks a high level of current income consistent with stability of principal while maintaining prospects of modest long-term capital growth by implementing a conservative asset allocation strategy. Generally, this Model is expected to maintain an allocation of approximately 25% equity funds and 75% invested in bond funds and cash instruments.

A Thrivent Fund selection process is employed by the Investment Committee before a Thrivent Fund is made available through Advantage. This process takes into consideration the asset class and composition of a particular Thrivent Fund and its fit within a Model based on other potential Thrivent Funds held within the Model. The full composition of the Model will be reviewed relative to risk and return metrics, and expenses. Thrivent Funds selected by the Investment Committee will reflect the Committee's judgment regarding which Thrivent Funds are most appropriate for inclusion in Advantage and will take into account each Thrivent Fund's effect on each applicable Advantage portfolio as a whole. The Investment Committee may also take into consideration its extensive knowledge of the Thrivent Funds, including risk controls and style consistency. In those instances where other Funds are selected for inclusion in the Model (as described above), the Funds may be selected for the Model on a short-term, tactical basis or as a longer-term, strategic position. The Investment Committee monitors asset class movement that could potentially result in investment style drift. Generally, the Models' equity/fixed income mix will not vary by more than 10 percentage points for 30 consecutive days (e.g., a Model with a strategic target allocation of 55% equity and 45% fixed income generally will be reallocated or rebalanced when the allocation is more than 65% equities or less than 45% equities). The Investment Committee employs a tactical approach that can often result in changes to asset class mixes for any of the Models even when a particular Model is within its respective long-term strategic target allocations.

Please see the “Investment Committee Management of Advantage, SELECT and Income-Focused Portfolios” Section of this Brochure for further important information related to the Investment Committee’s management and periodic review of the Advantage portfolios.

Advantage Fees. For the services provided under Advantage, you will be charged the Program Fee in accordance with the Program Fee schedule below. The Program Fee may be negotiable. You may be eligible for a household billing rate if you or members of your household have one or more Accounts within Advantage. Please see "Fees" and "Additional Program Fee Information" below for further information.

Load-waived class A shares of Thrivent Funds are used within Advantage instead of class I shares, commonly referred to as "institutional shares" which are used within other services within the Program, including Advisor (subject to certain minimums) and SELECT. Thrivent Funds class I shares have lower annual expenses than class A shares. Class A shares carry various fees and expenses, including a 12b-1 fee that is used for the marketing and distribution of Thrivent Fund shares. Accordingly, if you choose Advantage, your Investment Advisor Representative will receive a portion of this additional 12b-1 compensation, except as described below in "Fees." These Thrivent Fund fees and expenses are in addition to the Program Fee you pay for Advantage. Please see "Fees" below for further information.

Advantage Fee Schedule

<u>Value of Account Assets</u>	<u>Maximum Program Fee (annual as a % of assets)</u>	<u>Credit Amount of .85%*</u>	<u>Net Direct Program Fee (annual as a % of assets)</u>
Up to \$100,000	2.45%	.85%	1.60%
\$100,000-\$249,999	2.40%	.85%	1.55%
\$250,000-\$499,999	2.35%	.85%	1.50%
\$500,000-\$999,999	2.30%	.85%	1.45%
\$1,000,000 and above	2.20%	.85%	1.35%

*Actual credit amount may be greater than 0.85%. See “Fees” and “Additional Program Fee Information” below.

SELECT

SELECT is a discretionary asset management service in which you pay an asset-based fee for the management of assets, brokerage execution services, performance monitoring, reporting, custody and other related services. The minimum Account size for SELECT is generally \$100,000. Thrivent and your Investment Advisor Representative will initially work with you to help you choose an investment strategy that identifies a particular asset allocation Model. Each Model is created and maintained by the Investment Committee as described above in "Advantage."

Each of the Models invests in Funds, including Thrivent Funds. We and/or our affiliates may earn advisory, distribution and other fees from Funds. Please see “Additional Program Fee Information” and “Other Financial Industry Activities and Affiliations” below for further information related to this conflict of interest. A small percentage of your assets may be held in a money market mutual fund to facilitate the payment of fees. A tax-sensitive version of each Model is available. Tax-sensitive Models are managed with a focus on potential tax implications, including but not limited to the amount of trading and rebalancing activity of the Model, the inclusion of certain municipal bond funds in the Model, as well as the potential inclusion of Funds in which the portfolio manager is managing in a tax sensitive manner.

The Models currently offered include:

- *Aggressive Allocation:* This Model seeks long term growth of capital by implementing an aggressive overall asset allocation strategy. Generally, this Model is expected to maintain an allocation of approximately 90% equity funds and 10% invested in bond funds and cash instruments.
- *Moderately Aggressive Allocation:* This Model seeks long-term capital growth by implementing a

moderately aggressive overall asset allocation strategy. Generally, this Model is expected to maintain an allocation of approximately 75% equity funds and 25% invested in bond funds and cash instruments.

- **Moderate Allocation:** This Model seeks long-term capital growth while attempting to provide reasonable stability of principal by implementing a moderate overall asset allocation strategy. Generally, this Model is expected to maintain an allocation of approximately 55% equity funds and 45% invested in bond funds and cash instruments.
- **Moderately Conservative Allocation:** This Model seeks long-term capital growth while attempting to provide reasonable stability of principal by implementing a moderately conservative overall asset allocation strategy. Generally, this Model is expected to maintain an initial allocation of approximately 35% equity funds and 65% invested in bond funds and cash instruments.
- **Conservative Allocation:** This Model seeks a high level of current income consistent with stability of principal while maintaining prospects of modest long-term capital growth by implementing a conservative asset allocation strategy. Generally, this Model is expected to maintain an allocation of approximately 25% equity funds and 75% invested in bond funds and cash instruments.

The Investment Committee monitors asset class movement that could potentially result in investment style drift. Generally, the Models' equity/fixed income mix will not vary by more than 10 percentage points for 30 consecutive days (e.g., a Model with a strategic target allocation of 55% equity and 45% fixed income generally will be reallocated or rebalanced when the allocation is more than 65% equities or less than 45% equities). The Investment Committee employs a tactical approach that can often result in changes to asset class mixes for any of the Models even when a particular Model is within its respective long-term strategic target allocations.

Please see the "Investment Committee Management of Advantage, SELECT and Income-Focused Portfolios" Section of this Brochure for further important information related to the Investment Committee's management and periodic review of the SELECT portfolios.

SELECT Fees. For the services provided under SELECT, you will be charged the Program Fee in accordance with the Program Fee schedule below. The Program Fee may be negotiable. You may be eligible for a household billing rate if you or members of your household have one or more Accounts within SELECT. Please see "Fees" and "Additional Program Fee Information" below for further information.

SELECT Fee Schedule

<u>Value of Account Assets</u>	<u>Maximum Program Fee (annual as a % of assets)</u>	<u>Credit Amount of .45%*</u>	<u>Net Direct Program Fee (annual as a % of assets)</u>
Up to \$100,000	2.30%	.45%	1.85%
\$100,000-\$249,999	2.30%	.45%	1.85%
\$250,000-\$499,999	2.15%	.45%	1.70%
\$500,000-\$999,999	2.00%	.45%	1.55%
\$1,000,000-\$2,999,999	1.90%	.45%	1.45%
\$3,000,000-\$4,999,999	1.70%	.45%	1.25%
\$5,000,000-\$9,999,999	1.55%	.45%	1.10%
\$10,000,000 and above	1.40%	.45%	0.95%

*Actual credit amount may be greater than 0.45%. See "Additional Program Fee Information" below.

INCOME-FOCUSED PORTFOLIOS

Income-Focused Portfolios is a discretionary asset management service in which you pay an asset-based fee for the management of assets, brokerage execution services, performance monitoring, reporting, custody and other related services. The minimum Account size for Income-Focused Portfolios is generally \$100,000. Thrivent and your Investment Advisor Representative will initially work with you to help you choose an investment strategy that identifies a particular Model. Each Model is created and maintained by the Investment Committee as described above in "Advantage".

The Models invest primarily in Funds, including Thrivent Funds that produce dividend or interest income. We and/or our affiliates may earn advisory, distribution and other fees from Funds. Please see "Additional Program Fee Information" and "Other Financial Industry Activities and Affiliations" below for further information related to this conflict of interest. A small percentage of your assets may be held in a money market fund to facilitate the payment of fees.

These Models are generally intended for clients looking to supplement retirement income through periodic distributions from the Account. Dividends and interest from the Funds in the Models will not be reinvested into the Model. Further, the dividends and interest will not be invested in a money market fund or other similar investment. These monies will be pooled and remain separate from assets in the Model for the purpose of periodic distributions as specified by you. Assets held within the separate pool will be included in the calculation of the Program Fee. For more information regarding fees, see "Income-Focused Portfolio Fees" below.

The Models currently offered include:

- *Series 300:* This Model seeks to provide a modest level of income and volatility by implementing an investment strategy that generally emphasizes funds that produce dividend or interest income.
- *Series 700:* This Model seeks to maximize income while managing volatility by implementing an investment strategy that emphasizes fixed income and dividend-paying stock funds.

The Investment Committee reviews the Models for asset class movement that could potentially result in investment style drift. Generally, the Models' holdings will not vary from their target allocations by more than 10 percentage points for 30 consecutive days. For instance, a position with a 15% target weight would be reallocated or rebalanced when the allocation is more than 25% or less than 5% of the Model.

Please see the "Investment Committee Management of Advantage, SELECT and Income-Focused Portfolios" Section of this Brochure for further important information related to the Investment Committee's management and periodic review of the Income-Focused Portfolios.

Income-Focused Portfolio Fees. For the services provided under Income-Focused Portfolios, you will be charged the Program Fee in accordance with the Program Fee schedule below. The Program Fee may be negotiable. You may be eligible for a household billing rate if you or members of your household have one or more Accounts within the Income-Focused Portfolios. Please see "Fees" and "Additional Program Fee Information" below for further information.

Income-Focused Portfolios Fee Schedule

<u>Value of Account Assets</u>	<u>Maximum Program Fee</u> <u>(annual as a % of assets)</u>	<u>Credit Amount of</u> <u>.45%*</u>	<u>Net Direct Program Fee</u> <u>(annual as a % of assets)</u>
Up to \$100,000	2.30%	.45%	1.85%
\$100,000-\$249,999	2.30%	.45%	1.85%
\$250,000-\$499,999	2.15%	.45%	1.70%
\$500,000-\$999,999	2.00%	.45%	1.55%

\$1,000,000-\$2,999,999	1.90%	.45%	1.45%
\$3,000,000-\$4,999,999	1.70%	.45%	1.25%
\$5,000,000-\$9,999,999	1.55%	.45%	1.10%
\$10,000,000 and above	1.40%	.45%	0.95%

*Actual credit amount may be greater than 0.45%. See "Additional Program Fee Information" below.

Investment Committee Management of Advantage, SELECT and Income-Focused Portfolios

With regard to the management of Advantage, SELECT and Income-Focused Portfolios, the Investment Committee employs both strategic and tactical management techniques based on an assessment of the economy, markets and asset class movement. Actual allocations may vary from the target allocations over time.

The Investment Committee will adjust the Models, the weighting of Funds in a Model, and the Funds included in a Model, at its sole discretion and without prior or other notice to you. You may impose reasonable restrictions on the management of your Account, which may include a request that Thrivent not purchase one or more specific Funds for your Account. In those instances the Investment Committee will seek replacement Funds or may reallocate among the remaining Funds in the Model. Any restriction you impose is subject to the review and approval of the Investment Committee. A restriction that is inconsistent with the Model strategy or unreasonable in light of the nature of the Program may be prohibited. Reasonable restrictions that are accepted may affect the performance of the Account in comparison to other Accounts using the Models that have not selected similar restrictions.

A Fund selection process is employed by the Investment Committee before a Fund, including any Thrivent Fund, is made available through Advantage, SELECT or Income-Focused Portfolios. While Advantage invests primarily in Thrivent Funds, for SELECT and Income-Focused Portfolios, this process takes into consideration a variety of both quantitative and qualitative criteria and includes, among other factors, an evaluation of each Fund's investment income, as applicable, and performance versus market indices and relevant peer groups with similar investment strategies. Other factors included in the selection process include the Funds' consistent adherence to investment objectives, management style consistency, risk-adjusted return metrics, expenses, compliance and regulatory requirements and integrity of the Fund family. Funds selected by the Investment Committee will reflect the Committee's judgment as to which Funds are most appropriate for inclusion in the SELECT and Income-Focused Portfolios and will take into account each Fund's effect on each applicable SELECT and Income-Focused Portfolio as a whole. In exercising its judgment, the Investment Committee may, for example, select a Fund that has underperformed its peers or its index in recent periods due to its investments in an asset class that the Investment Committee believes is undervalued or may choose a Fund with higher volatility if such Fund helps diversify against risk in another portion of the applicable SELECT or Income-Focused Portfolio. The Investment Committee may also take into consideration its extensive knowledge of the Thrivent Funds, their risk controls, their style consistency, their regulatory and compliance infrastructure and the fact that some Thrivent Funds are managed to optimize their effectiveness in asset allocation programs, such as the SELECT and Income-Focused Portfolios. The Investment Committee's consideration of such factors will likely result in a significant portion of the assets of the SELECT and Income-Focused Portfolios being invested in Thrivent Funds.

The Investment Committee may also seek to validate internal analysis through certain methods, including but not limited to, on-site visits, due-diligence meetings with firm personnel and written and verbal commentary.

Thrivent may enter into revenue sharing arrangements with certain Funds and their affiliates which participate in the Program. Please see "Other Financial Industry Activities and Affiliations" below for further information on these practices.

The Investment Committee periodically reviews each Fund's operations for what it views as significant changes

to investment management personnel, investment objectives, management style and performance. The review process is performed at least annually and is based on information acquired from third-party software and data research providers as well as discussions and commentary with the Fund management firms. Thrivent and/or your Investment Advisor Representative assume no responsibility for a Fund manager's performance, compliance with applicable regulations or other matters.

Advantage, SELECT and Income-Focused Portfolios are designed to provide a tactical investment overlay on strategically designed portfolios. At least quarterly, the Investment Committee will review market and asset class conditions and determine allocation adjustments. For Advantage and SELECT Portfolios, these adjustments may include changes to asset class weightings (for example, equities versus bonds, small-cap equities versus large-cap equities) and/or the addition or removal of certain sub-asset classes and changes to the underlying funds in the Model. For Income-Focused Portfolios, these adjustments may include changes to asset class weightings (for example shifting overall portfolio exposure to equities, government securities, investment-grade and high yield corporate bonds, floating rate bank loans, mortgage-backed securities, preferred stock, municipal bonds or emerging market debt securities, as valuation metrics warrant) and/or reallocation of the portfolio. In addition, the portfolios may be rebalanced back to target weights due to market changes. In an effort to minimize short-term trading fees, please note that accounts open for less than 90 days may not reallocate until the following quarter.

Reallocation can have adverse tax consequences for your Account. While tax sensitive Models are available through Advantage and SELECT, neither Thrivent nor your Investment Advisor Representative give tax advice. You should discuss with your tax adviser whether a tax sensitive Model is appropriate for you as well as any other tax-related information related to any of the Programs. Generally, tax sensitive Models are more appropriate for accounts that are not retirement accounts.

Current Investment Committee Members (may change from time to time)

Mark Dellen Anema

Vice President, New Product Development and Management, 2007-Present; Strategic Planning, 2004-2007

Education: M.B.A., University of Minnesota, 1999

A.B., University of Chicago, 1983

David Charles Francis

Vice President, Investment Equities, 2002-Present

Education: M.B.A., University of Pittsburgh, 1978

B.A., University of Pittsburgh, 1977

Professional Designation: CFA® - Chartered Financial Analyst¹

Kristine Joy Mogollon

Senior Investment Product Manager, Asset Management Marketing and Product Development, 2003-Present

Education: M.B.A., University of Minnesota, 1997

B.S.B., University of Minnesota, 1994

Professional Designation: CFA® - Chartered Financial Analyst

Mark Lien Simenstad

Vice President, Fixed Income Mutual Funds/Separate Accounts, 2002-Present

Education: M.B.A., University of Minnesota, 1983

¹ Designation granted by the CFA Institute. The graduate-level, three-year self-study program includes examinations and requires individuals to adhere to a strict code of ethics governing their professional conduct.

B.A., St. Olaf College, 1981
Professional Designation: CFA® - Chartered Financial Analyst

Russell William Swansen

Senior Vice President and Chief Investment Officer, 2003-Present

Education: M.B.A., University of Minnesota, 1982

B.A., Gustavus Adolphus College, 1979

SMAs

SMA is a separate account service sponsored by Thrivent that gives you access to discretionary investment advisory services rendered by selected Sub-Managers. The minimum Account size for this service is \$100,000 for equity portfolios (those portfolios of listed and unlisted stocks and ETFs) and/or taxable fixed income portfolios and \$250,000 for non-taxable fixed income portfolios. Your Investment Advisor Representative and/or Thrivent will recommend Sub-Managers to you based on your Investor Profile and other relevant information. These recommendations are intended to identify Sub-Managers with investment objectives and investment philosophies that are compatible with your situation and Investor Profile. It is solely your decision to accept or reject Sub-Managers recommended to you by Thrivent and your Investment Advisor Representative. Once you have selected a Sub-Manager(s), they will provide discretionary investment management services for your Account and you will not be able to direct Sub-Manager(s) to purchase or sell securities for your Account. In managing Accounts, certain Sub-Managers utilize model portfolios developed by other investment managers ("Model Provider(s)") and made available to the Sub-Managers pursuant to agreements entered into between the Sub-Managers and Model Providers. As described in their respective Form ADV Part 2A and other applicable brochures, in these instances the Sub-Manager retains investment discretion for trading of the Account. Neither Thrivent nor your Investment Advisor Representative will have discretionary trading authority over your Account.

Thrivent and Platform Manager provide access to "Approved" and "Available" Sub-Managers. Platform Manager employs a multi-phase approach to its research selection of, and continuing due diligence on, the Approved Sub-Managers. This due diligence is conducted based on, among other things, the Sub-Manager's investment management process, philosophy and performance. Platform Manager conducts certain due diligence for the Approved Sub-Managers and conducts limited investment management due diligence, on Available Sub-Managers. In addition, Thrivent conducts a review of the information that has been provided by the Available Sub-Managers to the Platform Manager. Please review Platform Manager's Form ADV Part 2A ("Platform Manager's Disclosure Brochure") for further details. You can request Platform Manager's Disclosure Brochure from your Investment Advisor Representative.

SMA Fees. For the services provided through SMA, you will be charged the Program Fee in accordance with the Program Fee Schedule below. The Program Fee may be negotiable under certain circumstances. You may be eligible for a household billing rate if you or members of your household have one or more Accounts within SMA. Please see "Fees" below for further information.

SMA Fee Schedule

Value of Account Assets	Maximum Program Fee (annual as a % of assets)
\$100,000 - \$499,999	3.00%
\$500,000 - \$999,999	2.70%
\$1,000,000 - \$2,999,999	2.40%
\$3,000,000 - \$4,999,999	2.20%

\$5,000,000 - \$9,999,999	2.00%
\$10,000,000 or above	1.90%

UMA

UMA is an investment management program sponsored by Thrivent with overlay portfolio management services provided by Platform Manager. The minimum Account size for this Program is \$250,000. The service combines multiple investment styles using separate account managers, mutual funds and/or ETFs to facilitate diversification within an individually managed account. The service includes professional money management, manager due diligence, performance reporting, and associated services and support. Thrivent, through your Investment Advisor Representative, provides assistance in analyzing your investment objectives and provides recommendations as to how you can most effectively allocate your account assets using model allocations provided by Platform Manager (UMA 1.0) or by your Investment Advisor Representative (2.0). The recommendations of various investment vehicles ("Sleeve") are intended to correspond to the proposed asset classes and investment styles of the model allocations. A Sleeve is a distinct investment selection for accounting purposes (e.g., separate account manager, mutual fund, ETF). It is solely your decision to accept or reject recommendations, including separate account managers, mutual funds and/or ETFs, made to you by Thrivent, your Investment Advisor Representative or Platform Manager. Once you choose this managed account service, the Platform Manager, as the overlay portfolio manager, will implement a systematic process of coordinating and maintaining each investment within your portfolio and will rebalance your portfolio as needed to maintain your chosen investment allocation. The separate account manager(s), has discretionary investment authority over the management of the applicable Sleeve(s) within your Account. You will not be able to direct the separate account manager(s), and/or the Platform Manager to purchase or sell securities for your Account. You may, however, request and direct changes to your model allocation and to the Sleeve(s) within your Account by working with your Investment Advisor Representative. Neither Thrivent nor your Investment Advisor Representative has discretion with respect to the Account.

UMA Fees. For the services provided through UMA, you will be charged the Program Fee in accordance with the Program Fee Schedule below. The Program Fee may be negotiable under certain circumstances. You may be eligible for a household billing rate if you or members of your household have one or more Accounts within the UMA. Please see "Fees" for further information. The Program Fee may vary depending upon the asset classes in the Account. An Account with a higher percentage of assets managed by separate account managers will have a higher fee than accounts with a lower percentage of assets managed by separate account managers.

UMA Fee Schedule

Value of Account Assets	Maximum Program Fee (annual as a % of assets)	Credit Amount of .45%*	Max Net Annual Fee (as a % of assets)
\$250,000 - \$499,999	3.45%	.45%	3.00%
\$500,000 - \$999,999	3.15%	.45%	2.70%
\$1,000,000 - \$1,999,999	2.85%	.45%	2.40%
\$2,000,000 - \$2,999,999	2.55%	.45%	2.10%
\$3,000,000 and above	2.45%	.45%	2.00%

*Actual credit amount may be greater than .45%. See "Additional Program Fee Information" below.

CASH MANAGEMENT

Generally, uninvested cash balances in the Account will be "swept" into a money market mutual fund. The money market mutual fund options available to you are unaffiliated with Thrivent. As a shareholder, you will

pay your proportionate share of the money market mutual fund's advisory, administrative, and Rule 12b-1 fees, as well as the Program Fee on Account assets invested in money market mutual fund shares, to the extent permitted by applicable law. If you are a client in a non-discretionary managed account service, you may deposit monies into the Account at any time and retain complete discretion over the investment of those monies in Eligible Program Assets. Deposits to the Account will initially be swept into a money market fund. All dividends and distributions paid on securities held in an Account will be paid in cash or reinvested in additional shares of the paying securities. With respect to Program assets in Income-Focused Portfolios and those managed by one or more Sub-Managers and/or Platform Manager, all dividends and distributions paid with respect to securities held in the Account will be paid in cash.

As described above in "Income-Focused Portfolios", dividends and interest from the Funds in the Models will not be invested in a money market fund or other similar investment and will not be reinvested into the Model. Instead, these monies will be pooled for the purpose of periodic distributions as specified by the client. As with Advantage, SELECT, with Income-Focused Portfolios, a portion of the Models may invest in money-market funds to facilitate the payment of your Program Fee.

PROGRAM ACCOUNT REVIEWS and REPORTS

The following Account Features are available for all managed account services available in the Program unless otherwise indicated below.

Performance Reporting – You will be sent confirmations of each purchase and sale transaction, customary brokerage statements, and quarterly statements. You and your Investment Advisor Representative will receive quarterly performance reports detailing the following types of activity in your Account:

- Portfolio appraisal – reports on your portfolio's holdings by asset class, current market value of all positions and unrealized gains/losses.
- Realized gains and losses – indicates the gain or loss from a disposition of a security during the quarter.
- Quarterly performance – summarizes the current quarterly performance of the portfolio.
- Performance history – summarizes the performance of the entire account and compares it to various market indices.
- Cost basis – year-end summary statements provide cost basis information.

Consolidated quarterly performance reports may be available if you or members of your household have multiple Accounts within the Program with the same taxpayer identification number and/or household mailing address. If you elect to receive a consolidated quarterly performance report, you will be required to complete a separate authorization form.

FEES

A. The following information regarding Program Fees applies to each managed account service available in the Program unless otherwise indicated below. As described in "Introduction" and "Program Overview" above, the Program Fee, as payment for investment advice and related services, such as brokerage services, custody and reporting, will vary among clients and may be negotiable under certain circumstances. Several factors will typically be considered to determine your Program Fee, including but not limited to: (i) the managed account service(s) you have selected, (ii) the amount of assets in your Account, (iii) the complexity of your financial situation and subsequent analysis needed to determine a recommended asset allocation, (iv) the number of Accounts you have with the same taxpayer identification number and/or home mailing address, (v) in the case of Advisor, the level of anticipated or actual trading within the Program, (vi) the experience level and credentials of your Investment Advisor Representative, (vii) other applicable factors related to your personal financial situation, needs and objectives; and, subject to certain conditions, (viii) whether you have previously

paid a sales load or surrender charge to Thrivent or an affiliate on the assets or liquidation proceeds transferred into the Program.

For Advisor, Advantage, SELECT and Income-Focused Portfolios, as described above, a portion of your Program Fee is paid to Thrivent and your Investment Advisor Representative for services provided by each of them. The amount of the fees paid to your Investment Advisor Representative and/or or Thrivent are dependent upon the Program Fee agreed to by you and your Investment Advisor Representative and the amount of the fee payable to your Investment Advisor Representative pursuant to Thrivent's compensation policies.

For SELECT and Income-Focused Portfolios, a portion (currently .25%) of your Program Fee may be paid to an affiliate for services provided by the Investment Committee.

For SMAs, a portion of your Program Fee, ranging from .15% to .75%, is paid to Sub-Manager(s). A portion of the remainder of the Program Fee is paid to Thrivent and your Investment Advisor Representative for their services.

For the UMA, a portion of your Program Fee, ranging from .11% to .22% is paid to Platform Manager and for each separate account manager selected for the Account, an additional .02% will be paid to Platform Manager. A portion of the remainder of the Program Fee is paid to Thrivent and your Investment Advisor Representative for their services.

The initial Program Fee for the first calendar quarter (or part thereof) in which you participate in the Program shall be calculated and debited on approximately the 10th day of the month (or the next business day if the 10th is a non-business day) after initial program assets are placed in the Account and shall be the Program Fee for the first calendar quarter (or part thereof) in which you participate in the Program(s). The initial Program Fee for any partial calendar quarter shall be appropriately pro-rated based on the number of calendar days in the partial quarter. Thereafter, the Program Fee shall be calculated at the beginning of each calendar quarter based on the trade date value of Eligible Program Assets up to and including account activity, inclusive of income accruals and dividends, which posts to the Account on the last business day of the prior calendar quarter. However, if an Account is opened in the last month of a calendar quarter, the Program Fee will be calculated and debited for the remaining period in the calendar quarter plus the next calendar quarter on approximately the 10th day of the month (or the next business day if the 10th is a non-business day) day after initial program assets are placed into the Account. For example, an account that opened on 9/10/11 would have fees debited on 10/10/11 for the periods (9/10/11-9/30/11) and (10/01/11-12/31/11).

You may be eligible for a credit, on a quarterly basis, to offset the Program Fee with respect to the value of any securities used to fund your Account that were purchased through Thrivent and for which you have paid a sales load, surrender charge, or commission within the previous twenty-four (24) months immediately prior to enrolling in the Program. Further, you may be eligible for this credit regardless of whether such securities are transferred in-kind or sold where sales proceeds are used to fund the Account. To be eligible for this credit, you must disclose any such securities on the applicable form(s) when initially enrolling in the Program. The credit amount will be paid, on a quarterly basis, for a period of twenty-four (24) months from the date you enroll in the Program and transfer applicable securities in-kind or liquidate such securities to fund your Account, or until you terminate your Account, whichever occurs first. This credit will be calculated based on your current Program Fee and the value of the securities as initially disclosed on the applicable form(s). Subsequent deposits into the Program that are invested into such securities, including automatic investment plans, and increases or decreases in the market value of such securities, will not be included in the calculation of the credit amount. Any securities used to fund your Account that were purchased through another broker-dealer, or for which no sales load, surrender charge, or commission was paid to Thrivent within the previous 24 months, are not eligible for a credit.

As similarly noted above, Program Fees are negotiable. Additionally, if you have multiple Accounts with the same taxpayer identification number and/or home mailing address, you may be eligible to receive a reduced

household billing rate applicable to all Accounts within the same managed account service (i.e., Advantage, SELECT, Income-Focused Portfolios, Advisor, SMAs, UMA).

If you have multiple Accounts with the same taxpayer identification number and/or home mailing address, you may also link the Accounts for purposes of billing by selecting a primary account ("Primary Account") from which to pay the Program Fees on behalf of the other linked Accounts on a quarterly basis. For linking purposes, Accounts do not need to be within the same managed account service within the Program. The Account selected as the Primary Account may not be a Retirement Account (as that term is defined in this Section below).

Multiple Accounts with the same taxpayer identification number and/or mailing address may be eligible to be linked for billing purposes and consolidated quarterly performance reports. As a result of linking multiple Accounts for billing purposes and/or consolidating quarterly performance reports, Thrivent and your Investment Advisor Representative may receive a financial benefit, including a reduction in platform, clearing and execution expenses. Please ask your Investment Advisor Representative for further information related to linking multiple Accounts.

B. There are a number of factors to consider in assessing the costs of any of the managed account services in the Program. The combination of investment advisory, custodial and brokerage services and the investment product offerings available through a particular managed account service in the Program may not be available separately. When purchasing no-load Funds within your Account, you will be paying a fee on assets that could otherwise be purchased directly from a no-load mutual fund outside of an advisory account. Factors such as where the assets are transferred from, and how long you have held assets could affect how those assets will be billed for fee purposes. Please see "Fees" above for information on assets used to fund your Account or that you transfer into the Program where you have previously paid a sales load to Thrivent or its affiliates within a twenty-four (24) month period prior to enrollment in the Program. While mutual funds available through the Program are purchased without a sales load, the opportunity for mutual fund breakpoint discounts (if invested with the same mutual fund family) is available through a transaction based account or account held directly with the mutual fund company instead of the ongoing advisory fee in the Program and should be considered prior to selecting the services of the Program.

Before enrolling in the Program, you should determine whether the Program is appropriate for you generally, as well as which managed account service(s), offered through the Program, are appropriate for you. While your Investment Advisor Representative and/or Thrivent will recommend to you one or more of the services available through the Program, you understand and agree that the decision to select one or more of the managed account services as well as the decision to enroll in the Program is solely yours. You should consider whether it is advantageous for you to enroll in the Program compared to paying separately for other products or services that may not offer the combination of investment advisory, custodial and brokerage services and product offerings available as part of the Program. Other factors you should consider in making these determinations include, among other things, your desire for non-discretionary or discretionary managed account services, the cost and potential benefits of the Program, your investment objectives, the types of, and number of investments you hold and intend to make, including the percentage of the overall portfolio that you intend to hold in a cash or money market investment as well as your desire for diversification across mutual fund families, and in the case of the Advisor managed account service, the frequency in which you expect to trade, and your anticipated use of other benefits and features specific to each managed account service as described below in this Brochure.

At any time, an Account portfolio can vary greatly in the size, number and diversity of the securities held due to, among other things, market conditions and your current investment needs and objectives. Generally, it is recommended that you diversify your holdings in an effort to reduce your portfolio's overall market risk. If you intend to hold such a concentrated portfolio, including a concentrated position of cash or money market investment for an extended period of time, you may consider other account product options (e.g., holding a money market position directly with an investment company, retail brokerage account) that may be more

economically advantageous for you, although such account types generally will not offer you the combination of investment advice and related services you may receive through the Program. Other factors may be considered in selecting one or more of the services available through the Program, including the payment preference of an asset-based fee for the provision of investment advice and related services.

Your Investment Advisor Representative receives training related to offering investment advisory products and services. A component of that training focuses on the following factors relative to client needs and the suitability of the product or service recommendation, including but not limited to, expected trading levels, payment preference, and desire for ongoing advice.

C. If you hold one or more Funds, including Thrivent Funds, in your Account through any of the managed account services available in the Program, as a mutual fund shareholder, you will pay your proportionate share of each of those Funds' management fees, Rule 12b-1 (distribution) fees, shareholder servicing fees, and other charges and expenses (applicable periodically during the holding period and/or at the time you terminate your Agreement), as permitted by law. These charges, fees, and expenses are in addition to the Program Fee and will vary among Funds described in the applicable Funds' prospectuses, and may include short-term trading fees. As described above in "Advantage" Thrivent Funds in the Advantage Portfolios include load waived class A shares which have higher expenses and include a Rule 12b-1 fee in comparison to the lower cost Thrivent Funds class I shares that are available through Advisor (subject to certain minimums), SELECT and Income-Focused Portfolios.

If your Account is a plan subject to the provisions of Title I, Part 4 of the Employee Retirement Income Security Act of 1974, a tax qualified plan of self-employed persons, or an individual retirement account or other plan, within the meaning of section 4975(e) of the Internal Revenue Code of 1986, as amended (together, "Retirement Accounts"), you will receive a credit to your Program Fee in an amount that is at least equal to your pro rata share of Rule 12b-1 fees and similar marketing fees received by Thrivent or its affiliates from unaffiliated Funds or their affiliates (including the Fund's adviser) as well as your pro rata share of fees received by Thrivent or its affiliates from the Thrivent Funds. Please see Additional Program Fee Information below.

Fees and charges that are not included in the Program Fee but may be incurred include wire transfer fees, fees for transactions executed away from NFS, electronic fund and wire transfer fees, dealer mark-ups, market maker spreads and exchange fees, other miscellaneous charges and other charges imposed by law, as well as IRA and other qualified account fees. You will be billed separately for these other fees and charges.

To the extent that Funds, such as class A share Thrivent Funds used in Advantage, charge Rule 12b-1 (distribution) fees, Thrivent and/or your Investment Advisor Representative generally will retain those fees (except in respect of Retirement Accounts, as described above). As a result, it may be more profitable for us if you elect to invest in a product that pays us 12b-1 fees. Thrivent manages this conflict of interest through its new account or service suitability review process conducted by Thrivent's Series 24 licensed principals. This review process includes, but is not limited to, a review of the following factors prior to the acceptance of a client account or enrollment in a new service, the client's age, financial status, tax status, current security holdings, investment objectives and risk tolerance. In addition, your Investment Advisor Representative and Series 24 licensed principals receive training related to offering investment advisory products and services. A component of this training focuses on factors such as expected trading levels, payment preference, and desire for ongoing advice relative to client needs and preferences and overall suitability of any recommendation of a new product or service. Additionally, accounts receive ongoing review from Surveillance Analysts and Field Supervisors. These reviews may be triggered by factors such as the types of securities purchased, the account holdings and trading levels. In certain instances, we will keep you informed about your Account as well as make recommendations when appropriate.

D. The Investment Advisor Representative recommending the Program may receive additional compensation as a result of your participation in the Program. The amount of this compensation may be more or less than what

the Investment Advisor Representative would receive if you participated in other Thrivent services or paid separately for investment advice, brokerage, and other services. In addition, the amount of compensation to the Investment Advisor Representative may vary among each of the services available through Thrivent, depending on, among other things, the level of trading in your Account. Depending upon the service you select, your Investment Advisor Representative may retain a higher percentage of the Program Fee negotiated for choosing one service over another. Therefore, the Investment Advisor Representative may have a financial incentive to recommend one service, such as the managed account services in the Program described in this Brochure, over other services offered by Thrivent. This could create a conflict of interest. Thrivent manages this conflict of interest through its new account or service suitability review process, training and surveillance as described above in this Section “Fees, Part C”, and the training your Investment Advisor Representative receives related to offering investment advisory products and services.

An Investment Advisor Representative with Thrivent offers products and services other than the Program as described in this Brochure. Investment Advisor Representatives may be paid with commissions for the sale of these other securities or products. Similar Program services, or separate services may be available with other investment advisers not affiliated with Thrivent.

Your Investment Advisor Representative may be subject to charges based on the level of trading in your Advisor Account, including executed transactions in, among other things, stocks and mutual funds. The Program has established parameters for the number of transactions within an account at no incremental cost to your Investment Advisor Representative. However, your Investment Advisor Representative may pay a ticket charge for each trade executed in the Account beyond such parameters within a 12-month period. You will not be charged for these transactions, however, you should be aware that your Investment Advisor Representative may be charged and this may create a potential conflict of interest. Since your Investment Advisor Representative may incur charges for executed transactions, this creates a potential conflict of interest in that your Investment Advisor Representative may have less incentive to make recommendations to you regarding changes, including transactions, to your portfolio. The training your Investment Advisor Representative receives includes information related to their fiduciary duty and related responsibilities to act in the client's best interest. Trades for certain mutual funds determined and maintained by NFS on a No Transaction Fee ("NTF") list are not included in these transaction parameters. Please ask your Investment Advisor Representative for further information on the NTF list.

ADDITIONAL PROGRAM FEE INFORMATION

As described above in this “Services, Fees and Compensation” section, generally it is more profitable for us if you purchase certain services that are sponsored and advised by Thrivent and its affiliates, such as Advantage, SELECT and Income-Focused Portfolios services. In addition, and as described above, eligible program assets for SELECT and Income-Focused Portfolios include one or more Thrivent Funds. Eligible Program assets for Advantage are comprised primarily of Thrivent Funds. Our affiliates will earn advisory, distribution and other fees in connection with Thrivent Funds. As a result, we may have a conflict of interest when we recommend products to you that are advised, distributed and issued by us or our affiliates.

Each Account in the Program is charged an annual asset-based fee based on a percentage of the total market value of the assets in the Account as of the last business day of the end of the quarter (the “Maximum Program Fee”) for investment advisory services, the execution of transactions in the Account and other services contemplated in the applicable Client Agreement. Fees deducted directly from the account (the “Net Direct Program Fee”) are calculated by deducting a credit amount (“Credit Amount”) from the Maximum Program Fee. The purpose of the Credit Amount is to reduce the Maximum Program Fee by an amount at least equal to your pro rata share of the asset-based fees, if any, that Thrivent (and its affiliates) receives from all applicable mutual funds available under the Program and in which your Account invests. The Credit Amount is equal to the greater of: (i) 0.85% (for Advantage Portfolios) or 0.45% per annum of all assets in the Account (the “Standard Credit”) or (ii) the actual amounts in investment management/advisory fees paid to Thrivent (and its

affiliates) from the Funds, certain transfer agency fees and administrative servicing fees with respect to your Account investment in Funds (but not necessarily other Fund expenses such as custodial fees and other shareholder servicing fees that are paid directly or indirectly to third parties that are not affiliated with Thrivent). The total Credit Amount will be applied against your Maximum Program Fee to arrive at the Net Direct Program Fee. Thrivent may reduce such credit by an amount equal to any portion of such fees that is not actually received by Thrivent or its affiliates, as the case may be. The Credit Amount applies to all managed account services in the Program *except* SMAs.

ACCOUNT REQUIREMENTS and TYPES OF CLIENTS

For Advisor, SELECT and Income-Focused Portfolios, the minimum initial investment is generally \$100,000. However, you may be eligible to open an Account(s) below the stated minimum by aggregating Accounts you hold with Thrivent and/or its affiliates. Generally, all of the following criteria must be met for eligibility for such aggregation of applicable Accounts: (i) you must initially place, or currently hold greater than \$250,000 in assets with Thrivent or its affiliates, (ii) no individual Account may be less than \$50,000 in market value upon Account opening, and (iii) at least one of the Accounts must meet the \$100,000 minimum investment requirement upon Account opening.

For Advantage, the minimum initial investment is \$25,000. For SMA, the minimum initial investment is \$100,000 for equity portfolios and \$250,000 for non-taxable fixed income portfolios. For UMA, the minimum initial investment is \$250,000.

In general, at least 90% of your planned initial investment as indicated on your “Statement of Investment Selection” must be received in order for the account opening process to be completed.

As an investment adviser, Thrivent provides investment management and advisory services to individuals, trusts, estates, charitable organizations, corporations, and other business entities.

Certain types of account registration may not be available through the Program, including certain tax-qualified retirement plans subject to ERISA. In limited circumstances, you may hold a non-qualified retirement plan within the Program subject to certain requirements including Thrivent's receipt of appropriate plan certification and other relevant documentation. Margin accounts are generally not available within the program.

PORTFOLIO MANAGER SELECTION and EVALUATION

A. As discussed below, the Advisor, Advantage, SELECT and Income-Focused Portfolios services do not utilize third-party portfolio managers unaffiliated with Thrivent. Pertaining to the SMAs and UMA services only, Thrivent and Platform Manager provide access to “Approved” and “Available” Sub-Managers. Platform Manager employs a multi-phase approach to its research selection of, and continuing due diligence on, the Approved Sub-Managers. This due diligence is conducted based on, among other things, the Sub-Manager’s investment management process, philosophy and performance. Platform Manager conducts certain due diligence for the Approved Sub-Managers and conducts limited investment management due diligence, on Available Sub-Managers. In addition, Thrivent conducts a review of the information that has been provided by the Available Sub-Managers to the Platform Managers. Neither Thrivent nor Platform Manager calculates manager performance. Please review applicable Sub-Manager Disclosure Brochures and Platform Manager's Form ADV Part 2 for further details.

Your Investment Advisor Representative and/or Thrivent will recommend Sub-Managers to you based on your Investor Profile and other relevant information. These recommendations are intended to identify Sub-Managers with investment objectives and investment philosophies that are compatible with your situation and Investor Profile. It is solely your decision to accept to reject Sub-Managers recommended to you by Thrivent and your Investment Advisor Representative.

If Thrivent or Platform Manager terminates a Sub-Manager, we will ask you to select another Sub-Manager for your Account. If Thrivent is unable to reach you after a reasonable effort, Thrivent will appoint a replacement

Sub-Manager for your Account in the same or similar investment style.

B. As described above in this “Services, Fees and Compensation” section, the Investment Committee for the Advantage, SELECT and Income-Focused Portfolios includes personnel from Thrivent and an affiliated investment adviser Thrivent Asset Management. The Investment Committee is the sole provider of portfolio management services for Advantage, SELECT and Income-Focused Portfolios. Thrivent has internal controls in place independent of the Investment Committee to monitor the Investment Committee’s asset selection process.

Generally, it is more profitable for us if you purchase certain services that are sponsored and advised by Thrivent and its affiliates, such as Advantage, SELECT and Income-Focused Portfolios Service. In addition and as described above in this “Services, Fees and Compensation” section, Eligible Program Assets for SELECT and Income-Focused Portfolios include one or more Thrivent Funds. Eligible Program Assets for Advantage are comprised primarily of Thrivent Funds. Our affiliates will earn advisory, distribution and other fees in connection with Thrivent Funds. As a result, we may have a conflict of interest when we recommend products to you that are advised, distributed or issued by us or our affiliates. For instance and with respect to the Thrivent Funds, in the context of the Advisor or UMA service, this means when your Investment Advisor Representative recommends a Thrivent Fund. In the context of Advantage, SELECT and Income-Focused Portfolios, this means that the Investment Committee purchases one or more Thrivent Funds for inclusion in the applicable portfolio(s). Although we will recommend products to you that we believe are suitable for you, in light of the potential conflict of interest, you should carefully evaluate each product and recommendation. Please see details related to this conflict of interest described above in Item 4- Services, Fees and Compensation.

C. As described above in “Services, Fees and Compensation”, for the Advisor program your Investment Advisor Representative will provide you with, on a nondiscretionary basis, professional investment advice and help you develop an asset allocation strategy or model portfolio that is intended to help you meet your financial needs. Neither Thrivent nor your Investment Advisor Representative has investment discretion over your Account. It is solely your decision to implement any investment recommendations provided by Thrivent or your Investment Advisor Representative. Your Investment Advisor Representative may use a variety of methods to construct a recommended asset allocation in a manner that is consistent with, among other things, your Investor Profile and your overall financial goals and investment objectives. In addition, your Investment Advisor Representative may recommend one or more sample model portfolios developed by Thrivent. These sample model portfolios may include a Conservative, Moderately Conservative, Moderate, Moderately Aggressive, and Aggressive investment strategy. Thrivent utilizes various software and analytical tools to create the model portfolios with, among other securities, mutual funds, ETFs, and ETNs. These model portfolios are periodically reviewed for, among other things, style consistency and risk.

You may request your Investment Advisor Representative to contact you when there are Program Rebalancing Recommendations that have been mutually agreed upon by you and your Investment Advisor Representative, or you may contact your Investment Advisor Representative to request account rebalancing. Program Rebalancing Recommendations should also be discussed with your Investment Advisor Representative during your Account review(s). It is solely your decision to implement any Program Rebalancing Recommendations.

Rebalancing may have adverse tax consequences for your Account. Neither Thrivent nor your Investment Advisor Representative give tax advice and you should consult your tax adviser for such advice.

Thrivent does not charge performance-based fees for its Advisor service or any other Program or service.

Investing in a discretionary or non-discretionary investment wrap program (and its respective investment options) involves risks, including the possible loss of principal. Individual prospectuses for applicable securities, including mutual funds held in an account, contain more complete information on the investment objectives, risks, charges and expenses of the investment company, which investors should read and consider

before investing. To obtain prospectuses, contact your financial representative or call 800-THRIVENT (800-847-4836).

PROXY VOTING

For Advisor, Advantage, SELECT and Income-Focused Portfolios, Thrivent, its affiliates and Platform Manager, specifically disclaim any proxy voting duties, or other duties or responsibilities regarding corporate actions, with respect to the securities held in the Account. You will receive proxy materials, tender offer materials, prospectuses, shareholder reports, class action proceedings or other shareholder information directly from NFS. Neither Thrivent, its affiliates, nor Platform Manager will advise you on the voting of proxies or such other materials. For SMAs and UMA, with respect to Eligible Program Assets managed by Platform Manager and/or one or more Sub-Managers, the respective manager will perform proxy voting duties, other duties or responsibilities regarding corporate actions with respect to the securities held in the Account.

CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

As described above in “Services, Fees and Compensation”, you will complete an Investor Profile designed to gather details about your Financial Information, including, as applicable, any reasonable investment restrictions on the management of your Account. Based on an analysis of the Investor Profile, Thrivent and your Investment Advisor Representative will recommend an investment strategy and managed account service through which the strategy can be implemented. In making this recommendation, your Investment Advisor Representative and/or Thrivent will consider factors it or they deem relevant, including but not limited to, your investment goals and objectives, and any reasonable restrictions you choose to impose on the management of your Account(s). Thrivent will notify Platform Manager, and Platform Manager will notify applicable Sub-Manager of the information contained on your Investor Profile, as well as any subsequent changes you submit to Thrivent in writing. Your Investment Advisor Representative will generally be available for consultation regarding the Program during normal business hours. Thrivent will also communicate with you at least quarterly to request that you contact Thrivent about any material changes to your Investor Profile or other relevant information. Any reasonable restrictions you wish to impose on the management of your Advantage, SELECT or Income-Focused Portfolios account will be provided to the Investment Committee for approval.

CLIENT CONTACT WITH PORTFOLIOS MANAGERS

With respect to the Advantage, SELECT and Income-Focused Portfolios *only* and upon request, Thrivent will make members of the Investment Committee or other qualified personnel available to you to discuss the management of your Account. For SMAs and UMA, Sub-Managers or other qualified personnel are available to you to discuss the management of your Account. Your Investment Advisor Representative will coordinate the contact with the appropriate personnel.

ADDITIONAL INFORMATION

Disciplinary Information

There are currently no legal or disciplinary events to disclose related to the adviser or its management's integrity.

Other Financial Industry Activities and Affiliations

Thrivent is registered as a broker-dealer and an investment adviser with the SEC and is a member of FINRA. As a dual registrant, Thrivent operates on a fully disclosed basis. Program assets and Thrivent brokerage accounts are custodied by National Financial Services LLC, Member NYSE/SIPC, a Fidelity Investments® company. In its capacity as broker-dealer, Thrivent actively markets mutual fund shares, variable insurance contracts and general securities to its clients through its registered representatives. Registered representatives evaluate each recommendation provided to clients in an effort to ensure they are suitable and carry out appropriate diligence in a manner intended to understand the respective client's financial situation and

investment objectives. As a broker-dealer, Thrivent also serves as the principal underwriter and distributor of the Thrivent Funds and variable products issued by Thrivent Financial and Thrivent Life Insurance Company, a wholly-owned indirect subsidiary of Thrivent Financial.

Thrivent is a wholly-owned subsidiary of Thrivent Financial Holdings, Inc., which in turn is a wholly-owned subsidiary of Thrivent Financial for Lutherans (“Thrivent Financial”)². While Thrivent Financial is proud to support Lutheranism through its members and its benevolent efforts, it and its affiliates are not a church or part of the church. Thrivent Financial is a Fortune 500 not-for-profit financial services membership organization that serves its members by helping them achieve their financial goals and give back to their communities. Thrivent Financial has 2.5 million members nationwide; 1,336 chapters; approximately 2,600 financial representatives; 3,000 corporate employees; and \$75.8 billion in assets under management as of December 31, 2011. Thrivent Financial is in every major aspect, the largest fraternal benefit society in the United States.

As a fraternal benefit society, Thrivent Financial’s purpose is to strengthen Christian communities by helping our members be wise with money and inspiring them to live generously. Thrivent Financial was founded more than 100 years ago to help people protect themselves and their families, and help others – essentially strengthening their families, communities and congregations. Thrivent Financial insurance and annuity products help create the dollars that make possible the grassroots membership support of communities and congregations. Funding for this support is made possible by our tax-exemption status as a fraternal benefit society. Thrivent Financial has also established a church lending program designed to provide primarily secured mortgage loans for new churches, schools and church buildings, renovations and remodeling. As a result, recipients of these loans may have an incentive to refer prospective clients to Thrivent and/or certain of its affiliates.

Insurance

Thrivent Financial markets life, health and disability insurance to Lutherans in all 50 U.S. states and the District of Columbia. Thrivent Life Insurance Company, an indirect wholly owned subsidiary of Thrivent Financial and affiliate of Thrivent, is a life insurance company licensed to sell insurance products in 42 states and the District of Columbia. Thrivent Insurance Agency, Inc., also an indirect wholly owned subsidiary of Thrivent Financial, is licensed to sell health, disability, variable annuity and variable life insurance products. Thrivent Property and Casualty Insurance Agency, Inc., an indirect subsidiary of Thrivent Financial, is an insurance agency licensed to provide property and casualty insurance.

Investment Company/Investment Adviser

Thrivent Asset Management, LLC is an indirect, wholly-owned subsidiary of Thrivent Financial, an affiliate of Thrivent, and the registered investment adviser providing investment management services to the Thrivent Mutual Funds, which are distributed, as noted above, by Thrivent Investment Management Inc. Thrivent Asset Management, LLC is also responsible for fund administration, including, among other things, daily pricing, maintenance of certain books and records, financial and shareholder reporting, and shareholder communications.

Thrivent Financial is a registered investment adviser providing investment management services to the Thrivent Series Fund, Inc. and Thrivent Financial Securities Lending Trust. Thrivent Financial is also responsible for fund administration for these entities.

² Lutheran Brotherhood and Aid Association for Lutherans merged on January 1, 2002, creating the largest fraternal benefit society in the United States. The name of the merged organization was thereafter changed to Thrivent Financial for Lutherans. Thrivent was formerly known as AAL Capital Management Corporation.

Bank

Thrivent Financial Bank (the "Bank") is a wholly owned subsidiary of Thrivent Financial and an affiliate of Thrivent. The Bank is a federal savings bank with its main office in Appleton, Wisconsin. Thrivent does not provide tax, accounting or legal advice. Please see your tax or legal adviser or your accountant, as applicable, for any questions relating to tax planning, tax preparation services, legal issues or accounting questions.

Generally, it is more profitable for us if you purchase products that are underwritten, and advised by Thrivent and its affiliates, such as the Thrivent Funds. In addition, it is generally more profitable for us if you purchase certain services that are sponsored and advised by Thrivent and its affiliates, such as Advantage, SELECT and Income-Focused Portfolios. Please see information related to this conflict of interest described above in "Services, Fees and Compensation."

Thrivent receives additional compensation, sometimes referred to as "revenue sharing", from affiliates of certain mutual funds available through the Program. This compensation may be based on sales volume or assets under management and is paid by the investment adviser or distributor of the mutual fund out of its own resources. These additional payments are intended to compensate Thrivent for facilitating the distribution of the mutual funds by providing product sponsors access to Investment Advisor Representatives, including training sessions, educational programs, marketing and sales support. This additional compensation is not paid to any Investment Advisor Representative. Please note, however, that these payments may present a potential conflict of interest because Thrivent's receipt of additional compensation gives it a financial incentive to include mutual funds for which the firm receives revenue sharing payments in the Program. For further information about these financial arrangements, including a full list of providers, please visit our website (www.thrivent.com).

Thrivent and, in certain instances, an unaffiliated third party may from time to time offer marketing incentives or promotions to individual Investment Advisor Representatives or groups of Investment Advisor Representatives. To the extent legally permitted, the incentive programs may provide cash and/or non-cash incentive compensation to Investment Advisor Representatives for the sale of various products and services. These non-cash items may include, without limitation, training and meeting costs for Investment Advisor Representatives (including payments for travel, lodging and meals for attendees); payment of costs for client/prospect meetings at which Thrivent products and services are discussed, including meals for attendees, room rental costs and meeting-related presentation materials; meals and leisure/entertainment outings; *de minimis* gifts; and nominal value promotional items. Additionally, Thrivent may provide Investment Advisor Representatives other economic benefits, such as sales awards bonuses for providing investment advisory products or services as well as other products and services in their registered representative capacity. In certain instances, Thrivent may provide for a cash bonus or other economic benefit to Investment Advisor Representatives based on the number of new clients that purchase certain eligible products and services, including advisory products and services. From time to time, this additional compensation, whether bonuses, sales awards or other economic benefits may also be based on sales that result in a change to a client's Thrivent Financial membership status. While Thrivent and its Investment Advisor Representatives endeavor to put client interests first, you should be aware that the receipt of additional incentives may create a conflict of interest. Incentive programs are subject to industry regulations and addressed in Thrivent's internal compliance policies, which in some cases limit such payments, items and benefits with the overall aim to avoid compromising advice or recommendations given to clients by special incentives.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Thrivent's Code of Ethics ("Code") establishes the standards of business conduct required by all individuals involved in its investment advisory business. The Code sets forth business conduct principles regarding: Compliance with Laws and Regulations, Fiduciary Duty of Investment Advisers, Conflicts of Interest, Gifts and Entertainment, Personal Securities Transactions, Insider Trading and Confidentiality.

Thrivent will provide a copy of our Code to any client or prospective client upon request. Please send your request to: Thrivent, Attn: Compliance – Retail Investment Adviser Unit, MS 1410, 625 Fourth Ave., S., Minneapolis, MN 55415.

Thrivent and its affiliates perform advisory and/or brokerage services for other clients and give advice and take action for other clients (including those not participating in the Program) that may differ from the advice given or the timing or the nature of any action taken for your Account. In addition, Thrivent may, but is not obligated to, purchase or sell or recommend for purchase or sale any security that Thrivent or any of its affiliates may purchase or sell for their own accounts or the account of any other client. Thrivent does not execute client trades on a principal basis. All client trade orders are submitted to NFS for execution on an agency basis. Thrivent may, however, execute trade corrections or adjustments when necessary through a Thrivent account maintained with NFS and established for this purpose. While the statements and trade confirmations sent by NFS directly to clients may reflect that these transactions were executed on a principal basis, Thrivent does not maintain any proprietary trading accounts with NFS in which principal trades are executed, does not make trade corrections or adjustments from securities owned by Thrivent and does not charge any mark up or mark down on these transactions.

Thrivent's Code requires certain persons, defined as Access Persons, to disclose specific accounts in which he or she has a beneficial interest. These accounts are monitored electronically for activity that is inconsistent with the fiduciary duty owed to the Firm's clients. Thrivent's policy prohibits Access Persons from receiving a better price in the same security, on the same day, and on the same side of the market (buy or sell) as his/her client. Thrivent's electronic monitoring system will flag activity that is inconsistent with this policy, the transaction will be reviewed and the appropriate corrective action will be taken.

Review of Accounts

At least annually, you and your Investment Advisor Representative will together review your Account, Investor Profile and other investment guidelines and reasonable restrictions that you have imposed on your Account and any other relevant factors and information. Based on the assets in your Account, among other factors, your Investment Advisor Representative may recommend changes to your Account, including but not limited to, changes to Sub-Managers and/or Models and rebalancing. It is entirely your decision to accept any recommendations.

In addition, a review of client accounts by Surveillance Analysts in the corporate office or Field Supervisors may be conducted on a periodic basis depending upon factors specific to that account. Generally, the frequency of the review is determined by certain types of account activity, or lack thereof, and a review may be triggered by, among other things, the types of securities being purchased or sold by the client, the types of transactions occurring within the account, and the account holdings relative to the client's financial status and investment objectives.

You can expect to receive regular reports and other materials as discussed above in "Performance Reports" as a client in the Program. These materials include quarterly account statements and performance reports and in certain circumstances you will receive monthly statements. Your account statements will be received from NFS as further described below in "Financial Information."

Client Referrals and Other Compensation

Thrivent does not engage any unaffiliated third party cash solicitation or referral arrangement to solicit investment advisory services to prospective new clients. However, a registered representative with Thrivent that refers you to an Investment Advisor Representative may share in the fee for the services provided. These fees may be a single payment or ongoing in nature. This arrangement is only allowed if the registered representative making the referral is appropriately licensed and state registered. Any payments to the registered representative making a referral will not increase the Program Fee.

In addition and separate from the above referenced arrangement, the Bank compensates financial associates of Thrivent Financial and Thrivent Life Insurance Company (who are also registered representatives of Thrivent) for referring you to the Bank for various products and services, including trust services. Any such compensation payment will be disclosed to the client, when applicable and as required by law, and will not increase the client's fees. Such payments may be made for the duration of the client accounts with the Bank.

Financial Information

Thrivent does not collect prepayment of investment advisory fees six months, or more, in advance, therefore has not provided a balance sheet as part of this Brochure.

As noted above, the Program uses NFS as a custodian of Accounts. In certain instances, Thrivent will have custody of account assets when stock certificates are provided to your Investment Advisor Representative or Thrivent for deposit into your Account. It is Thrivent's policy that checks, for deposit into client Accounts, be made payable to NFS as custodian of the Account. If, contrary to this policy, checks are made payable to Thrivent instead of NFS, Thrivent may be deemed to have custody of applicable account assets. In these instances, stock certificates and checks will be promptly forwarded to NFS for custody purposes.

No later than 45 days after the end of each quarter, NFS is responsible for sending Account statements reflecting, among other things, any securities transactions in your Account. In certain instances, Thrivent will also send you a quarterly statement describing certain Account activity during the previous quarter. We encourage you to carefully review and compare the Account statements that you receive from NFS with those you receive, if any, from Thrivent. If, during your review, you find any discrepancies, promptly contact us at 1-800-847-4836.

Thrivent is not aware of any financial condition that is reasonably likely to impair its ability to meet any contractual commitments to clients.