

Managed Accounts Program Brochure

Thrivent AdvisorFlex Managed Variable Annuity™ Program

March 2020

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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 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 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.

AdvisorFlex Managed Variable Annuity™ Program Brochure

Item 2—Material Changes

We made the following material changes to this brochure since our last annual update dated March 2019:

Effective May 31, 2019 the AdvisorFlex Program Fee Schedule was updated. The program fees for some eligible program asset categories have increased.

In some instances, Financial Professionals may set higher minimum investment requirements for their clients than listed in this brochure.

Contact us at 800-847-4836 or ask your Financial Professional 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. The words “you” and “your” refer to the person(s) who completes and signs a Statement of Selection (“SIS”) and who signs the Thrivent Investment Management Inc. AdvisorFlex Managed Variable Annuity Client Agreement (collectively, the “Agreement”) whether one or more individuals or entities. Thrivent sponsors the Thrivent AdvisorFlex Managed Variable Annuity™ program (“AdvisorFlex Program”) a non-discretionary investment advisory and managed accounts program that is described in this Brochure and is a part of Thrivent’s overall Managed Accounts Program (“Program”).

The Program also includes a number of other investment advisory and managed accounts programs sponsored by Thrivent with the objective of managing a portfolio of assets on both a discretionary and non-discretionary basis. These programs include:

- Thrivent Advisor (“Advisor”)
- Thrivent Advisor Guided (“Advisor Guided”)
- Thrivent Advantage Managed Portfolios (“Advantage”) (closed to new investors)
- Thrivent SELECT Managed Portfolios (“SELECT”)
- Thrivent Income-Focused Managed Portfolios (“Income-Focused”)
- Thrivent Genesis Managed Portfolios™ (“Genesis”)
- Thrivent Shepherd Managed Portfolios® (“Shepherd”)
- Thrivent Shield Managed Portfolio™ (“Shield”)
- Thrivent Separately Managed Account (“SMA”)
- Thrivent Unified Managed Account 1.0 and 2.0 (“UMA”)

If you are interested in learning more about these other programs, ask your Financial Professional (“Financial Professional”) for a copy of the Thrivent Investment Management Inc. Managed Accounts Program Brochure (“Managed Account Program Brochure”).

The AdvisorFlex Program enables you to receive ongoing investment advice and related services,

including performance, custody and transaction reporting in connection with your Thrivent AdvisorFlex Variable Annuity™—for an asset-based fee (“Program Fee”). Participation in the AdvisorFlex Program may cost you more or less than purchasing these services separately.

Thrivent offers the AdvisorFlex Program through Envestnet Asset Management, Inc. (“Platform Manager”), an unaffiliated registered investment adviser that operates a technology platform. Investment advisory services for the AdvisorFlex Program will be provided to you by Thrivent and your Financial Professional.

To participate in the AdvisorFlex Program, you will sign an AdvisorFlex Variable Annuity Application to establish an annuity contract (“Contract”) with Thrivent Financial for Lutherans (“Thrivent Financial”), an affiliated fraternal benefit society. Thrivent Financial is also the issuer of the Contract and will serve as the custodian for the assets in the Contract.

Generally, you will pay a Program Fee based on the accumulated value of the Contract assets. The Contract is the only investment in the AdvisorFlex Program. No other securities may be purchased or otherwise held within the AdvisorFlex Program. Review the AdvisorFlex Program chart below and the Thrivent Investment Management Inc. AdvisorFlex Managed Variable Annuity Client Agreement (“Client Agreement”) for more information about the Contract assets.

The investment options available in your Contract are referred to as subaccounts (“Subaccounts”). You also have the option of investing a portion of your Contract assets in a fixed account (“Fixed Account”). Portfolios of the Thrivent Series Fund, Inc. are among the Subaccount options (“Thrivent Financial Subaccounts”) available for purchase within the Contract. Thrivent Financial, the issuer of the Contract, also serves as the investment manager for the Thrivent Series Fund, Inc. portfolios and receives a management fee for its services. Thrivent Financial may also earn administrative service fees or revenue, sharing fees from the use of certain non-proprietary portfolio Subaccount options available for purchase in the Contract.

As a shareholder of portfolio(s) invested in a Subaccount, you will pay your proportionate share of the portfolio’s underlying expenses, which may include advisory fees and other operating expenses. Thrivent Financial, the issuer of the Contract, may also

charge you a fund facilitation fee to make certain non-proprietary portfolios available as investment options in a Subaccount. These fees are in addition to the AdvisorFlex Program Fee you pay. Not all portfolios have fund facilitation fees. 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 portfolios of the Thrivent Series Fund, Inc. Carefully review the sections titled **“Fees and Compensation—Other Charges, Fees and Expenses”** and **“Item 9—Additional Information—Third-Party and Thrivent-Based Financial Incentives”** for further information related to this conflict of interest.

The managed account programs and investment-related advice and services your Financial Professional is able to provide depend on the securities licenses and registrations he or she

holds and the programs to which Thrivent has granted him or her access. In order to offer managed account programs, your Financial Professional is required to be registered with Thrivent as an investment adviser representative (i.e., he or she must hold a Series 65 or 66 license).

Your Financial Professional will recommend an appropriate managed accounts program for you based upon your investment objectives, financial situation and needs. The decision to select the AdvisorFlex Program and to establish a Contract is solely yours.

Review the chart below for an at-a-glance view of the AdvisorFlex Program, including the investment selection process and the Program Fee Schedule.

AdvisorFlex Guided Program Overview

Investment Advisory Structure	Non-discretionary
Asset Allocation Strategy	Financial Professional recommends; client approves or rejects recommendation
Eligible Program Assets	AdvisorFlex Variable Annuity
Subaccount and Fixed Account/Investment Selection	Financial Professional recommends; client approves or rejects recommendation
Minimum Initial Investment ¹	\$100,000
Rebalancing and Reallocation	Financial Professional recommends; client approves or rejects recommendation

The AdvisorFlex Program Fee Schedule is outlined in **“Item 4—Services, Fees and Compensation”** below.

Financial Professionals may work with you either individually, as a team or in partnership with other Financial Professionals and/or support staff. If your Financial Professional works with other Financial Professionals or support staff, these individuals may have access to your Contract and other information and may be responsible for certain aspects of servicing your participation in the AdvisorFlex Program. For example, these other Financial Professionals may enter trades at your request, participate in the preparation of the portfolio reviews, perform investment research, and be available to answer

general questions you may have related to the AdvisorFlex Program.

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 Professionals do not provide tax and legal advice. Consult your tax professional and attorney for such advice. The “Services” section below describes the AdvisorFlex Program in greater detail.

¹ You may be eligible to participate in the AdvisorFlex Program below the initial minimum investment listed in the chart. Review the Contract prospectus and **“Item 5—Account Requirements and Types of Clients”** for additional information.

Services

AdvisorFlex Program is a non-discretionary investment advisory program that gives you access to a Thrivent AdvisorFlex Variable Annuity Contract. Your Financial Professional will help you develop an asset allocation strategy, select from the Subaccounts available in your Contract, and determine how much of your premium (payments you make) to allocate into each of the Subaccount(s) and/or the Fixed Account within the Contract. Your Financial Professional may use a variety of methods and resources to develop a recommended asset allocation strategy.

Due to changing market conditions, the asset allocation among the Subaccounts within your Contract may change or deviate from its original allocation. In light of this, your Financial Professional may recommend that you participate in the automatic asset rebalancing program, which is an option available in the Contract. If you do not choose to participate in the asset rebalancing program, your Financial Professional will recommend that you rebalance or reallocate the Subaccounts and the Fixed Account assets. It is solely your decision to implement any rebalancing or reallocation recommendations provided by your Financial Professional. You may also contact your Financial Professional to rebalance or reallocate the Subaccounts and the Fixed Account assets.

Where permitted by applicable law and business need, Thrivent Financial reserves the right to make certain changes to the structure and operation of the Contract. These changes include, among others, the right to:

- Remove, combine or add new Subaccounts in its sole discretion.
- Substitute shares of one portfolio for another, which may have differences including different fees, expenses, objectives and risks.
- Restrict or prohibit additional allocations, and/or payments to Subaccounts.

Review the AdvisorFlex Variable Annuity prospectus for more information about these changes.

Thrivent Financial aggregates multiple client transaction orders to seek the most favorable price and/or lower execution costs at the time of execution. All aggregated client transaction orders receive the same price.

Cash Management

There are no cash management features in the AdvisorFlex Program. All cash must be invested in a Subaccount and/or the Fixed Account within the Contract.

Refer to the Client Agreement for information about additional payments and surrenders.

Program Account Reviews and Reports

Performance reporting, custodial statements and trade confirmations are features available in the AdvisorFlex Program. You should review these documents upon receipt and promptly notify Thrivent of any discrepancies.

Performance Reporting

You and your Financial Professional will receive quarterly performance reports detailing the following types of activity in your Contract:

- **Portfolio Subaccount and Fixed Account appraisal**—Reports your portfolio's holdings, current market value of all positions, and unrealized gains/losses.
- **Quarterly performance**—Summarizes the current quarterly performance of the portfolio.
- **Performance history**—Summarizes the performance of the Subaccount(s) and compares it to various market indexes.
- **Cost basis**—Provides cost basis information in year-end summary statements.

Consolidated quarterly performance reports may be available if you or members of your household have the AdvisorFlex Program and multiple accounts in the Program with the same taxpayer identification number and/or household mailing address.

Custodial Statements

Thrivent Financial will send you statements at least quarterly. These statements contain information including, but not limited to, the accumulated value of your Contract, the current market value of each Subaccount invested in, the amount of the Fixed Account and transaction activity for the previous quarter period. In certain instances, Thrivent will also send you a quarterly statement describing certain activity during the previous quarter. We encourage you to carefully review and compare the Contract statements that you receive from Thrivent Financial with those you receive, if any, from Thrivent.

Trade Confirmations

Thrivent Financial will also send you confirmations of each purchase or surrender transaction effected in

Fees and Compensation

You will be charged a quarterly Program Fee for each

your Contract and/or any other transaction for which it is obligated to send you a confirmation.

AdvisorFlex Program not to exceed the fee rate from the fee schedule(s) provided below.

AdvisorFlex Program Fee Schedule

Accumulated Value of Household* Contract(s)	Maximum Program Fee (annual as a % of assets)
Up to \$100,000	2.00%
\$100,000–\$249,999	1.85%
\$250,000–\$499,999	1.70%
\$500,000–\$999,999	1.55%
\$1,000,000–\$2,999,999	1.45%
\$3,000,000–\$4,999,999	1.25%
\$5,000,000–\$9,999,999	1.00%
\$10,000,000 and above	0.90%

Fee for funds in the fixed account. For funds held in the Fixed Account, the Maximum Program Fee is 0.50%.

*Household includes all of your Accounts with the same SSN/TIN or mailing address.

The Program Fee will vary among clients and may be negotiable under certain circumstances. Factors typically considered to determine your Program Fee include:

- The managed account program(s) you have selected.
- The amount of assets in your Contract.
- Your personal financial needs, objectives and complexity of your financial situation.
- The level of anticipated or actual trading within the Subaccounts.
- The experience level and credentials of your Financial Professional.
- The amount of household assets you have within the Program, where Contracts and/or managed accounts have the same taxpayer identification number and/or home mailing address.

Thrivent and your Financial Professional may receive a financial benefit by you not paying a reduced fee should you qualify for, but opt out of, householding. However, you may pay a reduced fee due to these other factors that is greater than the financial benefit from householding. To address this conflict, in addition to the information described in the **Item 9—Additional Information—Program Review of Accounts** below, Thrivent trains its Financial Professionals to review householding with clients when appropriate.

Calculation of Program Fees

The Program Fee is based on the accumulated value of your Contract assets as of the last business day of the end of the quarter and in accordance with the Client Agreement. Thrivent, in its sole discretion, determines which assets are billable and included in the calculation of the Program Fee.

Thrivent Financial will deduct your Program Fee from either a bank account that you designate or this qualified (e.g., IRA) Contract. If your Program Fee is deducted from your Contract, it will reduce the value of your Contract.

National Financial Services LLC (“NFS”) will deduct your Program Fee if you select a Thrivent brokerage or managed account as the billing account for the AdvisorFlex Program. Review **“Item 9—Additional Information—Other Financial Industry Activities and Affiliations”** for more information about NFS. Thrivent is not affiliated with NFS.

Allocation of the Program Fee

A portion of your Program Fee is paid to Thrivent, your Financial Professional and the Platform Manager for their services. The amount of the fees paid to your Financial Professional and/or Thrivent depends upon the Program Fee that you negotiate with your Financial Professional and the amount of the fee payable to your Financial Professional pursuant to Thrivent’s compensation policies.

Other Charges, Fees and Expenses to Consider

If you invest in Thrivent Series Funds, Inc. and certain non-proprietary portfolios, you will receive an offset credit in the amount by which the total of certain fees received by Thrivent exceed 0.45% annually of your Contract's accumulated value. If these fees received by Thrivent do not exceed 0.45%, you will not receive a credit. The asset-based fees included in the offset are provided below.

Thrivent Series Fund, Inc.:

- Investment advisory fees charged by the investment manager of the funds.
- The offset does not include administrative fees, transfer agent fees, sub-transfer agent fees or networking fees.

Non-proprietary portfolios:

- Reimbursement payments.
- Administrative fees.

The credit will be applied to the same source you authorized Thrivent Financial to deduct your Program Fee.

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

- Surrender charges.
- Transfer charges.
- Mortality and expense charges.
- Charge for a maximum anniversary death benefit rider.
- Operating expenses of the Subaccount(s) that you select.
- Fund facilitation fees for certain Subaccounts.
- Electronic fund and wire transfer fees.
- Other miscellaneous charges and other charges imposed by law.

Additional Compensation and Charges Applicable to Your Financial Professional and Thrivent

Your Financial Professional may receive additional compensation as a result of your participation in the AdvisorFlex Program. The amount of this compensation may be more or less than what your Financial Professional would receive if you participated in other Thrivent services or paid separately for investment advice, brokerage and other services.

Your Financial Professional may get paid a higher percentage of the Program Fee depending upon the managed accounts program(s) you select. Therefore, your Financial Professional 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 Professionals regarding the Program and related services.

Financial Professionals 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.

Linking Programs/Accounts

If you have an AdvisorFlex Program and other accounts within the Program with the same taxpayer identification number and/or home mailing address, you may link those Programs/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 Programs/Accounts on a quarterly basis. The accounts do not need to be within the same managed accounts program. This linking is only available if you elect to have the AdvisorFlex Program Fee deducted from a non-qualified brokerage or managed account.

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 (ERISA), 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.

Factors to Consider in Assessing AdvisorFlex Program Costs

There are a number of factors to consider when assessing the costs of the AdvisorFlex Program. These factors include:

- The combination of investment advisory, custodial and related services and the Contract available through the AdvisorFlex Program may not be available separately.
- The source of investible assets and the time period for which you have held the assets could

affect whether the assets are included in the Program Fee calculation.

- Whether you have previously paid a sales load to Thrivent or its affiliates within a 24-month period prior to enrollment in the AdvisorFlex Program.
- Whether you have paid a surrender charge to Thrivent or its affiliates immediately prior to enrolling in the AdvisorFlex Program.

Is the Program Appropriate for You?

Your Financial Professional and/or Thrivent may recommend to you one or more programs. The decision to select one or more managed accounts programs is solely yours. Discuss, among other things, the following with your Financial Professional to determine if the recommended program is appropriate for you:

- Whether it is more advantageous for you to enroll in the AdvisorFlex Program or to pay separately for other products or services that may not offer the combination of investment advisory, custodial and brokerage services and investment product offerings as part of the Program.
- The cost, potential benefits and potential risks of the AdvisorFlex Program.
- Your investment objectives and the complexity of your investment strategy.
- 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 the Fixed Account.
- Your desire for diversification across Subaccount(s).
- The frequency with which you expect to trade in your Subaccount(s).
- Your anticipated use of other services and features specific to AdvisorFlex.
- The payment preference of an asset-based fee for ongoing investment advice and other related services compared to a commissioned-based variable annuity.

At any time, a Contract can vary greatly in the size, number and diversity of the Subaccounts 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 in the Fixed Account, for an extended period of time, you should consider other Contract options (i.e., investing in a commissioned-based variable annuity) that may be more economically advantageous for you.

Your Financial Professional receives training related to offering and servicing accounts in the AdvisorFlex Program. Training includes understanding factors relative to client needs and the suitability of product and service recommendations, expected trading or transaction frequency, fee preference (e.g., asset-based fee or a commission-based fee arrangement), and desire for ongoing investment advice.

Item 5—Account Requirements and Types of Clients

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

Certain types of registrations may not be available through the AdvisorFlex Program, including certain tax-qualified retirement plans subject to ERISA. In limited circumstances and in its sole discretion, Thrivent may permit you to hold a non-qualified retirement plan within the AdvisorFlex Program subject to certain requirements, including Thrivent's receipt of appropriate plan certification and other relevant documentation.

The minimum initial investment amount for the AdvisorFlex Program is \$100,000. In some instances, Financial Professionals may set higher minimum investment requirements for their clients than listed in this Brochure. You may be eligible to participate in the AdvisorFlex Program below the initial minimum investment in the event that Thrivent Financial waives the initial payment requirement for the Contract.

Margin accounts are not available within the AdvisorFlex Program.

If you decide to participate in the Program, you will sign a Client Agreement, which will govern your participation in the AdvisorFlex Program, and the Thrivent AdvisorFlex Variable Annuity application to establish an annuity contract with Thrivent Financial.

Item 6—Portfolio Manager Selection and Evaluation

Your Financial Professional may use a variety of methods and resources to develop a recommended asset allocation strategy for the Subaccounts and Fixed Account assets within your Contract. The resources utilized may include research services that your Financial Professional obtained through an agreement with a third-party provider. Thrivent does not directly contract with unaffiliated third-party research providers for this purpose. Your Financial Professional is expected to conduct adequate due diligence of these providers and for all recommendations made to you. Ask your Financial Professional about any third-party providers used to help provide investment recommendations for you in the AdvisorFlex Program. 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.

Conflicts of Interest Related to Portfolio Manager Selection and Evaluation

Thrivent Financial Subaccounts are among the Subaccount options available in the Contract, as well as non-proprietary portfolio Subaccount options for which the non-proprietary firm pays Thrivent Financial administrative service fees or revenue-sharing fees. Our affiliates will earn advisory and other fees (including revenue-sharing) in connection with Thrivent Financial Subaccounts and certain non-proprietary portfolio Subaccount options. As a result, we may have a conflict of interest when we recommend Subaccounts to you that are advised or issued by us or our affiliates or for which we or our affiliates receive compensation. We will recommend services and investments to you that we believe are appropriate for you. In light of the potential conflict of interests described here, carefully evaluate each recommendation, and also review “**Item 4—Services, Fees and Compensation**” and “**Item 9—Additional Information—Third-Party and Thrivent-Based Financial Incentives**” for more information about these practices.

Risks

Investing involves risks and there is no guarantee that the portfolio Subaccount options will achieve their stated objectives.

Certain products and strategies, including those recommended by your Financial Professional, may present more risk than other strategies due to the nature and/or complexity of the product or strategy.

While fixed income portfolios have traditionally been considered a more conservative investment in comparison to equity portfolios, 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 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 individual prospectuses for the Subaccount options, which contain more complete information on the investment objectives, risks, charges and expenses of the portfolio, which investors should read and consider before investing. Contact your Financial Professional or call 800-847-4836 to obtain prospectuses.

Performance-Based Fees and Side-by-Side Management

Thrivent does not charge performance-based fees for the AdvisorFlex Program.

Voting Client Securities

Thrivent and the 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 shares held in your Subaccount(s). Review the Thrivent AdvisorFlex Managed Variable Annuity™ prospectus for additional information about voting privileges and delivery of proxy materials, reports and other materials relating to the Subaccounts.

Item 7—Client Information Provided to Portfolio Managers

Your Financial Professional will gather information about your financial situation, risk tolerance, time horizon, investment objectives, any reasonable investment restrictions on the management of your Account, and any other relevant information, together with your investor profile (“Investor Profile”). Thrivent and your Financial Professional will not independently verify any information you provide to us. Based on an analysis of the Investor Profile, Thrivent and your Financial Professional will recommend an asset allocation strategy that 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.

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 Manager

You will work with your Financial Professional to discuss your Contract and the asset allocation strategy. Your Financial Professional will generally be available for consultation regarding the AdvisorFlex Program during normal business hours.

Your Financial Professional will make reasonable efforts to conduct a comprehensive review of the asset allocation within your Contract at least annually. This annual review process will include reviewing your Investor Profile, other investment guidelines, and other relevant factors and information that you provide. Based on the assets in your Contract, among other factors, your Financial Professional may recommend changes to your Subaccount options and the Fixed Account assets. You and your Financial Professional may encounter circumstances that may prevent or delay this review from occurring on an annual basis.

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 the Financial Industry Regulatory Authority (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.

Thrivent initiated a review to identify whether eligible customers received certain available sales charge waivers or breakpoint discounts, for the period beginning January 2011 forward. Thrivent subsequently and promptly established a plan of remediation for those identified customers who did not receive appropriate sales charge waivers or available breakpoint discounts and made restitution to such customers. Thrivent entered into a Letter of Acceptance, Waiver and Consent (AWC) with the Financial Regulatory Authority (FINRA), which was issued on August 9, 2018, and in which Thrivent neither admitted nor denied the allegations. FINRA expressly recognized, in the AWC, Thrivent’s extraordinary cooperation in resolving this matter. The AWC alleged that Thrivent violated NASD Rule 3010 and FINRA Rules 3110 and 2010 by failing to reasonably supervise mutual fund sales to ensure eligible customers received the benefit of applicable sales charge waivers and breakpoint discounts. Thrivent consented to a censure in the AWC and will provide FINRA with certain information regarding its established remediation plan for eligible customers.

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. In its capacity as broker-dealer, Thrivent actively markets mutual fund shares, variable insurance contracts and general securities to its clients through its registered professionals. Registered professionals 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 National Financial Services LLC ("NFS"), Member NYSE/SIPC, a Fidelity Investments® company to provide trade execution, clearing services, custody of assets in the Managed Accounts Programs and Thrivent brokerage accounts, and other related services. NFS does not provide clearing or custodial services for assets in the AdvisorFlex Program. Thrivent is not affiliated with NFS.

Thrivent serves as the principal underwriter and distributor of variable products issued by Thrivent Financial.

Thrivent is a wholly owned subsidiary of Thrivent Financial Holdings, Inc., which in turn is a wholly owned subsidiary of Thrivent Financial.² 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 services is provided below.

Thrivent Financial is a financial services membership organization that helps Christians be wise with money and live generously. Thrivent Financial is, in every major aspect, the largest fraternal benefit society in the United States.

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 comes from Thrivent Financial's tax exemption as a not-for-

profit 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 professional, legal advisor 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 and distributor for 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 Insurance Agency, Inc., an indirect, wholly owned subsidiary of Thrivent Financial, 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 and fund administration services to Thrivent Mutual Funds and Thrivent Core Funds. Thrivent Mutual Funds are distributed by Thrivent's registered professionals and Thrivent Distributors, LLC.

Thrivent Advisor Network, LLC is a wholly owned subsidiary of Thrivent Financial and a registered investment adviser providing advisory services to individuals, high net worth individuals, families, trusts, estates, businesses, and retirement plans.

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

²Lutheran 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.

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

It is more profitable for Thrivent and its affiliates to sell products issued by Thrivent Financial and our affiliates than those issued by other companies. As a result, we have a financial incentive to recommend them over other companies' products.

Thrivent Financial will receive fees for providing administrative services in connection with certain of the Subaccounts options available in the Contract.

Thrivent Financial Subaccounts are among the Subaccounts available for purchase in the Contract. 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 Financial Subaccount. 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 programs. Please see information related to this conflict of interest described above in **"Item 4—Services, Fees and Compensation,"** as well as in the Thrivent Managed Accounts Program Brochure.

In connection with the Program (not the AdvisorFlex Program), based on proprietary and certain non-proprietary mutual funds its customers own, Thrivent receives revenue-sharing payments from affiliates and third-party companies. These additional payments compensate Thrivent for distribution, training, marketing and sales support services. This additional compensation is not paid to any Financial Professional. 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.

Thrivent and third-party companies pay for some events during which Financial Professionals learn about products and services offered by Thrivent or its affiliate. Costs cover, but are not limited to, training materials, travel, lodging and meals. They also pay for certain educational events for clients or prospective

clients. Costs include, but are not limited to, room rental, presentation materials, meals, entertainment/leisure outings and promotional gifts.

In some instances, Thrivent and its affiliates pay a Financial Professional additional compensation in the form of a cash bonus, sales award or a higher proportion of fees. This additional compensation is based on the number of the Financial Professional's new clients who become Thrivent Financial members because the clients bought a membership-eligible product and/or their sales volume of specific products and services.

Financial Professionals may be eligible to receive compensation from Thrivent Financial to support their marketing efforts. This compensation is based in part on the number of the Financial Professional's new clients who become Thrivent Financial members because they bought a membership-eligible product and/or their sales volume of specific products and services.

Financial Professionals may be eligible to receive non-cash compensation (e.g., attend sales conferences and other recognition events). Receipt of non-cash compensation is based on the number of the Financial Professional's new clients who become Thrivent Financial members because the clients bought a membership-eligible product and/or the amount of "new money" brought into the firm because a client or member purchased certain products and services, including annuities, variable life insurance products, mutual funds, other securities, engaged in financial planning services, and/or a Financial Professional refers trust services to a client or member.

Thrivent Financial may provide Financial Professionals subsidized retirement benefits and subsidized insurance benefits based on commissions they receive. Certain Financial Professionals who are not eligible for retirement or insurance benefits may receive a proportionately higher commission.

Thrivent Financial or its affiliates also pay additional compensation to certain Financial Professionals for training and coaching other Financial Professionals on specific products and services that we offer, and on practice management. A portion of this compensation may be based on incremental sales of these products and services sold by the Financial Professionals receiving the training.

Some Financial Professionals may elect to take out a loan from Thrivent Financial to invest in their practice. They may receive partial loan forgiveness if they exceed their expected sales of life and health insurance products.

Certain Financial Professionals are eligible to receive a cash bonus from their team practice based on what is earned by the whole team. This bonus is not taken out of your payments toward your retirement investment.

Field management personnel, who supervise and coach Financial Professionals, are paid when Financial Professionals sell products. Some Thrivent Financial corporate employees also are paid because they provide related training and support.

NFS provides Thrivent a business credit based on the total amount of assets in the Programs.

While Thrivent and its Financial Professionals 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 ("Thrivent Code") establishes the standards of business conduct required by all individuals involved in its investment advisory business. The Thrivent Code sets forth business conduct principles regarding compliance with laws and regulations, fiduciary duty of investment advisers, conflicts of interest, personal securities transactions, and confidentiality.

Thrivent will provide a copy of the Thrivent 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) is 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 AdvisorFlex Program) that may differ from the advice given or the timing or the nature of any action taken with respect to you. In addition, Thrivent may, but is not obligated to, purchase or sell, or recommend for purchase or sell, shares within your Subaccount that Thrivent or any of its affiliates may purchase or sell for any other client. All client trade orders are submitted to Thrivent Financial for execution on an agency basis. Thrivent Financial may, however, execute trade corrections and trade adjustments when necessary.

Review of Accounts

Thrivent periodically reviews Subaccount allocations for the program. Reviews may include, but are not limited to:

- Certain types of transaction activity, or lack thereof.
- Subaccount options relative to your financial status and investment objectives.
- Value of your Contract (or combined value of your household Contracts/managed accounts) relative to the maximum program fee.

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 AdvisorFlex Program, you can expect to receive regular reports and other materials as discussed above in **"Item 4—Services, Fees and Compensation—Program Reviews and Reports."** These materials include quarterly statements and performance reports. Your statements will be sent by Thrivent Financial. You will also receive statements from NFS if your Program Fee is deducted from a Thrivent brokerage or managed account.

Client Referrals and Other Compensation

Thrivent and its Financial Professionals engage unaffiliated third parties to solicit investment advisory services to prospective new clients. These solicitors are paid a cash fee for the referral. The terms of this referral arrangement are disclosed to the prospective client. You will not be charged an additional fee as a result of any referral arrangements.

In addition, a Thrivent Financial Professional who refers you to another Thrivent Financial Professional 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 Financial Professional making the referral is appropriately licensed and state registered. Any payments to the Financial Professional making a referral will not increase the AdvisorFlex Program Fee.

In addition, and separate from the above-referenced arrangement, Thrivent Trust Company can compensate Financial Professionals for referring you to Thrivent Trust Company for its professional personal trust, estate 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 held with Thrivent Trust Company.

In another separate arrangement, InFaith Community Foundation partners with Thrivent Distributors, LLC, the underwriter and distributor for Thrivent Mutual Funds, and pays your Financial Professional for his or her work in bringing donor gifts to InFaith Community Foundation to the extent these donor gifts are invested in Thrivent Mutual Funds. This fee does not increase cost of the product to you. InFaith is independent of Thrivent Financial and Thrivent's Financial Professionals. InFaith is not an affiliate of Thrivent.

Financial Information

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

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



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