Asset Management

Thrivent Short-Term Bond Portfolio

Ticker QTLMBX
Inception Nov. 30, 2001
Objective The Portfolio seeks a high level of current income consistent with stability of principal.

Portfolio key points

Thrivent Short-Term 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 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

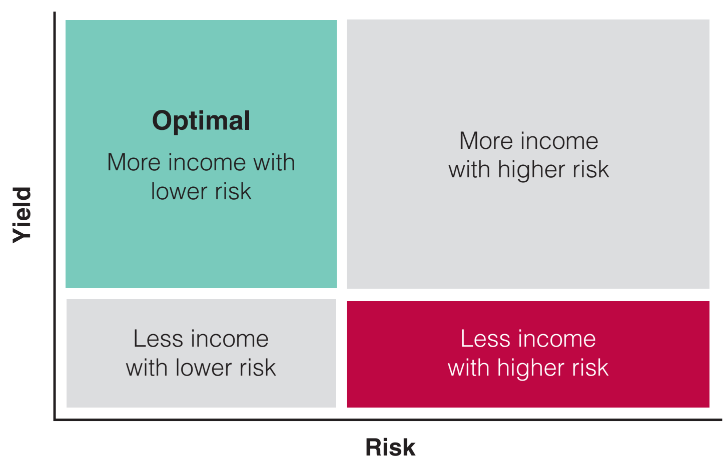
Treasury futures can be used to help position the Portfolio with respect to fluctuations in interest rates and changes to the yield curve, potentially allowing the Portfolio to take advantage of the price dynamics associated with a flattening or steepening yield curve without changing the desired overall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

Optimizing yield per unit of risk

Focus on both yield and risk

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 the Thrivent Short-Term 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.



Prior to 04/30/2025, the portfolio was named Thrivent Limited Maturity Bond Portfolio.

Management

Cortney L. Swensen, CFA
Senior Portfolio Manager
Industry since: 2005
Thrivent since: 2011
Portfolio since: 2020

Jon-Paul (J.P.) Gagne
Senior Portfolio Manager
Industry since: 2004
Thrivent since: 2018
Portfolio since: 2021

"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.

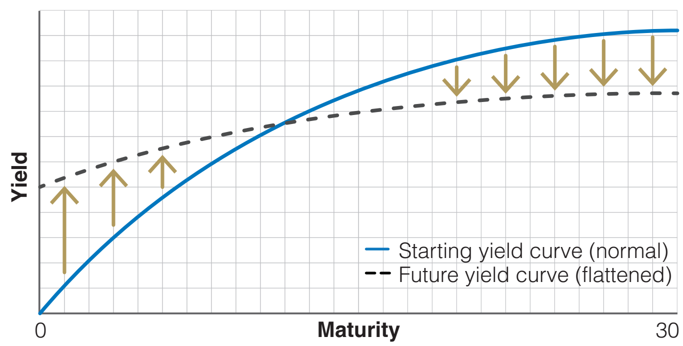
Utilizing futures allows the Portfolio to hold longer duration corporates and potentially hedge out the interest rate risk, leaving only the spread.

	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: U.S. government securities may not be fully guaranteed by the U.S. government and issues may not have the funds to meet their payment obligations. The value of U.S. government securities may be affected by changes in credit ratings, which may be negatively impacted by rising national 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. In addition to typical risks associated with fixed income and asset-backed securities, collateralized debt obligations are subject to additional risks. Debt securities are subject to risks such as declining prices during periods of rising interest rates and credit risk, or the risk that an issuer may not pay its debt. The use of futures contracts involves additional risks such as a loss in value in the underlying instrument, which could decrease the Portfolio's value. High yield securities are subject to increased credit risk as well as liquidity risk. The Adviser's assessment of investments may prove incorrect, resulting in losses or poor performance. The Portfolio's value is influenced by a number of factors, including the performance of the broader market, and may also be affected by factors specific to an issuer. When bond inventories are low in relation to the market size, there is the potential for decreased liquidity and increased price volatility. 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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