Your Guide to Annuities

Your path to an enjoyable retirement

How annuities can best complement your investment strategy

You deserve a financial strategy that you feel confident about—Thrivent is here to help. Annuities can help eliminate the guesswork by creating a reliable retirement income stream that can last as long as you live. Imagine what that could mean in order to live the life you want down the road.

Annuities are a great way to complement some of your current investments like a 401(k), as assets in an annuity can be converted to a guaranteed income stream for your retirement.

An annuity is a contract between you and an insurance company to cover specific goals, like helping you accumulate money for retirement through tax deferral, providing guaranteed income, or both. Essentially, annuities are designed to be both a savings vehicle and a source of retirement income. The following is Thrivent's guide to help you understand annuities, as you continue to plan for an enjoyable retirement

"We believe that annuities can be a potent strategy and complementary income source in any investor's retirement plan. By providing a steady and guaranteed income stream for the future, a Thrivent annuity is a great way to help with your long-term needs."

—Mike DeKoning, Senior Vice President, Insurance & Wealth Management Solutions

The two stages of retirement planning.

Stage 1
Accumulate assets for retirement

Stage 2
Help ensure assets last through retirement

Annuities can help provide financial security in each of these stages.

When do you need income?

Answering that question is your first step

Current need

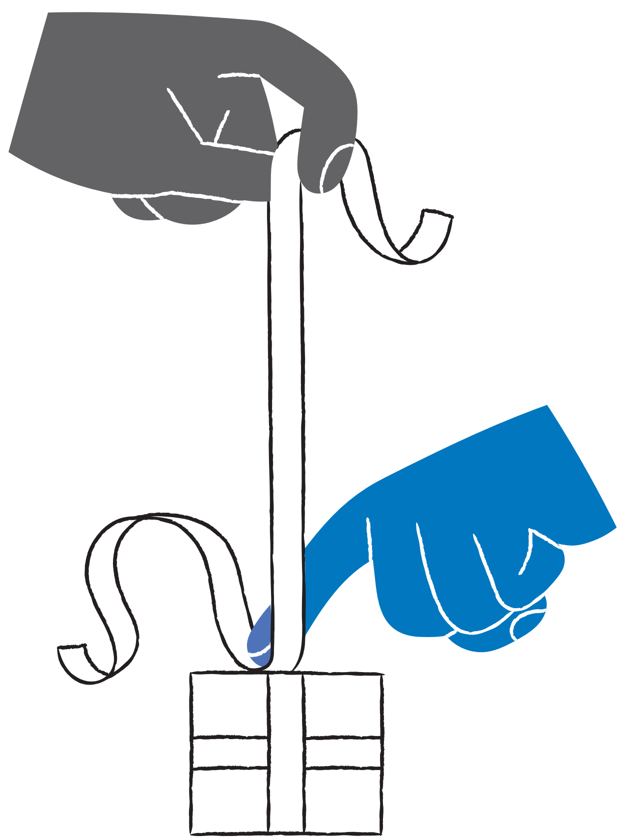
Immediate annuities require a lump-sum premium payment from you with an agreement from your insurance company to make payments back to you, either over a fixed number of years or the remainder of your life. These types of annuities pay out as soon as you make your premium payment, which is why they are often considered by clients who are close to retirement or retired, while looking for an immediate source of income.

Your individual payment schedule depends on several factors, including:

1. When you purchase the annuity.
2. What your life expectancy is when you purchase the annuity.
3. How much money you place into the annuity.

Future need

On the other hand, **deferred annuities** are designed for clients who value tax deferral and are looking to receive income later in life. These types of annuities are known as deferred annuities because you are allowing your money to be invested, growing tax-deferred before taking income (with a variable annuity, depending on your investment choices, the value of your annuity may go down). Deferred annuities are purchased with a single lump-sum premium or an initial premium with a series of subsequent premiums. Clients who still have a while to go until retirement generally consider these to be the right product.



Tailored guidance for your future

How different annuities can help you differently

Within both categories (immediate and deferred), annuities can also be either fixed, variable or fixed indexed.

- **Fixed:** Your value grows at a guaranteed minimum interest rate. While other investments may fluctuate, a fixed annuity is steady, providing you payments in a consistent amount. However, they may not keep pace with inflation. This option has the least risk and is the most predictable.
- **Variable:** Your premium is invested into a variety of investment options. The value of your annuity and future payments will depend on the performance of the underlying investments selected and could lose principal. Variable annuities are typically suited for people who are comfortable investing in the markets.
- **Fixed indexed:** Your interest is based on the performance of an underlying index. If the index increases, your annuity value will go up, limited to a cap on the interest. Your annuity value will never decrease due to market downturns. Fixed indexed annuities provide more growth potential than a fixed annuity along with less risk than a variable annuity.

How different annuities could support you in retirement

Product Type	Guarantees fixed interest rates	Ability to invest in the market	Income payments may begin right away	Access to money[2]	Option to elect a stream of income guaranteed for life	Premium protection	Tax deferral
Variable Deferred Annuities	X[1]	X		X	X		X
Fixed Deferred Annuities	X			X	X	X	X
Immediate Income Annuities	X		X	X	X	X	

[1]The variable annuity includes a fixed account option with a guaranteed interest rate.

[2]May be subject to a surrender charge.

Complementing your financial strategy

Why buy an annuity?

Get the support and resources you need to focus on what's important to you. Thrivent understands as times change, it's essential to be aware of all of the potential ways you can help secure your financial future.

Annuities are a good way to complement your current retirement plan—they're also an excellent way to create your financial foundation. Here are some of the advantages that annuities offer:

- **Lifetime income payout:** An important benefit that only an annuity can provide, helps to alleviate the fear of outliving your income.
- **Tax deferral:** Annuities are tax-deferred, which means taxes are not due until you begin receiving income payouts or make withdrawals, usually after you retire. This allows your investment to grow without being reduced by tax payments. Be aware that with a variable annuity, depending on your investment choices, the value of your annuity may go down. See the next page for more information about tax advantages and considerations of annuities.
- **Death benefit:** If you die before you receive your lifetime income (or any payout option), annuities provide a death benefit that guarantees your beneficiaries will never receive less than the amount contributed to the contract, less any withdrawals or fees.

Types of Thrivent annuities

There are a variety of annuities available at Thrivent—your financial advisor can discuss the benefits of each of them in greater detail with you. They include:

Immediate

- Single Premium Immediate Annuity

Deferred

- Retirement Choice Variable Annuity
- AdvisorFlex Variable Annuity
- Future Reserve Deferred Income Annuity
- Security Preference Fixed Indexed Annuity
- Secure Retirement Builder Fixed Indexed Annuity
- Security One Fixed Annuity
- Security Plus Fixed Annuity

Tax advantages

If you purchase an annuity with after-tax dollars (savings account, inheritance or bonus) a portion of the income you receive from your annuity will be a nontaxable return of your premium. Or, if you purchase an annuity with pre-tax dollars (IRA rollover or 401 (k)), all the income you receive will be taxable.

For deferred annuities, the power of tax deferral allows any earnings to grow faster because they will compound without current income tax. Whether you purchase your annuity with after-tax or pretax dollars, you have the benefit of tax-deferred compounding. Earnings are taxed at ordinary income rates.

Tax considerations of annuities:

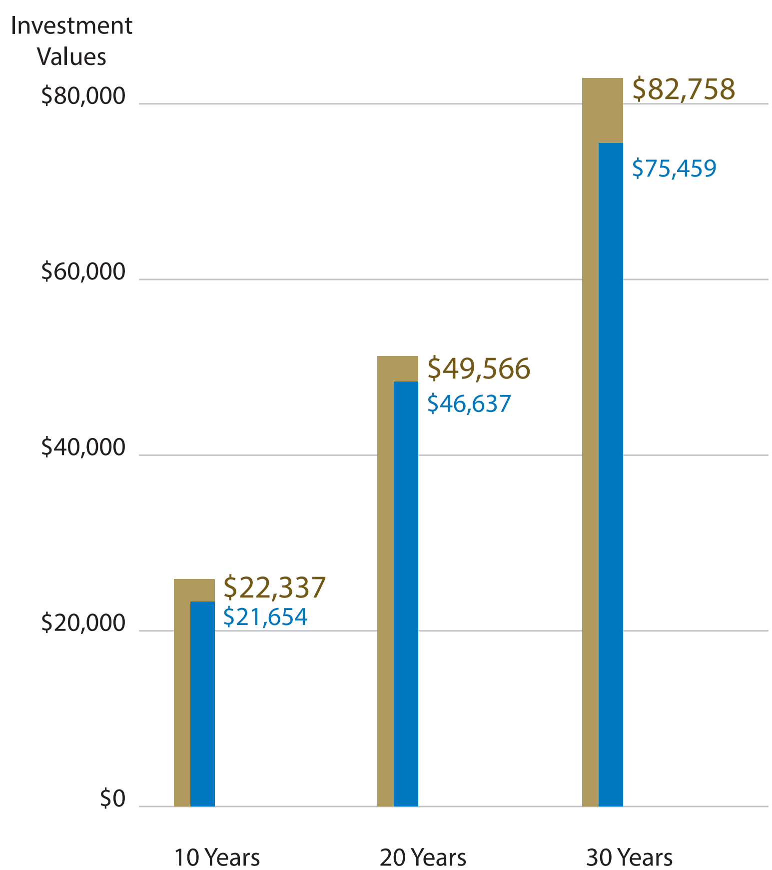
Although annuities generally allow your investment to be held on a tax-deferred basis, you should be aware of certain tax considerations before you purchase an annuity. For example: Withdrawals from annuities, including partial withdrawals and surrenders, may be taxable. If you take a withdrawal before age 59½ you may have to pay a 10% penalty to the IRS on the amount of the gain withdrawn, in addition to your normal income tax, and possibly surrender charges.

How tax deferral works

If you invest $2,000 a year for 30 years with an annual return of 2%, you'll see a difference between what you would earn in a tax-deferred account and one that's taxed every year. Assuming you fall into the 28% tax bracket, the earnings in the regularly taxed account would total $75,459. The earnings in your tax-deferred account, however, would have grown to $82,758, or over a $7,000 difference on the $60,000 investment.

Taxed account
Tax-deferred account

This is a hypothetical example for illustrative purposes only.



Foundation of guaranteed income

Is an annuity right for you right now?

At Thrivent, we prioritize your best interest. Most of life comes down to timing—the same can be said for financial investing. Making your retirement income last for as long as you live is of the utmost importance to both you and us. Guaranteed lifetime retirement income is a valuable benefit that an annuity can provide.

Think of it this way, an annuity is a contract that:

1. Is part of your personal retirement strategy.
2. Can provide an income you can't outlive.
3. Has the potential for your money to grow faster, because taxes on earnings aren't due until withdrawals begin.

Life expectancies of 65-year olds

	50% chance of living to age	25% chance of living to age
Men	90 years	96 years
Women	92 years	98 years
Couples (At least one spouse will live to the ages shown.)	96 years	100 years

Source: Society of Actuaries RP 2012 Individual Annuity Mortality Basic Table projected for mortality improvement from 2012-2018.

Familiarize yourself with annuity terminology

- **Accumulation phase:** Time period when your assets can build for retirement.
- **Accumulated value:** Amount of money in your contract. It's made up of your premium plus any earnings, less charges and withdrawals.
- **Annuitant:** The person's life expectancy that is used to help determine the dollar amount of annuity income.
- **Annuitization:** Conversion of the accumulated value of an annuity into a stream of income, either for one or more lifetimes, or for a specific period of time.
- **Cash surrender value:** Amount that can be withdrawn from the contract after the deduction of any surrender charge.
- **Contract date or issue date:** The date an annuity contract becomes effective.
- **Distribution or withdrawal phase:** Time period when you choose to start taking withdrawals or payouts from the annuity.
- **Free-look period:** A specified number of days during which an annuity contractholder may revoke the contract purchase.
- **Guarantee period:** The period during which the level of interest credited under a fixed annuity or fixed investment option within an annuity is guaranteed.
- **Issuer:** The insurance company that issues the annuity contract.
- **Owner:** Person who owns and controls the annuity contract, typically the owner and annuitant are the same.
- **Partial surrender:** The withdrawal of an amount less than the entire cash surrender value of the contract.
- **Subaccount:** The investment portfolios offered in a variable annuity. They allow you to invest in a variety of investment types. Subaccount returns are not guaranteed, and you can lose money.
- **Surrender charge:** A fee you will pay if you cancel your annuity contract or withdraw money within a specific time period. This generally is a descending fee that is reduced each year as the contract approaches the end of the Surrender Charge Period.
- **Surrender charge period:** The number of years where a charge may apply to withdrawals from your annuity contract.
- **Withdrawals:** Distributions from an annuity other than annuity payouts.
- **Withdrawals or payout options:** Different ways by which a contract owner can receive income from an annuity. These include a lump-sum payment, systematic withdrawals and annuitization.

Strong and stable

For over 100 years, Thrivent has helped people build their financial futures and live more generous lives. Today, we're a Fortune 500 company, offering a full range of expert financial solutions, serving more than 2 million clients, as well as the communities in which they live and work.

Rated by:

AM Best, Moody's Investors Service and S&P Global Ratings[1]

100 out of 100
Comdex Ranking

Highest possible ranking for insurance companies
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[1]Ratings are based on Thrivent's financial strength and claims-paying ability. Does not apply to investment product performance. For information on each rating, visit the individual rating agency's website. The rating also refers only to the overall financial status of the company and is not a recommendation of the specific policy provisions, rates or practices of the insurance company.
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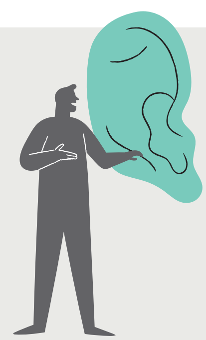
Find out more about annuity products so you can be better prepared to live the retirement of your dreams.

Don't have a financial advisor yet?

Contact us at 800-847-4836 or visit Thrivent.com



If you would like a free buyer's guide for more details, please call 800-847-4836.
Guarantees are based on the financial strength and claims-paying ability of Thrivent.
Fixed annuities are intended to be long-term investments, particularly for retirement. Product availability and features may vary by state.
Variable annuities are long-term investment vehicles designed for retirement. The value of the annuity is subject to market risk, including the potential loss of principal.
Withdrawals and surrenders will decrease the value of your annuity and, subsequently, the income you receive. Any withdrawals in excess of 10% may be subject to a surrender charge. The taxable portion of each annuity distribution is subject to income taxation. Withdrawals made prior to the age of 59½ may be subject to a 10% federal tax penalty.
Surrenders or partial withdrawals/surrenders may be subject to income taxes and/or surrender charges.

Investing in a variable annuity contract involves risk, including the possible loss of principal.
The product and summary prospectuses for applicable securities (including mutual funds held in an account) and the Thrivent Investment Management Inc. Managed Accounts Program Brochure contain information on investment objectives, risks, charges, and expenses. Investors should read carefully and consider before investing. Available from a Thrivent financial advisor or professional, at thrivent.com or call 800-847-4836.

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