



THRIVENT®

INVESTMENT
MANAGEMENT

Managed Account Program Brochure

March 2016

Thrivent Investment Management Inc.
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Minneapolis, MN 55415

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 1-800-847-4836. 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.

Item 2 - MATERIAL CHANGES

We made the following material changes to this Managed Account Program Brochure since our last annual update dated March 2015:

Each of the Models in the Thrivent Advantage Managed Portfolios program invests primarily in the institutional share class of Thrivent Mutual Funds. Institutional or other advisory share class mutual funds do not charge Rule 12b-1 fees and typically have lower expenses than other share classes (e.g., no-load or load-waived share classes). Load-waived Class A shares of Thrivent Mutual Funds are no longer used within the Advantage program.

Effective April 4, 2016, the Thrivent Advantage Managed Portfolios program will be closed to new investors. Clients who are invested in the program prior to April 4, 2016 will continue to receive the investment advisory services of the Advantage program as described further in this Managed Account Program Brochure.

Effective April 4, 2016, Thrivent Investment Management Inc. will rebate 12b-1 fees for any mutual fund that charges a 12b-1 fee in the Thrivent Managed Account Programs. You will receive a credit to your Program Fee in an amount that is at least equal to your pro rata share of 12b-1 fees and similar marketing fees received by Thrivent Investment Management Inc. or its affiliates from unaffiliated mutual funds or their affiliates (including the mutual fund's adviser).

Effective April 4, 2016, Thrivent Investment Management Inc. will offer Thrivent Shepherd Managed Portfolios™, which is a discretionary investment advisory program in which a Model Provider constructs and maintains model portfolios comprised of Vanguard ETFs. Vanguard Investment Strategy Group will serve as the Model Provider for the program and Platform Manager will have discretionary authority to implement the investment trading, periodic updates, and rebalancing instructions of the Model Provider. A full description of this program and associated fees are described further in this Managed Account Program Brochure.

Contact us at 1-800-847-4836 or ask your financial representative if at any time you would like to receive an additional brochure.

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Item 4 - SERVICES, FEES, AND COMPENSATION

PROGRAM OVERVIEW

Thrivent Investment Management Inc. (“Thrivent” or “we” or “us”) is an investment adviser and broker dealer registered with the Securities and Exchange Commission. Thrivent sponsors a managed account program (“Program”) that is described in this Managed Account Program Brochure (“Brochure”). The Program includes the following (each separately is a program):

- Thrivent Advisor (“Advisor”)
- Thrivent Advantage Managed Portfolios (“Advantage”) (closed to new investors effective April 4, 2016).
- Thrivent SELECT Managed Portfolios (“SELECT”)
- Thrivent Income-Focused Managed Portfolios (“Income-Focused”)
- Thrivent Shepherd Managed Portfolios (“Shepherd”) (available effective April 4, 2016)
- Thrivent Separately Managed Account (“SMA”)
- Thrivent Unified Managed Account 1.0 and 2.0 (“UMA”)

The Program enables you to receive ongoing investment advice, brokerage, and related services, including performance, custody, and transaction reporting, for an asset-based fee (“Program Fee”). Participation in a Program may cost you more or less than purchasing these services separately.

Thrivent offers the Program through Envestnet Asset Management, Inc. (“Platform Manager”), a registered investment adviser and unaffiliated company that operates a technology platform. Platform Manager may also provide investment advice to Thrivent. Investment advisory services for the Program will be provided to you by Thrivent, your financial representative (“Financial Representative”), and in some instances, the Platform Manager, and other investment managers (“Sub-Managers”) or third-party model providers (“Model Providers”). Platform Manager has agreements with Sub-Managers and Model Providers to provide investment advisory services for the Shepherd, SMA and UMA programs.

National Financial Services LLC (“NFS”), Member NYSE/SIPC, a Fidelity Investments® company will serve as the custodian for your Program assets. Thrivent is not affiliated with NFS. You will be required to establish one or more brokerage accounts (“Account” or “Accounts”) with NFS to participate in the Program.

Generally, you will pay a Program Fee based on the eligible Program assets (“Eligible Program Assets”) held in your Account. Eligible Program Assets may not be the same for each managed account program. Review the Program chart below and the Thrivent managed accounts client agreement (“Client Agreement”) for more information about Eligible Program Assets.

Thrivent does not generally allow the purchase of certain non-traditional (i.e., inverse or leveraged) exchange-traded funds (“ETFs”), exchange-traded notes (“ETNs”), or mutual funds within the Program or within other types of Thrivent accounts. Thrivent, in its sole discretion, may allow you to hold certain assets in your Account as an accommodation (“Ineligible Program Assets”). Ineligible Program Assets will not be part of the Program for purposes of calculating your Program Fee. Thrivent and your Financial Representative will not provide investment advice or other related Program services for the Ineligible Program Assets in your Account.

Thrivent mutual funds (“Thrivent Funds”) are among the mutual funds available for purchase within the Program. Thrivent Asset Management, LLC, an affiliate, is the investment manager for the Thrivent Funds and receives a management fee for its services. Thrivent and its affiliates may also earn distribution and service fees (“12b-1 fees”) and or other fees in connection with the Thrivent Funds. As a shareholder of a mutual fund, you will pay your proportionate share of the fund’s advisory, administrative, and 12b-1 fees. These fees are in addition to the Program Fee you pay. Not all mutual fund share classes have 12b-1 fees. We and or our affiliates may earn advisory, distribution, and or other fees from the use of no-load and load-waived mutual

funds, closed-end mutual funds, ETFs, and ETNs other than Thrivent Funds (collectively referred to as the “Funds and ETNs”). These fees are in addition to the Program Fee. Generally, it is more profitable for us if you purchase investment products that are underwritten, distributed or advised by Thrivent and or its affiliates, such as Thrivent Funds. Carefully review the sections below titled, “Fees and Compensation” and “Item 9 – Additional Information--Other Financial Industry Activities and Affiliations” for further information related to this conflict of interest.

Your Financial Representative will recommend an appropriate Managed Account Program for you. However, for some programs, someone other than your Financial Representative will select and manage the investments in your Account. The chart below provides an at-a-glance view of the Program, including the various Program fee schedules.

Managed Account Program Overview

	Advisor	Advantage	SELECT	Income-Focused	Shepherd Managed Portfolios	SMA	UMA
Investment Advisory Structure	Non-discretionary	Discretionary	Discretionary	Discretionary	Discretionary	Discretionary	Discretionary
Who Selects the Investments for the Account	Financial Representative Recommends Investments to the Client Client Approves or Rejects Recommendations	Thrivent based on recommendations from the Investment Committee	Thrivent based on recommendations from the Investment Committee	Thrivent based on recommendations from the Investment Committee	Platform Manager based on recommendations from the Model Provider	Platform Manager or Sub-Manager	SMA Sleeve – Platform Manager or Sub-Manager Mutual fund or ETF Sleeves - Financial Representative recommends and client approves or rejects recommended mutual funds and ETFs
Eligible Program Assets	Individual securities, mutual funds, and ETFs	Primarily Class S shares of Thrivent Funds as determined by the investment model (may also include Funds and ETNs)	Mutual funds and ETFs as determined by the investment model	Mutual funds and ETFs as determined by the investment model	Vanguard ETFs	Equity, balanced and fixed income SMA strategies that invest in individual securities, mutual funds and ETFs	Equity, balanced and fixed income SMA strategies, ETFs, and mutual funds
Minimum Account Size¹	\$100,000	\$25,000	\$100,000	\$100,000	\$50,000	\$100,000 – equity and or taxable fixed income SMAs \$250,000 – tax-exempt fixed income SMAs	\$250,000

¹ You may be eligible to open an Account below the initial minimum investment listed in the chart. Review “Item 5 - Account Requirements and Types of Clients” for additional information.

	Advisor	Advantage	SELECT	Income-Focused	Shepherd Managed Portfolios	SMA	UMA
Rebalancing and Reallocation	Client determines; Financial Representative may also recommend	Investment Committee determines whether to rebalance and reallocate at least quarterly	Investment Committee determines whether to rebalance and reallocate at least quarterly	Investment Committee determines whether to rebalance and reallocate at least quarterly	Recommended by Model Manager and implemented by Platform Manager at least annually	Determined by Platform Manager or Sub-Manager	Determined by Platform Manager or Sub-Manager

Financial Representatives may work with you either individually, among a team, or in partnership with other financial representatives and or support staff. If your Financial Representative works with other financial representatives or support staff, these individuals may have access to your Account and other information and may be responsible for certain aspects of servicing your Account. For example, these other financial representatives may enter trades at your request, participate in the preparation of portfolio reviews, perform investment research, and be available to answer general questions you may have related to your Account. Investing involves risks, including the potential for loss of principal invested. Strategies and recommendations provided may have tax or legal consequences that you should consider. Thrivent and its financial representatives do not provide tax and legal advice. Consult your tax professional and attorney for such advice. The “Services” section below describes each managed account program in greater detail.

SERVICES

ADVISOR

Advisor is a non-discretionary investment advisory program that allows you to decide whether to purchase or sell specific securities in your Account. Your Financial Representative will provide you professional investment advice and help you develop an asset allocation strategy or model portfolio using a variety of methods and resources to construct a recommended asset allocation.

It is solely your decision to implement any rebalancing recommendations provided by your Financial Representative. The asset allocation model developed and recommended to you includes established parameters from which the model portfolio, over time, may deviate from its original allocation. Your Financial Representative will contact you to obtain your approval to rebalance your Account. You may also contact your Financial Representative and request to have your Account rebalanced.

ADVANTAGE

Effective April 4, 2016, the Advantage program will be closed to new investors. Clients who are invested in the program prior to April 4, 2016 will continue to receive the investment advisory services of the Advantage program.

Advantage is a discretionary investment advisory program invested primarily in Thrivent Funds. Thrivent and your Financial Representative will help you choose an investment strategy that identifies a particular asset allocation model (the “Model”) based on your investment goals and needs. Each Model is constructed and maintained by a committee (“Investment Committee”). Review “Item 6 – Portfolio Manager Selection and Evaluation – Investment Committee Management of Advantage, SELECT, and Income-Focused Programs” below for more information about the investment management, periodic review of these portfolios and asset class movements.

The Models currently offered in the Advantage program include strategies that seek long-term capital growth or high-level of current income using a range of risk tolerances from conservative to aggressive. A tax-sensitive version of each Model is also 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.

SELECT

SELECT is a discretionary investment advisory program invested in Funds and ETNs. Models offered in the SELECT program vary across the risk tolerance spectrum covering aggressive, moderate and conservative asset allocations. Review the Proposed Investment Strategy for the Models, which contains information about the specific asset allocations, individual holdings and the investment objective, prior to selecting a Model. Your Financial Representative will help you choose an asset allocation Model based on your investment goals and needs. Each Model is constructed and managed by the Investment Committee as described in “Item 6 – Portfolio Manager Selection and Evaluation – Investment Committee Management of Advantage, SELECT, and Income-Focused Programs” below.

Each of the Models invests in Funds and ETNs and Thrivent Funds. 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 and ETNs that is managed in a tax sensitive manner.

Review “Item 6 – Portfolio Manager Selection and Evaluation – Investment Committee Management of Advantage, SELECT and Income-Focused Programs” for more information about the Investment Committee’s management, periodic review of these portfolios and asset class movements.

INCOME-FOCUSED

Income-Focused is a discretionary investment advisory program comprised of two series of Models that are constructed and maintained by the Investment Committee. The Models invest primarily in Funds and ETNs and Thrivent Funds that seek to produce dividends or interest income. The Models either seek to provide an income-stream or will reinvest dividends and any interest income earned, while managing volatility through various investment strategies. Thrivent and your Financial Representative will initially help you choose an asset allocation Model within this program based on your investment goals and needs.

Review “Item 6 – Portfolio Manager Selection and Evaluation – Investment Committee Management of Advantage, SELECT, and Income-Focused Programs” for more information about the Investment Committee’s management, periodic review of these portfolios and asset class movement.

SHEPHERD

Available for investment effective April 4, 2016

Shepherd is a discretionary investment advisory program in which a Model Provider constructs and maintains the model ETF portfolios. The model portfolios are comprised of Vanguard ETFs and provide exposure to U.S. and international stocks, and global investment-grade bonds. To ensure broad diversification within each asset class, all of the ETFs underlying the model portfolios track broad-market or market segment indexes. Each index is capitalization-weighted, meaning that its components reflect the makeup of the market or market segment it tracks. These model portfolios seek to track Standard & Poor’s benchmarks for the domestic equity allocation of assets.

Vanguard Investment Strategy Group serves as the Model Provider for the program and Envestnet will have discretionary authority to implement the investment trading, periodic updates, and rebalancing instructions of the Model Provider. Thrivent and your Financial Representative will not have discretionary trading authority over the assets in your Accounts for this program. Your Financial Representative will recommend a model based upon your investment objectives, financial situation and needs.

SMA

SMA is a discretionary investment advisory program in which Platform Manager or selected Sub-Managers provide discretionary investment management services for the assets in your Accounts. Your Financial Representative and or Thrivent will recommend Sub-Managers to you with investment objectives and philosophies that are compatible with your financial situation and needs. It is solely your decision to accept or reject Sub-Managers recommended to you by Thrivent and or your Financial Representative.

Once you have selected a Sub-Manager(s), you will not be able to direct Sub-Manager(s) to either purchase or sell securities for your Account. Certain Sub-Managers may utilize model portfolios developed by Model Provider(s) pursuant to agreements between the Sub-Managers and Model Providers. As described in the Sub-Managers' respective Form ADV Part 2A brochure and other applicable disclosure brochures, in these instances the Sub-Manager has investment discretion for trading in the Account. Thrivent and your Financial Representative will not have discretionary trading authority over the assets in your Accounts for this program.

UMA

UMA is an investment advisory program in which the Platform Manager provides overlay portfolio management services and combines multiple investment styles and levels of discretion using SMA Sub-managers, mutual funds, and or ETFs to help facilitate diversification within an individually managed account. The program includes professional money management, manager due diligence, performance reporting, and associated services and support. Thrivent, through your Financial Representative, will provide non-discretionary assistance in analyzing your investment objectives and providing recommendations as to how you can most effectively allocate your Account assets in the program by using model allocations provided by either Platform Manager (UMA 1.0) or by your Financial Representative (UMA 2.0).

The recommendations of various investment vehicles ("Sleeve") are intended to correspond to the proposed asset classes and investment styles of the program Model allocations. A Sleeve is a distinct investment selection for accounting purposes (e.g., SMA Sub-manager, mutual fund, ETF). It is solely your decision to accept or reject recommendations, including selection of SMA Sub-managers, mutual funds, and or ETFs, offered to you by Thrivent, your Financial Representative, or Platform Manager. The Platform Manager, as the overlay portfolio manager, will implement a systematic process of coordinating and maintaining each investment within your Account and will rebalance your Account as needed to maintain your chosen investment allocation.

The SMA Sub-manager(s) will have 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. However, you may request and direct changes to your model allocation and to the Sleeve(s) within your Account by working with your Financial Representative. Thrivent and your Financial Representative will not have discretionary trading authority over the assets in your Accounts for this program.

CASH MANAGEMENT

Generally, when you open your Account, you will select and authorize that uninvested cash balances in the Account are "swept" into a money market mutual fund (the "Sweep Program"). A default money market fund will be designated on your behalf if you do not select a money market mutual fund in connection with your Account. The money market mutual fund options available to you as part of the Sweep Program are not affiliated with Thrivent. As a shareholder of a money market mutual fund, you will pay your proportionate share of the advisory, administrative, and 12b-1 fees, in addition to the Program Fee on Account assets invested in money market mutual fund shares, to the extent permitted by applicable law. Review the terms and conditions of the Sweep Program carefully to ensure that you understand how the program works and the

benefits and costs of the Sweep Program. The terms and conditions and available products within the Sweep Program may change. We will notify you of certain changes to the Sweep Program.

If you are a client in the Advisor program, 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 in any Account will initially be swept into a money market fund. Any dividends and all distributions paid on securities held in an Account will be paid in cash or reinvested in additional shares of the paying securities.

Any dividends and all distributions paid from individual securities in certain Income-Focused models that are managed by the Investment Committee and assets managed by a Sub-Manager and or Platform Manager will be paid to you in cash.

Any dividends and interest from the Funds and ETNs in certain Income-Focused 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 you. A portion of the Models in the Advantage, SELECT, and Income-Focused programs may invest in money-market funds to facilitate the payment of your Program Fee.

PROGRAM ACCOUNT REVIEWS AND REPORTS

Performance reporting, custodial statements and trade confirmations are account features available in the Program unless otherwise indicated below.

Performance Reporting. You and your Financial 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.

Custodial Statements. NFS will send you customary custodial statements at least quarterly. These statements contain information including, but not limited to, the cash balance of the account; type, name and amount of each security position held; the current market value of each security; account activity for the previous quarter period; and, if available, the unrealized gain or loss of each security.

Trade Confirmations. NFS will also send you confirmations of each purchase and sale transaction effected in your account and or any other transaction where the firm is obligated to send you a confirmation.

If you are enrolled in Advantage, SELECT, Income-Focused, Shepherd., SMA, or UMA program you may elect to forego the receipt of trade confirmations at the time of each transaction and instead receive a quarterly confirmation summary report with your custodial statement. You can change your election or request individual trade confirmations for any transaction at any time and at no additional cost to you. Talk with your Financial Representative for further information or to obtain a copy of the Managed Account Quarterly Confirmation Summary Request authorization form. Similarly, you may also instruct Thrivent to direct NFS to

send your trade confirmations for these Program services to Thrivent, Platform Manager, or a Sub-Manager, as applicable. If you provide such instruction, you will be provided a summary of all transactional activity in your custodial statement as described above.

If you are enrolled to receive custodial statements and trade confirmations electronically, you will receive notification electronically when the applicable documents are available. If Thrivent is unable to notify you of the availability of these documents electronically, we will automatically revert your account delivery preferences to paper delivery and mail documents to you.

FEES AND COMPENSATION

You will be charged a quarterly Program Fee for each managed account program Account in accordance with the applicable fee schedule(s) provided below. Program Fees may be negotiable under certain circumstances. A small percentage of your assets may be held in a money market mutual fund to facilitate the payment of fees.

Advisor Fee Schedule

Value of Eligible Program Assets	Maximum Program Fee ² (annual as a % of assets)	Net Direct Program Fee (annual as a % of assets)
Up to \$100,000	2.45%	2.00%
\$100,000 - \$249,999	2.20%	1.75%
\$250,000 - \$499,999	1.95%	1.50%
\$500,000 - \$999,999	1.95%	1.50%
\$1,000,000 - \$2,999,999	1.70%	1.25%
\$3,000,000 - \$4,999,999	1.45%	1.00%
\$5,000,000 - \$9,999,999	1.40%	0.95%
\$10,000,000 or above	1.35%	0.90%

Advantage Fee Schedule

Value of Eligible Program Assets	Maximum Program Fee ³ (annual as a % of assets)	Net Direct Program Fee (annual as a % of assets)
Up to \$100,000	2.45%	1.60%
\$100,000-\$249,999	2.40%	1.55%
\$250,000-\$499,999	2.35%	1.50%
\$500,000-\$999,999	2.30%	1.45%
\$1,000,000 and above	2.20%	1.35%

SELECT, Income-Focused, and Shepherd Fee Schedule

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

SMA Fee Schedule

Value of Eligible Program 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%

² An applicable credit amount will be deducted from the Maximum Program Fee. The actual credit may be greater than 0.45% of all assets in the Account.

³ An applicable credit amount will be deducted from the Maximum Program Fee. The actual credit amount may be greater than 0.85% of all assets in the Account.

UMA Fee Schedule

Value of Eligible Program Assets	Maximum Program Fee ² (annual as a % of assets)	Net Direct Program Fee (annual as a % of assets)
\$250,000 - \$499,999	3.45%	3.00%
\$500,000 - \$999,999	3.15%	2.70%
\$1,000,000 - \$1,999,999	2.85%	2.40%
\$2,000,000 - \$2,999,999	2.55%	2.10%
\$3,000,000 and above	2.45%	2.00%

Calculation of Program Fees. The Program Fee is based on a percentage of the total market value of the billable Eligible Program Assets in the Account as of the last business day of the end of the quarter (the “Maximum Program Fee”) and in accordance with the applicable Client Agreement. Thrivent, in its sole discretion, determines which assets are billable Eligible Program Assets. Non-billable Eligible Program Assets are not included in the calculation of the Program Fee. NFS will deduct the Program Fee from your Account. 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 held in your Account. The Credit Amount is equal to the greater of: (i) 0.85% (for Advantage) or 0.45% per annum of all mutual funds in the Account (the “Standard Credit”) or (ii) the actual amounts in investment management or advisory fees paid to Thrivent (and its affiliates) from the mutual funds, certain transfer agency fees and administrative servicing fees with respect to your Account investment in Funds (but not necessarily other mutual 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, as needed, such credit by an amount equal to any portion of such fees that is not actually received by Thrivent or its affiliates. The Credit Amount applies to all managed account programs *except* SMA.

The Program Fee will vary among clients. Factors typically considered to determine your Program Fee include:

- The managed account program(s) you have selected.
- The amount of assets in your Account.
- Your personal financial situation, needs, and objectives.
- The complexity of your financial situation and subsequent analysis needed to determine a recommended asset allocation.
- The number of Accounts you have with the same taxpayer identification number and or home mailing address.
- The level of anticipated or actual trading within the Advisor program.
- The experience level and credentials of your Financial Representative.
- 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.

Household Billing Rate. You may be eligible for a household (e.g. reduced) billing rate if you or other individuals have multiple Accounts with the same taxpayer identification number or have the same home mailing address or both. You may link the Accounts for purposes of billing by selecting a primary account (“Primary Account”) from which to pay the Program Fees. The Account selected as the Primary Account may not be a retirement account. A retirement account, as used in this Brochure, 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.

Your Financial Representative may have a financial incentive to recommend programs to you that could result in a higher Program Fee because you may not qualify for household billing rate. This creates a potential conflict of interest. Financial Representatives are trained to review reduced household billing with clients when appropriate; however, you must complete and return the Household Billing Authorization Form to receive the reduced household billing rate. Thrivent and your Financial Representative may receive a financial benefit, in the form of a higher rate, should you qualify for, but opt out of, household billing. Discuss with your Financial Representative if you believe you are eligible for a reduced household billing rate or if you would like further information.

Allocation of the Program Fee. A portion of your Program Fee is paid to Thrivent, your Financial Representative, and Platform Manager for their services. The amount of the fees paid to your Financial Representative and or Thrivent depend upon the Program Fee that you negotiate with your Financial Representative and the amount of the fee payable to your Financial Representative pursuant to Thrivent's compensation policies. The amount of the fees paid to Platform Manager varies by program.

In addition, a portion of the Program Fee is paid to others for their services as described below.

SELECT and Income-Focused	A portion of your Program Fee (approximately 0.25%) may be paid to an affiliate for services provided by the Investment Committee.
SMA	A portion of your Program Fee (approximately 0.15% to 0.75%) is paid to Sub-Manager(s).
UMA	<p>A portion of your Program Fee (approximately 0.11% to 0.22%) is paid to Platform Manager. In addition, 0.02% is paid to Platform Manager for each Sub-Manager selected for the Account.</p> <p>The Program Fee may vary depending upon the asset classes in the Account. An Account with a higher percentage of assets managed by Sub-Managers will have a higher fee than an Account with a lower percentage of assets managed by Sub-Managers.</p>

Factors to Consider in Assessing Managed Account Services Costs. There are a number of factors to consider when assessing the costs of any of the programs. These factors include:

- The combination of investment advisory, custodial and brokerage services, and the investment product offerings available through a particular managed account program may not be available separately.
- When purchasing no-load mutual funds within your Account, you will pay a fee on assets that could otherwise be purchased directly from a no-load mutual fund outside of an advisory account.
- While mutual funds available through the Program are purchased without a sales load, mutual fund breakpoint discounts (if invested with the same mutual fund family) may be available through a transaction-based brokerage account or an account held directly with the mutual fund company.
- Where the assets are transferred from and how long you have held assets could affect whether those assets are calculated in Program Fee.
- Whether you have previously paid a sales load to Thrivent or its affiliates within a 24 month period prior to enrollment in the Program.

Is the Program Appropriate for You? Determine whether the Program is appropriate for you before establishing a program Account. Your Financial Representative and or Thrivent may recommend to you one or more programs. The decision to select one or more managed account programs is solely yours. Discuss, among other things, the following with your Financial Representative.

- Whether it is more advantageous for you to enroll in the Program or to pay separately for other products or services that may not offer the combination of investment advisory, custodial and brokerage services, and product offerings as part of the Program.
- The cost, potential benefits, and potential risks of the managed account program(s).
- 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.
- Your desire for diversification across mutual fund families.
- In the case of Advisor, the frequency in which you expect to trade.
- Your anticipated use of other services and features specific to each managed account program as described in this Brochure.
- The payment preference of an asset-based fee for ongoing investment advice and related services compared to a transaction-based brokerage account.

At any time, an Account 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 help reduce your portfolio's overall market risk. Investment diversification does not ensure a profit or protect against loss. If you intend to hold a concentrated portfolio, including a concentrated position of cash or money market investment, for an extended period of time, you should consider other account options (e.g., holding a money market position in a transaction-based brokerage account) that may be more economically advantageous for you.

Your Financial Representative must attain and maintain appropriate securities licenses and registrations to offer investment advisory services. In addition, your Financial Representative receives training related to offering and servicing accounts in the Program. Training includes understanding factors relative to client needs and the suitability of product and service recommendations, expected trading or transaction frequency, payment preference (e.g., asset-based fee or a transaction-based fee arrangement), and desire for ongoing investment advice.

Other Charges, Fees, and Expenses. In addition to the Program Fee, as a mutual fund shareholder, you will pay your proportionate share of each of those Funds and ETNs management fees, 12b-1 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. Each mutual fund has various share classes which have their own unique fees and expenses. These charges, fees, and expenses will vary among mutual funds as described in the applicable mutual fund prospectuses, and may include short-term trading fees. Many mutual funds offer an institutional class, or other share class, which generally have lower fees and expenses. If the applicable mutual fund purchase amount either meets or exceeds the applicable required minimum investment amount, such share class will be selected for both the initial and any subsequent purchases of the specific mutual fund.

Your Financial Representative has the ability to recommend mutual funds that do not offer an institutional or other lower cost share class in the Program and may recommend mutual funds that pay Thrivent and or your Financial Representative distribution and 12b-1 fees. As a result, it may be more profitable for Thrivent and your Financial Representative if you elect to invest in such mutual funds. To mitigate this conflict, you will receive a credit to

your Program Fee in an amount that is at least equal to your pro rata share of 12b-1 fees and similar marketing fees received by Thrivent or its affiliates from unaffiliated mutual funds or their affiliates (including the mutual fund's adviser). In addition, Thrivent manages this conflict by training its Financial Representatives on their responsibilities as a fiduciary and the duty of care under the Investment Advisers Act owed to clients, among other important issues, and through Thrivent's policies and procedures to monitor and supervise Financial Representatives.

Fees and charges that are not included in the Program Fee, but may be incurred in addition to the Program Fee, include:

- Electronic fund and wire transfer fees
- Custodial fees
- Transaction fees for certain Ineligible Program assets
- Exchange fees
- IRA and other qualified account fees
- Other miscellaneous charges and other charges imposed by law

You will be billed separately for these other fees and charges. In addition, dealer mark-ups and market maker spreads may impact the price you receive when your trades are executed by NFS on your behalf.

Additional Compensation and Charges Applicable to Your Financial Representative. Your Financial 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 your Financial Representative would receive if you participated in other Thrivent services or paid separately for investment advice, brokerage, and other services. Your Financial Representative's compensation may vary among each of the Thrivent programs, depending on, among other things, the level of trading in your Account.

Your Financial Representative may retain a higher percentage of the Program Fee negotiated for choosing one service over another depending upon the program(s) you select. Therefore, your Financial Representative may have a financial incentive to recommend one program over other services offered by Thrivent, which could create a conflict of interest. Thrivent manages this conflict of interest through its new account or service suitability review process, surveillance, and by training Financial Representatives regarding the Program and related services.

Financial Representatives may be paid with commissions for the sale of products and services other than the Program or products. Similar Program services, or separate services, may be available with other investment advisers not affiliated with Thrivent.

Your Financial 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 Financial Representative. However, your Financial 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. Since your Financial Representative may incur charges for executed transactions, this creates a potential conflict of interest in that your Financial Representative may have less incentive to make recommendations to you regarding changes, including transactions, to your Account. Trades for certain mutual funds determined and maintained by NFS on a No Transaction Fee ("NTF") list are not included in these transaction parameters. Talk with your Financial Representative for further information on the NTF list.

Item 5 - ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

As a registered investment adviser, Thrivent provides investment management and advisory services to individuals, trusts, estates, non-profit 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.

The minimum initial investment amount for each program is provided in the "Managed Account Program Overview" chart found in "Item 4 – Services, Fees, and Compensation – Program Overview" above. You may be eligible to open an Account below the initial minimum investment by aggregating accounts you hold with Thrivent and or its affiliates. The general criteria are listed below.

All Programs	No individual Account may be less than \$50,000 in market value at Account opening. However, in certain circumstances a Shepherd Account may be established at a minimum of \$25,000. At least one of the Accounts must meet the \$100,000 minimum investment at Account opening.
Advisor	Place or hold greater than \$250,000 in assets with Thrivent or its affiliates.
Income-Focused, SELECT, and Shepherd Managed Portfolios	Place or hold greater than \$150,000 in assets with Thrivent or its affiliates.

If you decide to participate in the Program, you will sign a Client Agreement with Thrivent, and if applicable, the Platform Manager, which will govern your participation in the managed account program(s) you select. Margin accounts are not available within the Program.

Item 6 - PORTFOLIO MANAGER SELECTION AND EVALUATION

Advisor Program. Your Financial Representative may use a variety of methods and resources to construct a recommended asset allocation. The resources utilized may include research and or model management services for which your Financial Representative obtained through an agreement with a third-party provider. Thrivent does not directly contract with unaffiliated third-party research and model management providers for this purpose. Your Financial Representative is expected to conduct adequate due diligence of these providers and for all recommendations made to you, including model portfolios. Ask your Financial Representative about any third-party providers used to help provide investment recommendations for you in an Advisor Account. Review a copy of the provider's disclosure brochure (Part 2A of Form ADV). The Part 2A of Form ADV brochure is a required document only for registered investment advisers; therefore, not all providers may have a disclosure brochure.

Investment Committee Management of Advantage, SELECT, and Income-Focused Programs. The Investment Committee serves as a model provider to Thrivent for the Advantage, SELECT and Income-Focused programs, which means it is responsible for the investment decisions in these programs. You grant Thrivent trading discretion to implement securities transactions in your Account(s) as recommended by the Investment Committee. The Investment Committee employs both strategic and tactical management techniques based on an assessment of the economy, markets, and asset class movement when managing the Advantage, SELECT, and Income-Focused programs. Actual allocations may vary from the target allocations over time.

The Investment Committee consists of personnel from Thrivent's affiliated registered investment adviser, Thrivent Asset Management, LLC. Members of the Investment Committee are listed below.

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 Analyst⁴

Kristine Joy Mogollon

Director, Investment Product Management, 2012-Present; Senior Investment Product Manager 2003-2012

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

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

Professional Designation: CFA® - Chartered Financial Analyst⁴

Mark Lien Simenstad

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

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

B.A., St. Olaf College, 1981

Professional Designation: CFA® - Chartered Financial Analyst⁴

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

You will not be able to direct the Investment Committee, Thrivent or your Financial Representative to either purchase or sell specific securities in your Account in the Advantage, SELECT and or Income-Focused programs. You may, however, impose reasonable restrictions on the management of your Account, which may include a request that Thrivent not purchase one or more specific investments for your Account. In those instances, the Investment Committee will seek to replace investments or to reallocate among the remaining investments 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 not be accepted. Reasonable restrictions that are accepted may affect the performance of your Account in comparison to other Accounts using the Models that have not selected similar restrictions.

The Investment Committee investment selection process is rigorous and considers many factors, including a review of the adherence to investment objectives, management style consistency, risk-adjusted return metrics, expenses, and compliance and regulatory requirements. The Investment Committee will adjust the Models, i.e., the Funds and ETNs and any Thrivent Funds included in the Models and their weighting, at its sole discretion and Thrivent can implement these transactions without prior or other notice to you.

While the Advantage Program invests primarily in Thrivent Funds, the Investment Committee considers many factors before including certain investments in the Models for the Advantage program. Factors include assessing the asset class and composition of a particular Thrivent Fund and its fit within a Model based on other Thrivent Funds held within the Model, including risk controls, style consistency, and short-term, tactical basis or longer-term strategic position. The full composition of the Model is reviewed relative to risk and return

⁴ Designation granted by the CFA Institute. The graduate-level, self-study program includes a series of three examinations and requires individuals to adhere to a strict code of ethics governing their professional conduct.

metrics and expenses. Funds and ETNs 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. The selection process for the SELECT and Income-Focused programs also considers a variety of both quantitative and qualitative criteria and includes, among other factors, an evaluation of the potential income, as applicable, and performance versus market indices and relevant peer groups with similar investment strategies. Investment selections reflect the Investment Committee's judgment of appropriate securities included in any of the model portfolios for which it constructs and maintains. The Investment Committee may, for example, select a Fund that has underperformed its peers or its benchmark in recent periods due to the investment into an asset class that the Investment Committee believes may be undervalued or they may choose an investment with higher volatility if they believe that such a selection could help diversify against risk in another portion of the applicable Models within SELECT or Income-Focused.

The Investment Committee leverages its extensive knowledge of the Thrivent Funds, their risk controls, their style consistency, and their regulatory and compliance infrastructure. There is no assurance that the Thrivent Funds will meet their investment objectives. The Investment Committee's consideration of such factors may result in a significant investment in Thrivent Funds for SELECT and Income-Focused.

The Investment Committee may 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.

The Investment Committee periodically reviews the operations of each Fund, including any Thrivent Funds, 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 various sources that includes, but is not limited to, third-party software and data research providers as well as discussions and commentary with the respective management firms. Thrivent and your Financial Representative assume no responsibility for a selected manager's performance, compliance with applicable regulations, or other matters.

Advantage, SELECT, and Income-Focused are designed to provide a tactical investment overlay on strategically designed portfolios. The Investment Committee monitors asset class movement that could result in investment style drift. At least quarterly, the Investment Committee will review market and asset class conditions and determine if, and to the extent, that allocation adjustments are necessary.

- **Advantage and SELECT.** Adjustments may include changes to asset class weightings (e.g., equities versus bonds, small-cap equities versus large-cap equities), the addition or removal of certain sub-asset classes, and or changes to the underlying funds in the Model.
- **Income-Focused.** Adjustments may include changes to asset class weightings (e.g., 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), reallocation of the portfolio, the addition or removal of certain sub-asset classes, and or changes to the underlying funds in the Model.

In addition, the portfolios may be rebalanced back to target weights due to market conditions.

Shepherd, SMA, and UMA Programs. Thrivent and Platform Manager provide access to "Approved" and "Available" Sub-Managers and Model Providers as defined by Platform Manager. Platform Manager employs a multi-phase approach to its research, selection of, and periodic due diligence of the "Approved" Sub-Managers and Model Providers. This due diligence is conducted based on, among other things, the Sub-Manager's and Model Provider's investment management process, philosophy, and performance.

Platform Manager provides an annual compliance questionnaire to all Sub-Managers and Model Providers. This process is employed to gain a better understanding of, among other things, the internal processes,

operational and data controls, background and regulatory history of the Sub-Manager and Model Provider. In addition, Thrivent conducts a review of the information that has been provided by the “Available” Sub-Managers to the Platform Manager. Thrivent does not calculate the portfolio performance of Sub-Managers and Model Providers. Carefully review applicable Sub-Manager and Model Provider Disclosure Brochures and Platform Manager's Form ADV Part 2 for further details.

Your Financial Representative and or Thrivent will recommend Sub-Managers and or Model Providers to you. These recommendations are intended to identify Sub-Managers and or Model Providers with investment objectives and investment philosophies that are compatible with your situation. It is solely your decision to accept or reject Sub-Managers and or Model Providers recommended to you by Thrivent and your Financial Representative.

Conflicts of Interest Related to Portfolio Manager Selection and Evaluation. The Investment Committee for Advantage, SELECT, and Income-Focused includes personnel from Thrivent’s affiliated investment adviser, Thrivent Asset Management, LLC. The Investment Committee is the model provider for the Advantage, SELECT, and Income-Focused programs. Thrivent periodically monitors 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. Eligible Program Assets for SELECT and Income-Focused may 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 (including revenue sharing) in connection with Thrivent Funds. As a result, we may have a conflict of interest when we recommend services or investments to you that are advised, distributed, or issued by us or our affiliates. For example, there is a conflict of interest if your Financial Representative recommends a Thrivent Fund in your Advisor Account or when the Investment Committee recommends that Thrivent purchases one or more Thrivent Funds in the Advantage, SELECT, and Income-Focused programs. We will recommend services and investments to you that we believe are appropriate for you. In light of the potential conflict of interests, carefully evaluate each recommendation and review “Item 4 – Services, Fees, and Compensation” above for more information.

Thrivent may enter into revenue sharing arrangements with certain Funds and ETNs and their affiliates that participate in the Program. Review “Item 9 – Additional Information--Other Financial Industry Activities and Affiliations” below for more information on these practices.

Risks. Investing involves risks and there is no guarantee that models will achieve their stated objectives.

Certain products and strategies, including those recommended by your Financial Representative, may present more risk than other strategies due to the nature and or complexity of the product or strategy. For instance, an options strategy in the Advisor program may be complex and involve a higher degree of risk than other available strategies. The use of complex products and strategies are not suitable for all investors. Options involve risks that include, among others, the potential for loss of part or all of your options investment due to restrictions on exercising options imposed by regulatory bodies. The existence of a secondary market for options is not guaranteed. Your Financial Representative can provide you with copies of Thrivent’s Options Account Agreement and The Options Clearing Corporation’s *Characteristics & Risks of Standardized Options* brochure if you are interested in options investing. Review these documents before investing in options. The Options Clearing Corporation is not affiliated with Thrivent.

While fixed income has traditionally been considered a more conservative investment in comparison to equity securities, it is an investment with associated risks that should be considered before investing. A fixed income investor cannot expect to experience moderate to higher levels of income, or moderate to higher levels of yield, without assuming some or all of the potential risks associated with the underlying investments. While there are various risks specific to fixed income investing, some of the primary risks for an income-focused portfolio

include credit risk, which is the risk of default; duration risk, which is the sensitivity of a bond to a change in interest rates; and interest rate risk, which is the risk that a fixed income investment can decline in value if interest rates rise. In a low interest rate market environment, the risk that rates will rise means the value of the investments may fluctuate and or decline, including the possibility that you may lose money by investing in the portfolio. Review the applicable prospectuses for information about the underlying investments in the Income-Focused program and potential risks and benefits.

Ineligible Program Assets may be maintained in the account as an accommodation to you. In certain instances, Thrivent will not liquidate Ineligible Program Assets, including those considered illiquid, unique, or hard-to-value assets, for reinvestment into the relevant program without your specific authorization.

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. Contact your Financial Representative or call 800-THRIVENT (800-847-4836) to obtain prospectuses.

Reallocation or rebalancing can have adverse tax consequences for your Account. While tax sensitive Models are available through Advantage and SELECT, Thrivent and your Financial Representative do not provide tax advice. Discuss with your tax advisor whether a tax sensitive Model is appropriate for you as well as any other tax-related information related to any of the programs.

Performance-Based Fees and Side-By-Side Management. Thrivent does not charge performance-based fees for the Program.

Voting Client Securities. Thrivent, its affiliates and Platform Manager do not provide proxy voting services, or have other duties or responsibilities regarding corporate actions, nor will they advise you regarding the voting of proxies or such other materials with respect to the securities held in the Advisor, Advantage, SELECT, and Income-Focused programs. You will receive proxy materials, tender offer materials, prospectuses, shareholder reports, class action proceedings, or other shareholder information directly from NFS. With respect to Eligible Program Assets in the SMA and UMA programs managed by Platform Manager and or a Sub-Manager, the respective manager will perform proxy voting duties and other duties or responsibilities regarding corporate actions with respect to the securities held in those Accounts.

Item 7 - CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

You will complete an investment profile questionnaire ("Investor Profile") designed to gather information about your financial situation, risk tolerance, time horizon, investment objectives, and any other relevant information, including, as applicable, any reasonable investment restrictions on the management of your Account. Thrivent and your Financial Representative will not independently verify any information you provide to us. Based on an analysis of the Investor Profile, Thrivent and your Financial Representative will recommend an investment strategy and managed account program through which the strategy can be implemented. You are responsible for notifying Thrivent immediately of any changes to your information as it could affect the services provided to you.

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 Financial Representative will generally be available for consultation regarding the Program during normal business hours. Any reasonable restrictions you wish to impose on the management of your Advantage, SELECT, or Income-Focused account will be provided to the Investment Committee for approval.

Protecting the privacy of your data is a responsibility we take very seriously. The practices and procedures Thrivent has in place to protect and safeguard your data are rigorous, thorough, and include strict standards of security. Thrivent has physical, electronic, and procedural safeguards in place to help protect your data. Review our Privacy Notice provided to you annually, or review our policies on thrivent.com, regarding the protection of your information and your information sharing choices.

Item 8 - CLIENT CONTACT WITH PORTFOLIO MANAGERS

Members of the Investment Committee, or other qualified personnel may be available to you to discuss the management of your Account with respect to the Advantage, SELECT, and Income-Focused programs *only* upon request. You may contact the Sub-Managers, Model Providers, or other qualified personnel to discuss the management of your Shepherd, SMA and or UMA Accounts. Your Financial Representative will coordinate the contact with the appropriate personnel to discuss your Account(s).

Item 9 - ADDITIONAL INFORMATION

DISCIPLINARY INFORMATION

In December 2014, Thrivent, without admitting or denying any finding, entered into a Letter of Acceptance, Waiver and Consent with FINRA that found Thrivent violated SEC rule 10b-10, NASD Conduct Rules 2230 and 2110 and FINRA Rules 2232 and 2010 by failing to deliver trade confirmations to Thrivent mutual fund shareholders pertaining to certain one-time and certain other mutual fund share redemptions. This failure was caused by coding errors in the computerized system that Thrivent had established through an outside vendor to generate and send the confirmations. These mutual fund redemptions were disclosed to customers on certain periodic account statements and there was no negative impact on shareholder account values. The activity that was the subject of this settlement was not related to Thrivent's investment advisory programs. Thrivent agreed to a censure and fine of \$375,000.

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 the Financial Industry Regulatory Authority ("FINRA"). 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 to help ensure the recommendations are suitable based on a client's financial situation and investment objectives. Thrivent has a fully disclosed clearing agreement with NFS to provide trade execution, clearing services, custody Program assets and Thrivent brokerage accounts and other related services. Thrivent offers the Thrivent Funds and serves as the principal underwriter and distributor of variable products issued by Thrivent Financial for Lutherans ("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.⁵ Thrivent Financial Holdings, Inc. also has other subsidiaries that engage in activities that may be material to Thrivent's investment advisory business or its investment advisory clients. Information about these affiliates and how they work together to offer you financial products and how they work together to offer you financial products and services is provided below. While Thrivent Financial is proud

⁵ 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. In 2013, Thrivent Financial members voted to extend Thrivent Financial's common bond beyond Lutherans to include all Christians.

to support Christians through its members and its benevolent efforts, it and its affiliates are not a church or part of a church. Thrivent Financial is a financial services membership organization that helps Christians be wise with money and live generously.

For more than a century, Thrivent Financial has helped its member-owners and provides opportunities for them to be even more generous where they live, work, and worship. 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-exempt 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.

Neither Thrivent nor its affiliates provide tax, legal, or accounting advice. Consult with your tax, legal adviser or accountant, as applicable, for tax planning, tax preparation services, legal issues, or accounting questions.

Broker Dealer

Thrivent Distributors, LLC is an indirect, wholly-owned subsidiary of Thrivent Financial, and is a registered broker dealer serving as the principal underwriter broker-dealer for the Thrivent Mutual Funds.

Insurance

Thrivent Financial markets life, health, and disability insurance to Christians in all 50 U.S. states and the District of Columbia.

Thrivent Life Insurance Company is a Minnesota stock life insurance company licensed to sell insurance products in 42 states and the District of Columbia. Thrivent Life Insurance Company does not sell new business, but it maintains and services existing contracts.

Thrivent Insurance Agency, Inc., also an indirect wholly owned subsidiary of Thrivent Financial and serves as a life and health insurance agency engaged in the distribution of non-proprietary life and health insurance products.

Investment Adviser

Thrivent Asset Management, LLC is an indirect, wholly-owned subsidiary of Thrivent Financial and the registered investment adviser providing portfolio management services to the Thrivent Funds, which are distributed by Thrivent.

Thrivent Financial is a registered investment adviser providing investment management services to the Thrivent Series Fund, Inc. and Thrivent Cash Management Trust.

Trust Company

Thrivent Trust Company is a wholly owned subsidiary of Thrivent Financial and serves as a federal savings bank offering professional fiduciary and discretionary investment management services.

THIRD PARTY AND THRIVENT BASED FINANCIAL INCENTIVES

Generally, it is more profitable for us if you purchase products that are underwritten, distributed, or advised by Thrivent and its affiliates, such as 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. Please see information related to this conflict of interest described above in “Item 4 – 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 is based on 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 Financial Representatives, including training sessions, educational programs, marketing, and sales support. This additional compensation is not paid to any Financial Representative. 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. Visit our website at www.thrivent.com for more information about these financial arrangements, including a full list of providers.

Thrivent and, in certain instances, an unaffiliated third party may offer marketing incentives or promotions to individual Financial Representatives or groups of Financial Representatives. The incentive programs may provide cash and or non-cash incentive compensation to Financial Representatives for the sale of various products and services. These non-cash items may include, without limitation, training and meeting costs for Financial Representatives (including payments for travel, lodging and meals for attendees); payment of costs for client or prospective client meetings at which Thrivent products and services are discussed, including meals for attendees, room rental costs and meeting-related presentation materials; meals and leisure or entertainment outings; *de minimis* gifts; and nominal value promotional items.

Additionally, Thrivent may provide Financial 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 Financial Representatives based on the number of new clients that purchase certain eligible products and services, including advisory products and services. This additional compensation, whether in the form of 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 Financial Representatives endeavor to put client interests first, 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, PERSONAL TRADING, AND PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

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. Send your written request to: Thrivent, Attn: Broker-Dealer and Investment Advisory Compliance, MS 1410, 625 Fourth Ave. S., Minneapolis, MN 55415.

Thrivent’s Code requires certain persons, defined as Access Persons, to disclose specific accounts in which they have a beneficial interest. These accounts are monitored electronically for activity that is inconsistent with the fiduciary duty owed to Thrivent’s clients. Thrivent’s Access Persons are subject to a personal trading policy intended to help mitigate conflicts of interest when trading their personal securities accounts. When Thrivent’s electronic monitoring system flags activity that is inconsistent with this policy, the transaction(s) are reviewed and appropriate corrective action is taken as needed.

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. All client trade orders are submitted to NFS for execution on an agency basis. Thrivent may, however, execute trade corrections, trade adjustments or worthless security trades 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.

REVIEW OF ACCOUNTS

Your Financial Representative will make efforts to conduct a comprehensive review of your Account, Investor Profile and other investment guidelines, including as applicable any reasonable restrictions you have imposed on the management of your Account and other relevant factors and information at least annually. Based on the assets in your Account, among other factors, your Financial Representative may recommend changes to your Account, including but not limited to, changes to model portfolios and rebalancing. You and your Financial Representative may encounter circumstances which may prevent or delay this review from occurring on an annual basis.

A review of client accounts by Thrivent registered principals may occur periodically, depending upon factors specific to that account, including, but not limited to, certain types of account activity, or lack thereof, the types of securities being purchased or sold, the share class of mutual fund holdings, and the account holdings relative to your financial status and investment objectives. As a result of such review, we may take certain actions, up to and including, the termination of the advisory services.

As a client in the Program, you can expect to receive regular reports and other materials as discussed above in “Item 4 – Services, Fees and Compensation--Program Account Reviews and Reports”. These materials include quarterly account statements and performance reports, and in certain circumstances you will receive monthly statements. Your account statements will be sent by NFS.

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 a Financial 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, Thrivent Trust Company compensates financial associates of Thrivent Financial and Thrivent Life Insurance Company (who are also registered representatives of Thrivent) for referring you to Thrivent Trust Company for its professional fiduciary and investment management 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 Thrivent Trust Company.

FINANCIAL INFORMATION

Thrivent does not require prepayment of investment advisory fees six months or more in advance.

Thrivent requires that checks for deposit into client Accounts are made payable to NFS as custodian of the Account. Checks made payable to Thrivent will be promptly returned to you. In addition, Thrivent requires that you mail any certificates directly to NFS for processing. Your Financial Representative is not permitted to accept them.

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.

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