

Thrivent Partner Healthcare Portfolio

Ticker: QTHCPX

Inception: April 30, 2008

Objective: Thrivent Partner Healthcare Portfolio seeks long-term capital growth.

Subadvised by BlackRock

Portfolio key points

Thrivent Partner Healthcare Portfolio gives investors access to potential long-term global growth themes through dynamic healthcare investing by industry experts.

Scientific research

The portfolio management team has an average of 20 years of experience in scientific research, medicine and investing with three Ph.D.'s (in biochemistry, chemistry, and molecular medicine), three M.B.A.'s, and one M.D. in internal medicine. The team regularly attends medical conferences and they study clinical trial data/designs and conducts field checks with physicians.

Fundamental process

Ideas are generated through fundamental research of healthcare industries and companies with a heavy emphasis on company interactions: 1,000 or more company meetings per year (in-house, conferences, and by phone). The team conducts regular due diligence meetings with physicians to assess actual market demand.

Diversification

The Portfolio strives to maintain balanced exposure to four main industry groups: Biotech, Pharmaceuticals, Medical Devices and Healthcare Providers & Services. The Portfolio has an investable universe of about 1,000 companies globally with exposure to all cap sizes (small, mid, and large cap companies). The Portfolio will typically hold between 70 and 120 positions.

Investment process

Sub-industry research & analysis	Company research & analysis	Stock selection	Portfolio construction
<ul style="list-style-type: none"> Team analyzes healthcare industry groups on an ongoing basis Key assessments are made to generate investment ideas Provide context for company analysis 	<ul style="list-style-type: none"> Evaluate investment potential through in-depth fundamental analysis Determine upside/downside potential Extensive company interaction across sector In-depth due diligence with physicians and peer companies 	<ul style="list-style-type: none"> Leverage portfolio manager stock picking skills Strong and/or improving industry or company fundamental trends Valuation Collaborative process between analyst and portfolio manager 	<ul style="list-style-type: none"> Active risk exposures are based on bottom-up fundamental and company research Risk mitigated via diversification – industry, market cap, country, investment style, amongst others

Risk management

The team utilizes BlackRock's Risk and Quantitative Analysis team and BlackRock's proprietary Aladdin® system for risk and scenario analysis, attribution and hedging.

Management



Erin Xie, Ph.D.
 Managing Director
 BlackRock Health Science
 Industry since: 1999
 BlackRock since: 2001
 Portfolio since: 2017



Xiang Liu, Ph.D.
 Director
 BlackRock Health Science
 Industry since: 2001
 BlackRock since: 2008
 Portfolio since: 2008



Jeff Lee
 Director
 BlackRock Health Science
 Industry since: 2004
 BlackRock since: 2011
 Portfolio since: 2011

BlackRock is the world's largest asset manager guiding individuals, financial professionals and institutions in building better financial futures. BlackRock has been managing this strategy since 2000 and Erin Xie has been a portfolio manager on the strategy since 2003.



Why Healthcare?

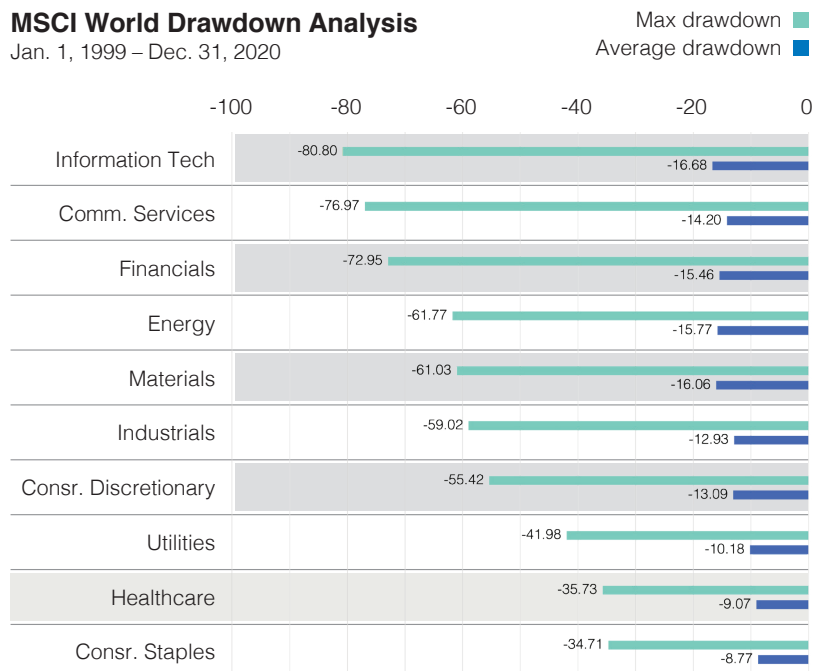
The Healthcare sector typically outperforms during late cycle environments and shows low sensitivity to global growth.

The graph to the right shows the max and average drawdown for different sectors. Drawdown measures the peak-to-trough decline during a specific period. This can provide insight into how well these sectors performed during historical down markets.

There is demand from a growing aging population that provides long-term support for the broader sector and this transpires into increased spending on healthcare.

MSCI World Drawdown Analysis

Jan. 1, 1999 – Dec. 31, 2020



Source: Morningstar

Risks: Healthcare companies are subject to numerous risks including legislative or regulatory changes and adverse market conditions. The Portfolio's value is influenced by a number of factors, including the performance of the broader market, and risks specific to the Portfolio's asset classes, investment styles, and issuers. Small- and medium-sized companies often have greater price volatility and less liquidity than larger companies. 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. Foreign investments involve additional risks, such as currency fluctuations and political, economic and market instability, which may be magnified for investments in emerging markets. 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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