THRIVENT
VARIABLE PORTFOLIOS

# THRIVENT LIMITED MATURITY BOND PORTFOLIO

## Portfolio key points

**Thrivent Limited Maturity Bond Portfolio** is a short-term, diversified fixed-income strategy that invests across multiple sectors in predominantly high quality bonds.

### Broad diversification

Most holdings are in higher quality categories like investment-grade corporates, securitized debt and U.S. Treasuries, but the broad diversification of this strategy allows for additional select investments in higher yielding securities that may add incremental yield to the Portfolio while minimally increasing volatility.

### Low sensitivity to rate changes

The management team invests primarily in securities with an average life of five years or less, which makes the Portfolio less sensitive to changes in interest rates. The Portfolio can also own some longer duration securities, pairing them with Treasury futures to potentially hedge away the excess interest rate risk while leaving the incremental yield, which is net of the cost of the futures contracts.

### Treasury futures utilization

Treasury futures can be used to help position the Portfolio with respect to fluctuations in interest rates and changes to the yield curve, potentially allowing the Portfolio to take advantage of the price dynamics associated with a flattening or steepening yield curve without changing the desired overall duration.

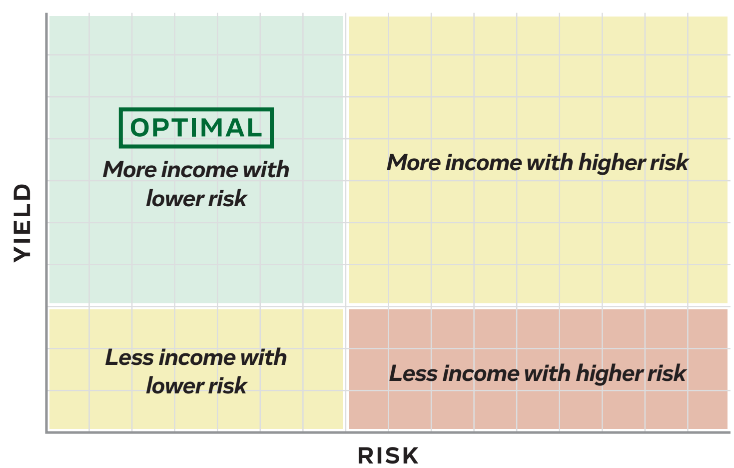
## Optimizing yield per unit of risk

**FOCUS ON BOTH YIELD AND RISK**

As with most things in life, it is difficult to get something for nothing. This is certainly true when it comes to the income generated by a bond portfolio.

Income is typically limited by the level of risk taken, whether risk is measured by price volatility, interest rate or credit exposure.

> *Our management team strives to manage Thrivent Limited Maturity Bond Portfolio in a way that optimizes the level of income for a given level of risk. The goal is to generate the highest income possible for a given level of risk.*



**INCEPTION:** November 30, 2001

**OBJECTIVE:** The Portfolio seeks a high level of current income consistent with stability of principal.

## Management

**Michael G. Landreville, CFA**
Senior Portfolio Manager
Industry since: 1983
Thrivent since: 1983
Portfolio since: 1999

**Gregory R. Anderson, CFA**
Senior Portfolio Manager
Industry since: 1993
Thrivent since: 1997
Portfolio since: 2005

> *"Having a broadly diversified portfolio gives us the opportunity to add some higher yielding securities that can help boost the yield while only slightly increasing volatility."*

## Hypothetical examples: how the Portfolio uses treasury futures

Treasury futures are derivatives that track the prices of specific U.S. Treasury securities, providing exposure to that security for a nominal deposit. Shorting a Treasury future provides the opposite exposure—for example, if the value of the tracked Treasury security rises, the value of the short Treasury future will fall. Below are two examples of how the Portfolio uses Treasury futures. Keep in mind that the prices of futures contracts can be highly volatile and the loss from investing in them can exceed the initial investment.

### POTENTIALLY ENHANCING YIELD

- *By owning Bond A and shorting the Treasury future, a synthetic bond is initially created with higher yield than and equal duration to Bond B.*

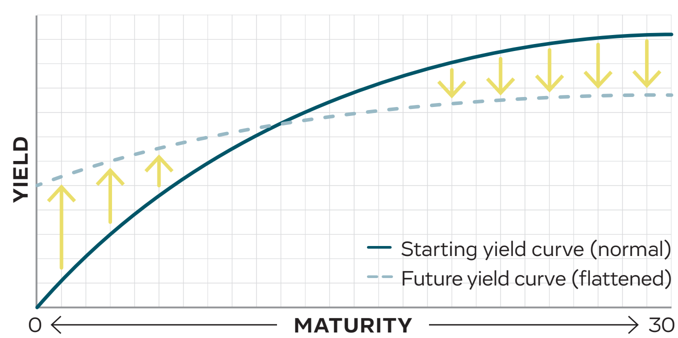
  *Utilizing futures allows the Portfolio to hold longer duration corporates and potentially hedge out the interest rate risk, leaving only the spread.*

| | Bond A | – | Treasury Future | = | Synthetic Bond | Bond B |
|---|---|---|---|---|---|---|
| Duration | 7.5 | - | 5.0 | = | 2.5 | 2.5 |
| Yield | 3.5 | - | 1.0 | = | 2.5 | 2.0 |

***50 bps yield advantage over Bond B***

### YIELD CURVE POSITIONING

- *When the curve is flattening, the Portfolio could use Treasury futures to lessen exposure to the front end of the curve and increase exposure on the long end, taking advantage of the changing price dynamics, while maintaining the desired duration target.*




***Charts are for informational purposes only and do not reflect the performance of any specific portfolio or security.***

**Risks:** The Portfolio primarily invests in investment-grade debt securities. The value of the Portfolio is influenced by factors impacting the overall market, debt securities in particular, and specific issuers. The Portfolio may incur losses due to investments that do not perform as anticipated by the investment adviser. Bond prices may decline during periods of rising interest rates. Credit risk is the risk that an issuer of a debt security may not pay its debt. The value of mortgage-related and other asset-backed securities will be influenced by the factors affecting the housing market and the assets underlying such securities. Preferred securities are subject to risks such as credit and liquidity risk. Foreign investments involve additional risks, including currency fluctuations, liquidity, political, economic and market instability, and different legal and accounting standards. Quantitative investing uses models and factors that rely on historical data and may be incomplete. The prices of futures contracts can be highly volatile and the loss from investing in them can exceed the initial investment. Collateralized debt obligations are subject to additional risks. In periods when dealer inventories of bonds are low in relation to market size, there is the potential for decreased liquidity and increased price volatility in the fixed income markets. These and other risks are described in the Portfolio's prospectus.

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

***Investing involves risks, including the possible loss of principal. The prospectus and summary prospectus contain more complete information on the investment objectives, risks, charges and expenses of the portfolio, and other information, which investors should read and consider carefully before investing. Prospectuses are available at ThriventPortfolios.com or by calling 800-847-4836.***

THRIVENT VARIABLE PORTFOLIOS®

The principal underwriter for Thrivent Variable Portfolios, the marketing name for Thrivent Series Fund, Inc., is Thrivent Distributors, LLC, a registered broker/dealer and member of FINRA and SIPC. Thrivent Financial for Lutherans, an SEC-registered investment adviser, serves as the investment adviser. Thrivent Distributors, LLC is a subsidiary of Thrivent Financial for Lutherans.