

# Thrivent Mid Cap Value Portfolio

**Ticker:** QTMCVX

**Inception:** April 29, 2020

**Objective:** Thrivent Mid Cap Value Portfolio seeks long-term capital growth.

## Portfolio key points

Thrivent Mid Cap Value Portfolio seeks to invest in midsize companies that offer attractive risk-reward characteristics.

### Experienced management

Graham Wong, the portfolio manager of the Portfolio, has been either an analyst or portfolio manager focusing on value investing since 2001. He has an experienced team of fundamental and quantitative research analysts supporting the Portfolio. The team seeks consistent performance by investing in high quality firms that generate economic profit and have solid competitive positions along with experienced leadership teams.

### Identifying catalysts for outperformance

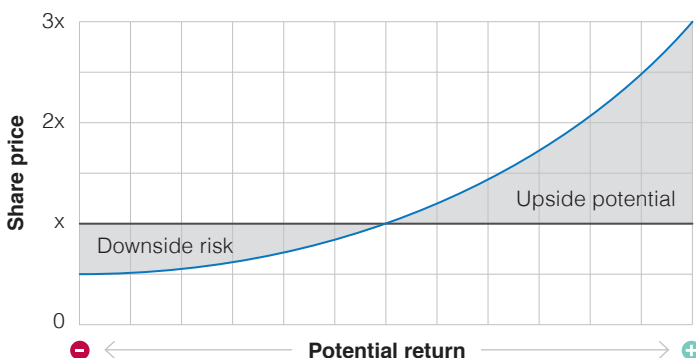
The management team focuses on valuation, operating performance and market sentiment to find attractive investment opportunities. The team seeks to identify companies with exposure to catalysts that can drive performance in excess of industry consensus expectations.

### Dive deep on company fundamentals

The investment team analyzes each company's financial statements and regulatory filings. They combine that research with in-depth analysis of each company's business, prospects, and market opportunity to get a complete picture of the stocks' risk and reward potential.

## Balancing risk and return

### Hypothetical stock — Potential risk and return



The management team wants to invest in companies that offer an asymmetrical relationship between risk and return. That means they are looking for stocks that have significantly more upside potential than downside risk according to their analysis. They work to uncover these companies by doing extensive modeling with different scenarios to the downside as well as to upside. The companies that offer two or three times the upside potential to the downside risk are the companies the Portfolio wants to invest in.

The graph to the left provides a hypothetical example of a stock that may offer more upside potential than downside risk.

## Management



**Graham Wong, CFA**  
 Senior Portfolio Manager  
 Industry since: 2001  
 Thrivent since: 2013  
 Portfolio since: 2020

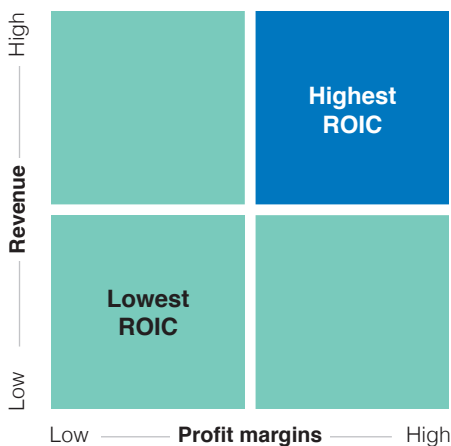
“Our investment approach is to invest in companies that have stable or improving return on invested capital, are fundamentally solid, and offer materially more upside potential than downside risk based on our scenario modeling.”

## Operating performance dynamics

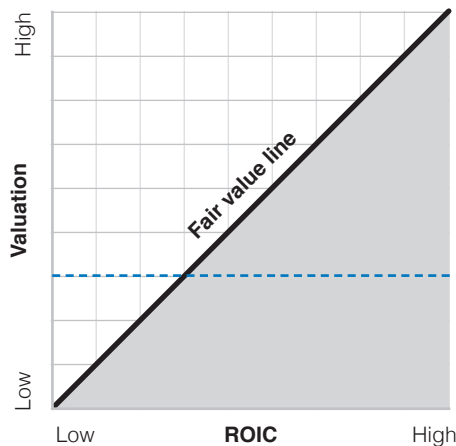
The management team seeks to identify companies with stable or increasing operating performance, defined by return on invested capital (ROIC). Company ROIC is impacted by two main factors—revenue (sales per capital) and profit margins (profit per sales)—that management focuses on in order to

analyze how companies could improve their ROIC. The analysis continues by considering ROIC in the context of a company’s valuation. Portfolio management considers the possibility that a company with higher ROIC could have a higher valuation.

### Key Return Levers



### Critical Analysis



- › Return on invested capital (ROIC) is a measure of operating performance—a ratio of a company’s profitability over its capital. It measures how well the company utilizes capital.
- › Management seeks opportunities in the gray space below the fair value line, while other value managers may only focus on low valuations below the dotted line.

Risks: Medium-sized companies often have greater price volatility, lower trading volume, and less liquidity than larger, more established companies. The Portfolio’s value is influenced by factors impacting the overall market, certain asset classes, certain investment styles, and specific issuers. Markets may also be impacted by domestic or global events, including public health threats, terrorism, natural disasters or similar events. The Adviser’s assessment of investments may prove incorrect, resulting in losses or poor performance. These and other risks are described in the prospectus.

The Portfolio is only available to the public through a variable life or variable annuity product. Contact the applicable insurance company for more information and a contract prospectus which will include information on the additional charges and fees that apply to the specific contract.

**Before investing, investors should consider carefully the investment objectives, risks, charges and expenses of a portfolio and the variable insurance product. This and other important information is contained in the portfolio and variable insurance product prospectuses, which may be obtained from a financial professional or by contacting the applicable insurance company. Read them carefully before investing.**

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