



PART 2A of Form ADV – Brochure

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This brochure provides information about the qualifications and business practices of Transamerica Asset Management, Inc. (the “Adviser”). If you have any questions about the contents of this brochure, please contact us toll-free at 1-800-535-5549. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about the Adviser also is available on the SEC’s website at www.adviserinfo.sec.gov.

THIS BROCHURE IS NOT AN OFFER TO SELL ANY SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY ANY SECURITIES.

Please retain for your records

Material Changes

No material changes have occurred since the last annual update of this Brochure dated March 28, 2014.

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Advisory Business

The Adviser (originally WRL Investment Management, Inc.) was incorporated in Florida in 1996 and has been registered with the SEC as an investment adviser since 1996. SEC registration does not imply a certain level of skill or training. The Adviser provides investment advisory services to investment companies that are registered under the U.S. Investment Company Act of 1940, as amended (the “1940 Act”), foreign registered investment companies, an unregistered pooled investment vehicle, an affiliated broker-dealer and an asset allocation program offered by affiliated insurance companies.

The Adviser is directly owned by Transamerica Premier Life Insurance Company (77%) (“TPLIC”) and AUSA Holding Company (23%) (“AUSA”), both of which are indirect, wholly owned subsidiaries of Aegon N.V. AUSA and TPLIC are wholly owned by Aegon USA, LLC (“Aegon USA”), a financial services holding company whose primary emphasis is on life and health insurance, and annuity and investment products. Aegon USA is owned by Aegon US Holding Corporation, which is owned by Transamerica Corporation (DE). Transamerica Corporation (DE) is owned by The Aegon Trust, which is owned by Aegon International B.V., which is owned by Aegon N.V., a Netherlands corporation, and a publicly traded international insurance group.

Advisory Services

The Fund Complex

The Adviser primarily sponsors and provides investment advisory and certain management services to investment companies registered under the 1940 Act in **the “Fund Complex”** consisting of Transamerica Funds (“TF”), Transamerica Series Trust (“TST”), Transamerica Income Shares, Inc. (“TIS”), Transamerica Partners Funds Group (“TPFG”), Transamerica Partners Funds Group II (“TPFGII”), Transamerica Partners Portfolios (“TPP”) and Transamerica Asset Allocation Variable Funds (“TAAVF”) (each, a **“Fund,”** and collectively the **“Funds”**).

The Adviser receives fees, computed daily and paid monthly, on the average daily net assets of each Fund.

The Adviser is responsible for the day-to-day management of certain asset allocation in the Fund Complex. In managing the Funds, the Adviser selects one or more underlying funds and the relative amounts to be invested in each underlying fund based on the objectives and principal strategies of the particular Funds. For each of the other Funds in the Fund Complex, the Adviser currently acts as a “manager of managers” and hires investment sub-advisers to furnish investment advice and recommendations and has entered into sub-advisory agreements with the sub-advisers to these Funds with the sub-advisory fee paid out of the Adviser’s fee. In acting as a manager of managers, the Adviser provides investment advisory services that include proactive oversight of sub-advisers, daily monitoring of the sub-advisers’ buying and selling of securities for the Funds and regular review of sub-adviser performance. If multiple sub-advisers are selected for a Fund, the Adviser assigns each sub-adviser a prescribed percentage of the Fund’s assets to manage; however this can change over time.

The Adviser also acts as investment adviser to certain wholly-owned subsidiaries of certain Funds, each of which is organized as a company under the laws of the Cayman Islands (a **“Subsidiary”**). Each Subsidiary has the same investment objective as the corresponding Fund and is sub-advised by the corresponding sub-adviser.

The Adviser draws on the expertise of highly-accredited industry professionals to construct customized investment solutions that seek attractive long-term risk-adjusted performance. In seeking such performance, the Adviser continues to employ a selection process designed to help identify top tier industry talent and seek to retain these “best in breed” sub-advisers for the Funds. The Adviser also seeks to retain specialty “niche” managers and alternative asset class manager to sub-advise new mandates in the Fund Complex. The Adviser reviews sub-advisers from the industry using qualitative and quantitative analysis to evaluate, select and monitor sub-advisers. Through this process, the Adviser selects sub-advisers based on an evaluation of their abilities in managing assets pursuant to a particular investment style, among other things. The Adviser closely monitors the performance, risk, style and consistency of the sub-advisers. The Adviser also monitors for any organizational or investment process changes with respect to the sub-advisers.

The Adviser also serves as the investment adviser to AEGON Global Funds, which includes nine foreign registered investment companies that are Luxembourg-domiciled UCITS (Undertakings for Collective

Investment in Transferable Securities) (the “**Sub-Funds**”).

Collective Trust

The Adviser serves as the investment adviser to a privately-offered pooled investment vehicle, Transamerica Asset Management, Inc. Collective Investment Trust (“**Collective Trust**”), organized as a collective investment trust. The Adviser recommends one or more underlying series or funds and the relative amounts to be invested in each underlying fund or series based on the objectives and principal strategies of the particular series. The trustee of the collective trust retains final and complete authority to accept or reject the Adviser’s recommendations.

Investment Scorecard Program

The Adviser furnishes investment advice to an affiliated recordkeeper, Transamerica Retirement Solutions Corporation (“TRSC”). The Adviser screens a limited universe of mutual funds and other investment options for the affiliated recordkeeper using a combination of quantitative and/or qualitative analysis.

Asset Allocation Program

An asset allocation program (the “**Program**”) is provided by the Adviser for use in certain variable annuity contracts issued by Transamerica Advisors Life Insurance Company (“TALIC”) and Transamerica Financial Life Insurance Company (“TFLIC” and together with TALIC the “Companies”). The Program offers owners of such variable annuity contracts offered by TALIC and TFLIC (the “**Contracts**”) several asset allocation models (each a “**Model**”) created and revised periodically by the Adviser. The Adviser is responsible for evaluating investment options available under the Contracts and selecting the funds and periodic allocation percentage of assets for each Model. Each Model is intended for a specific type of investor based on risk profile, from aggressive to conservative, but the Models are not constructed on an individualized basis for any one client. For Merrill Lynch Investor Choice Annuity Contracts, there are currently six Models offered under the Program: (i) Conservative (ii) Moderately Conservative (iii) Moderate (iv) Moderately Aggressive (v) Aggressive and (vi) All Equity Plus. For all other contracts, there are currently five Models offered under the Program: (i) Conservative (ii) Moderately Conservative (iii) Moderate (iv) Moderately Aggressive and (v) Aggressive.

The Adviser constructs each model for each investor profile using the funds available through the Contract. The Adviser monitors the available funds on a continuing basis to identify those with characteristics that the Adviser believes are appropriate for a Model. The Adviser uses a variety of analytical tools and information sources in its ongoing assessments of the fund choices, including direct contacts with the investment firms and their portfolio managers, as appropriate. The Adviser selects the funds and determines the appropriate percentages thereof, that it feels are appropriate for the requirements of each Model. On a quarterly basis, the Adviser reviews the Models and may adjust the composition of each Model. Clients participating in the Program have their account value automatically rebalanced on a quarterly basis after having the opportunity to review and reject any Model changes.

The Program is offered to owners (who must be the direct or beneficial owners of the Contracts) of the following types of variable annuity contracts: non-qualified contracts, IRA contracts, Roth IRA contracts, SEP IRA contracts or tax sheltered annuity contracts or contracts purchased through an established IRA, Roth IRA, SIMPLE IRA or SEP IRA custodial account with Merrill Lynch, Pierce, Fenner & Smith.

Of course, the determination to purchase a Contract resides entirely with the client. For more information about the Contract, the Program and Models, and funds, please see the prospectus for the Contract and prospectuses or summary prospectuses for the funds, which are available from the Companies. Clients should read them carefully before investing.

TALIC and TFLIC provide clients with Contract statements showing variable annuity account values, as well as periodic performance reports. In addition, TALIC and TFLIC provide clients with additional reports in connection with their ownership of the Contract, including confirmations of activity showing any charges deducted and transfers among the investment options within their variable annuity contract, as required by law.

Clients should understand that in connection with the Program, the Adviser is acting as an investment adviser only with respect to asset allocation within a Model, and not with respect to any assets or accounts of Contract owners. The Adviser will not select a Model for a client. The Adviser's discretion is limited to selecting the funds within a Model and determining the percentages for the periodic allocation to each fund.

It is the obligation of clients to notify their financial advisor or the Companies promptly of any changes in their financial circumstances, investment goals or investment restrictions (if any). Clients are notified quarterly to emphasize the need for them to report such information, and the Adviser, or its designee, will notify clients at least annually to determine whether the client's financial situation, investment objectives or investment restrictions (if any) have changed.

Model Manager Program

An asset allocation program (the "**Model Manager Program**") is provided by the Adviser for use by Transamerica Financial Advisors, Inc. ("**TFA**") in a platform offered by TFA, an affiliated investment adviser. The Model Manager Program offers TFA several asset allocation models (each an "Asset Allocation Model") created and revised periodically by the Adviser. The Adviser is responsible for evaluating investment options available under the Model Manager Program and selecting the funds and periodic allocation percentage of assets for each Asset Allocation Model. Each Asset Allocation Model is intended for a specific type of investor based on risk profile, from aggressive to conservative, but the Asset Allocation Models are not constructed on an individualized basis for any one program participant. There are currently three Asset Allocation Models offered under the Model Manager Program: (i) Dual Alpha Conservative (ii) Dual Alpha Moderate and (iii) Dual Alpha Moderate Growth.

The Adviser constructs each model for each investor profile using the funds available through a specific TFA platform. The Adviser monitors the available funds on a continuing basis to identify those with characteristics that the Adviser believes are appropriate for each Asset Allocation Model. The Adviser uses a variety of analytical tools and information sources in its ongoing assessments of the fund choices, including direct contacts with the investment firms and their portfolio managers, as appropriate. The Adviser selects the funds and determines the appropriate percentages thereof, that it feels are appropriate for the requirements of each Asset Allocation Model. On a monthly basis, the Adviser reviews the Asset Allocation Models and may adjust the composition of each Asset Allocation Model.

Assets under Management

The Adviser currently manages client assets on a discretionary and non-discretionary basis. As of December 31, 2014, the Adviser managed approximately \$72.42 billion of client assets on a discretionary basis, and approximately \$1.93 billion of client assets on a non-discretionary basis.

Fees and Compensation

Fees for advisory services generally are expressed as a percentage of assets under management of the client and are paid on a monthly basis in arrears. All fees are subject to negotiation.

Fund Complex

For the advisory services provided and expenses assumed pursuant to the advisory agreements with the Funds, the Adviser receives fees from each Fund at an annual rate ranging from 0.05% to 1.30% of the average daily net assets of the respective Fund. Fees are deducted from Fund assets.

The Adviser receives compensation calculated daily and paid monthly from Fund assets at the annual rates indicated below (expressed as a percentage of the Fund's average daily net assets):

The following are series of TF:

ClearTrack Series (9) – 0.35% of the first \$2.5 billion; 0.34% over \$2.5 billion up to \$4 billion; 0.33% in excess of \$4 billion

Transamerica Arbitrage Strategy - 1.05% of the first \$50 million; 1.00% in excess of \$50 million.

Transamerica Asset Allocation - Conservative Portfolio, Transamerica Asset Allocation - Growth

Portfolio, Transamerica Asset Allocation - Moderate Growth Portfolio, and Transamerica Asset Allocation - Moderate Portfolio - 0.10%.

Transamerica Bond - 0.675% of the first \$200 million; 0.625% over \$200 million up to \$750 million; 0.575% in excess of \$750 million.

Transamerica Capital Growth - 0.80% of the first \$500 million; 0.675% in excess of \$500 million.

Transamerica Commodity Strategy - 0.61% of the first \$200 million; 0.59% over \$200 million up to \$1 billion; 0.56% in excess of \$1 billion.

Transamerica Concentrated Growth - 0.65% of the first \$650 million; 0.63% over \$650 million up to \$1.15 billion; 0.575% in excess of \$1.15 billion.

Transamerica Core Bond - 0.45% of the first \$750 million; 0.40% over \$750 million up to \$1 billion; 0.375% in excess of \$1 billion.

Transamerica Developing Markets Equity - 1.20% of the first \$50 million; 1.15% over \$50 million up to \$200 million; 1.10% over \$200 million up to \$500 million; 1.05% in excess of \$500 million.

Transamerica Dividend Focused - 0.75% of the first \$200 million; 0.65% over \$200 million up to \$500 million; 0.60% in excess of \$500 million.

Transamerica Emerging Markets Debt - 0.60% of the first \$400 million; 0.58% in excess of \$400 million.

Transamerica Emerging Markets Equity - 0.95% of the first \$250 million; 0.93% over \$250 million up to \$500 million; 0.90% in excess of \$500 million.

Transamerica Enhanced Muni - 0.44% of the first \$150 million; 0.42% over \$150 million up to \$350 million; 0.41% over \$350 million up to \$650 million; 0.39% over \$650 million up to \$1 billion; 0.36% in excess of \$1 billion.

Transamerica Flexible Income - 0.475% of the first \$250 million; 0.425% over \$250 million up to \$350 million; 0.40% in excess of \$350 million.

Transamerica Floating Rate - 0.61% of the first \$1 billion; 0.59% over \$1 billion up to \$1.5 billion; 0.57% over \$1.5 billion up to \$2 billion; 0.56% in excess of \$2 billion.

Transamerica Global Bond - 0.54% of the first \$750 million; 0.52% over \$750 million up to \$1.5 billion; 0.51% in excess of \$1.5 billion.

Transamerica Global Equity - 0.81% of the first \$250 million; 0.80% over \$250 million up to \$500 million; 0.79% over \$500 million up to \$1 billion; 0.78% over \$1 billion up to \$2 billion; 0.765% over \$2 billion up to \$2.5 billion; 0.76% in excess of \$2.5 billion.

Transamerica Global Multifactor Macro - 1.22% of the first \$150 million; 1.16% over \$150 million up to \$300 million; 1.11% over \$300 million up to \$500 million; 1.10% over \$500 million up to \$600 million; 1.05% in excess of \$600 million.

Transamerica Global Real Estate Securities - 0.80% of the first \$250 million; 0.775% over \$250 million up to \$500 million; 0.70% over \$500 million up to \$1 billion; 0.65% in excess of \$1 billion.

Transamerica Growth - 0.80% of the first \$250 million; 0.75% over \$250 million up to \$500 million; 0.70% over \$500 million up to \$1 billion; 0.60% in excess of \$1 billion.

Transamerica Growth Opportunities - 0.80% of the first \$250 million; 0.75% over \$250 million up to \$500 million; 0.70% in excess of \$500 million.

Transamerica High Yield Bond - 0.55% of the first \$1.25 billion; 0.525% over \$1.25 billion up to \$2 billion; 0.50% in excess of \$2 billion.

Transamerica High Yield Muni - 0.51% of the first \$500 million; 0.50% over \$500 million up to \$1 billion; 0.47% in excess of \$1 billion.

Transamerica Income & Growth - 0.67% of the first \$500 million; 0.65% over \$500 million up to \$1 billion; 0.63% over \$1 billion up to \$1.5 billion; 0.60% in excess of \$1.5 billion.

Transamerica Inflation Opportunities - 0.55% of the first \$200 million; 0.54% over \$200 million up to \$500 million; 0.51% in excess of \$500 million.

Transamerica Intermediate Bond - 0.35% of the first \$2 billion; 0.335% in excess of \$2 billion.

Transamerica International Equity - 0.74% of the first \$500 million; 0.72% over \$500 million up to \$1 billion; 0.69% over \$1 billion up to \$2 billion; 0.66% in excess of \$2 billion.

Transamerica International Equity Opportunities - 0.90% of the first \$250 million; 0.875% over \$250 million up to \$500 million; 0.85% over \$500 million up to \$1 billion; 0.80% in excess of \$1 billion.

Transamerica International Small Cap - 1.07% of the first \$300 million; 1.00% in excess of \$300 million.

Transamerica International Small Cap Value- 0.925% of the first \$300 million; 0.90% over \$300 million up to \$750 million; 0.85% in excess of \$750 million.

Transamerica Large Cap Value - 0.65% of the first \$750 million; 0.62% over \$750 million up to \$1 billion; 0.60% in excess of \$1 billion.

Transamerica Long/Short Strategy - 1.20% of the first \$300 million; 1.15% over \$300 million up to \$1 billion; 1.125% in excess of \$1 billion.

Transamerica Managed Futures Strategy - 1.10% of the first \$500 million; 1.05% in excess of \$500 million.

Transamerica Mid Cap Growth - 0.72% of the first \$1 billion; 0.70% in excess of \$1 billion.

Transamerica Mid Cap Value - 0.85% of the first \$100 million; 0.80% in excess of \$100 million.

Transamerica Mid Cap Value Opportunities - 0.67% of the first \$750 million; 0.665% over \$750 million up to \$1.5 billion; 0.655% over \$1.5 billion up to \$2 billion; 0.6475% in excess of \$2 billion.

Transamerica MLP & Energy Income - 1.10% of the first \$250 million; 1.05% over \$250 million up to \$500 million; 0.98% over \$500 million up to \$1 billion; 0.88% over \$1 billion up to \$2 billion; 0.82% in excess of \$2 billion.

Transamerica Money Market - 0.40%.

Transamerica Multi-Managed Balanced - 0.65% of the first \$1 billion; 0.60% in excess of \$1 billion.

Transamerica Multi-Manager Alternative Strategies Portfolio - 0.20% of the first \$500 million; 0.19% over \$500 million up to \$1 billion; 0.18% in excess of \$1 billion.

Transamerica Opportunistic Allocation - 0.42% of the first \$250 million; 0.40% over \$250 million up to \$1 billion; 0.38% in excess of \$1 billion.

Transamerica Short-Term Bond - 0.55% of the first \$250 million; 0.50% over \$250 million up to \$500 million; 0.475% over \$500 million up to \$1 billion; 0.45% in excess of \$1 billion.

Transamerica Small Cap Core - 0.80% of the first \$300 million; 0.77% in excess of \$300 million.

Transamerica Small Cap Growth - 0.84% of the first \$300 million; 0.80% in excess of \$300 million.

Transamerica Small Cap Value - 0.86% of the first \$250 million; 0.84% in excess of \$250 million.

Transamerica Small/Mid Cap Value - 0.80% of the first \$500 million; 0.75% in excess of \$500 million.

Transamerica Strategic High Income - 0.66% of the first \$600 million; 0.63% over \$600 million up to \$1 billion; 0.60% over \$1 billion up to \$2 billion; 0.585% in excess of \$2 billion.

Transamerica Tactical Allocation - 0.55% of the first \$250 million; 0.54% over \$250 million up to \$500 million; 0.53% over \$500 million up to \$1.5 billion; 0.52% over \$1.5 billion up to \$2.5 billion; 0.51% in excess of \$2.5 billion.

Transamerica Tactical Income - 0.47% of the first \$1 billion; 0.45% over \$1 billion up to \$2 billion; 0.43% in excess of \$2 billion.

Transamerica Tactical Rotation - 0.55% of the first \$250 million; 0.54% over \$250 million up to \$500 million; 0.53% over \$500 million up to \$1.5 billion; 0.52% over \$1.5 billion up to \$2.5 billion; 0.51% in excess of \$2.5 billion.

Transamerica Total Return - 0.675% of the first \$250 million; 0.65% over \$250 million up to \$750 million; 0.60% in excess of \$750 million.

Transamerica Unconstrained Bond – 0.64 of the first \$1 billion; 0.625% over \$1 billion up to \$2 billion; 0.62% in excess of \$2 billion.

Transamerica US Growth - 0.70% of the first \$150 million; 0.67% over \$150 million up to \$650 million; 0.65% over \$650 million up to \$1.15 billion; 0.625% over \$1.15 billion up to \$2 billion; 0.61% over \$2 billion up to \$3 billion; 0.60% over \$3 billion up to \$4 billion; 0.58% in excess of \$4 billion.

The following are series of TST:

Transamerica Aegon Active Asset Allocation - Conservative VP, Transamerica Aegon Active Asset Allocation – Moderate Growth VP, Transamerica Aegon Active Asset Allocation - Moderate VP – 0.55% of the first \$50 million; 0.53% over \$50 million up to \$250 million; 0.51% in excess of \$250 million.

Transamerica Aegon High Yield Bond VP - 0.55% of the first \$1.25 billion; 0.525% over \$1.25 billion up to \$2 billion; 0.50% in excess of \$2 billion.

Transamerica Aegon Money Market VP - 0.35%.

Transamerica Aegon U.S. Government Securities VP - 0.55%.

Transamerica AllianceBernstein Dynamic Allocation VP - 0.75% of the first \$250 million; 0.70% in excess of \$250 million.

Transamerica Asset Allocation - Conservative VP, Transamerica Asset Allocation - Growth VP, Transamerica Asset Allocation - Moderate VP, and Transamerica Asset Allocation - Moderate Growth VP - 0.10% of the first \$10 billion; 0.09% in excess of \$10 billion.

Transamerica Barrow Hanley Dividend Focused VP - 0.75% of first \$200 million; 0.65% over \$200 million up to \$500 million; 0.60% in excess of \$500 million.

Transamerica BlackRock Global Allocation VP - 0.68% of the first \$5 billion; 0.67% in excess of \$5 billion.

Transamerica BlackRock Global Allocation Managed Risk – Balanced VP – 0.25% of the first \$5 billion; 0.24% over \$5 billion up to \$10 billion; 0.19% in excess of \$10 billion.

Transamerica BlackRock Global Allocation Managed Risk – Growth VP – 0.27% of the first \$5 billion; 0.26% over \$5 billion up to \$10 billion; 0.21% in excess of \$10 billion.

Transamerica BlackRock Tactical Allocation VP - 0.10% of the first \$1 billion; 0.08% in excess of \$1 billion.

Transamerica Clarion Global Real Estate Securities VP - 0.80% of the first \$250 million; 0.775% over \$250 million up to \$500 million; 0.70% over \$500 million up to \$1 billion; 0.65% in excess of \$1 billion.

Transamerica International Moderate Growth VP - 0.10% of the first \$10 billion; 0.09% in excess of \$10 billion.

Transamerica Janus Balanced VP - 0.73% of the first \$250 million; 0.70% over \$250 million up to \$500 million; 0.675% over \$500 million up to \$1 billion; 0.65% in excess of \$1 billion.

Transamerica Jennison Growth VP - 0.80% of the first \$250 million; 0.75% over \$250 million up to \$500 million; 0.70% over \$500 million up to \$1 billion; 0.60% in excess of \$1 billion.

Transamerica JPMorgan Core Bond VP - 0.45% of the first \$750 million; 0.40% over \$750 million up to \$1 billion; 0.375% in excess of \$1 billion.

Transamerica JPMorgan Enhanced Index VP - 0.74% of the first \$750 million; 0.69% over \$750 million up to \$1 billion; 0.65% in excess of \$1 billion.

Transamerica JPMorgan Mid Cap Value VP - 0.85% up to \$100 million; 0.80% in excess of \$100 million.

Transamerica JPMorgan Tactical Allocation VP - 0.70% of the first \$500 million; 0.675% over \$500 million up to \$750 million; 0.65% in excess of \$750 million.

Transamerica Legg Mason Dynamic Allocation – Balanced VP - 0.58% of the first \$350 million; 0.56% over \$350 million up to \$750 million; 0.53% over \$750 million up to \$1.5 billion; 0.51% in excess of \$1.5 billion.

Transamerica Legg Mason Dynamic Allocation – Growth VP - 0.60% of the first \$250 million; 0.57% over \$250 million up to \$750 million; 0.54% over \$750 million up to \$1 billion; 0.53% over \$1 billion up to \$1.5 billion; 0.52% in excess of \$1.5 billion.

Transamerica Madison Balanced Allocation VP - 0.15%.

Transamerica Madison Conservative Allocation VP - 0.15%.

Transamerica Madison Diversified Income VP - 0.75%.

Transamerica Market Participation Strategy VP - 0.65% of the first \$500 million; 0.62% over \$500 million up to \$1 billion; 0.59% over \$1 billion up to \$1.5 billion; 0.57% in excess of \$1.5 billion.

Transamerica MFS International Equity VP - 0.90% of the first \$250 million; 0.875% over \$250 million up to \$500 million; 0.85% over \$500 million up to \$1 billion; 0.80% in excess of \$1 billion.

Transamerica Morgan Stanley Capital Growth VP - 0.80% of the first \$500 million; 0.675% in excess of \$500 million.

Transamerica Morgan Stanley Mid-Cap Growth VP - 0.80% of the first \$1 billion; 0.775% in excess of \$1 billion.

Transamerica Multi-Managed Balanced VP - 0.65% of the first \$1 billion; 0.60% in excess of \$1 billion.

Transamerica Multi-Manager Alternative Strategies VP - 0.20% of the first \$500 million; 0.19% over \$500 million up to \$1 billion; 0.18% in excess of \$1 billion.

Transamerica PIMCO Tactical - Balanced VP - 0.78% of the first \$250 million; 0.77% over \$250 million up to \$750 million; 0.76% over \$750 million up to \$1.5 billion; 0.73% in excess of \$1.5 billion.

Transamerica PIMCO Tactical - Conservative VP - 0.76% of the first \$750 million; 0.75% over \$750 million up to \$1.5 billion; 0.72 in excess of \$1.5 billion.

Transamerica PIMCO Tactical – Growth VP - 0.79% of the first \$250 million; 0.78% over \$250 million up to \$750 million; 0.76% over \$750 million up to \$1.5 billion; 0.73% in excess of \$1.5 billion.

Transamerica PIMCO Total Return VP - 0.675% of the first \$250 million; 0.65% over \$250 million up to \$750 million; 0.60% in excess of \$750 million.

Transamerica PineBridge Inflation Opportunities VP – 0.55% of the first \$200 million; 0.54% over \$200 million up to \$500 million; 0.51% in excess of \$500 million.

Transamerica ProFund UltraBear VP - 0.85% of the first \$250 million; 0.80% over \$250 million up to \$750 million; 0.75% in excess of \$750 million.

Transamerica Systematic Small/Mid Cap Value VP - 0.80% of the first \$500 million; 0.75% in excess of \$500 million.

Transamerica T. Rowe Price Small Cap VP - 0.75%.

Transamerica Torray Concentrated Growth VP - 0.65% of first \$650 million; 0.63% over \$650 million up to \$1.15 billion; 0.575% in excess of \$1.15 billion.

Transamerica TS&W International Equity VP - 0.74% of the first \$500 million; 0.72% over \$500 million up to \$1 billion; 0.69 % over \$1 billion up to \$2 billion; 0.66 % in excess of \$2 billion.

Transamerica Vanguard ETF Portfolio - Balanced VP, Transamerica Vanguard ETF Portfolio - Conservative VP, Transamerica Vanguard ETF Portfolio - Growth VP - 0.32% of the first \$50 million; 0.30% over \$50 million up to \$250 million; 0.28% in excess of \$250 million.

Transamerica Voya Balanced Allocation VP, Transamerica Voya Conservative Allocation VP, Transamerica Voya Moderate Growth Allocation VP -- 0.10% of the first \$10 billion; 0.09% in excess of \$10 billion.

Transamerica Voya Intermediate Bond VP - 0.50% of first \$1 billion; 0.48% in excess of \$1 billion.

Transamerica Voya Large Cap Growth VP - 0.80% of first \$250 million; 0.75% over \$250 million up to \$1 billion; 0.72% in excess of \$1 billion.

Transamerica Voya Limited Maturity Bond VP - 0.50% of first \$250 million; 0.475% over \$250 million

up to \$1 billion; 0.46% in excess of \$1 billion.

Transamerica Voya Mid Cap Opportunities VP - 0.83% of first \$100 million; 0.815% over \$100 million up to \$1 billion; 0.80% in excess of \$1 billion.

Transamerica WMC US Growth VP - 0.70% of the first \$150 million; 0.67% over \$150 million up to \$650 million; 0.65% over \$650 million up to \$1.15 billion; 0.625% over \$1.15 billion up to \$2 billion; 0.61% over \$2 billion up to \$3 billion; 0.60% over \$3 billion up to \$4 billion; 0.58% in excess of \$4 billion.

Transamerica WMC US Growth II VP - 0.30%.

The following are series of TPP:

Transamerica Partners Balanced Portfolio - 0.45%.

Transamerica Partners Core Bond Portfolio - 0.35% of first \$2 billion; 0.335% in excess of \$2 billion.

Transamerica Partners High Quality Bond Portfolio - 0.35%.

Transamerica Partners High Yield Bond Portfolio - 0.55% of first \$1.25 billion; 0.525% over \$1.25 billion up to \$2 billion; 0.50% in excess of \$2 billion.

Transamerica Partners Inflation-Protected Securities Portfolio - 0.35%.

Transamerica Partners International Equity Portfolio - 0.74% of the first \$500 million; 0.72% over \$500 million up to \$1 billion; 0.69% over \$1 billion up to \$2 billion; 0.66% in excess of \$2 billion.

Transamerica Partners Large Core Portfolio - 0.60%.

Transamerica Partners Large Growth Portfolio - 0.62% of the first \$2 billion; 0.61% over \$2 billion up to \$3 billion; 0.60 % over \$3 billion up to \$4 billion; 0.58 % in excess of \$4 billion.

Transamerica Partners Large Value Portfolio - 0.45%.

Transamerica Partners Mid Growth Portfolio - 0.72%.

Transamerica Partners Mid Value Portfolio - 0.67% of the first \$750 million; 0.665% over \$750 million up to \$1.5 billion; 0.655 % over \$1.5 billion up to \$2 billion; 0.6475 % in excess of \$2 billion.

Transamerica Partners Money Market Portfolio - 0.25%.

Transamerica Partners Small Core Portfolio - 0.80% of the first \$300 million; 0.77% in excess of \$300 million.

Transamerica Partners Small Growth Portfolio - 0.84% of the first \$300 million; 0.80% in excess of \$300 million.

Transamerica Partners Small Value Portfolio - 0.82%.

The following are series of TPF:

Transamerica Institutional Asset Allocation - Intermediate Horizon - 0.10%.

Transamerica Institutional Asset Allocation - Intermediate/Long Horizon - 0.10%.

Transamerica Institutional Asset Allocation - Long Horizon - 0.10%.

Transamerica Institutional Asset Allocation - Short Horizon - 0.10%.

Transamerica Institutional Asset Allocation - Short/Intermediate Horizon - 0.10%.

Transamerica Partners Balanced - 0.45%.

Transamerica Partners Core Bond - 0.35% of first \$2 billion; 0.335% in excess of \$2 billion.

Transamerica Partners High Quality Bond - 0.35%.

Transamerica Partners High Yield Bond - 0.55% of first \$1.25 billion; 0.525% over \$1.25 billion up to \$2 billion; 0.50% in excess of \$2 billion.

Transamerica Partners Inflation-Protected Securities - 0.35%.

Transamerica Partners International Equity - 0.74% of the first \$500 million; 0.72% over \$500 million up to \$1 billion; 0.69% over \$1 billion up to \$2 billion; 0.66% in excess of \$2 billion.

Transamerica Partners Large Core - 0.60%.

Transamerica Partners Large Growth - 0.62% of the first \$2 billion; 0.61% over \$2 billion up to \$3 billion; 0.60% over \$3 billion up to \$4 billion; 0.58% in excess of \$4 billion.

Transamerica Partners Large Value - 0.45%.

Transamerica Partners Mid Growth - 0.72%.

Transamerica Partners Mid Value - 0.67% of the first \$750 million; 0.665% over \$750 million up to \$1.5 billion; 0.655% over \$1.5 billion up to \$2 billion; 0.6475% in excess of \$2 billion.

Transamerica Partners Money Market - 0.25%.

Transamerica Partners Small Core - 0.80% of the first \$300 million; 0.77% in excess of \$300 million.

Transamerica Partners Small Growth - 0.84% of the first \$300 million; 0.80% in excess of \$300 million.

Transamerica Partners Small Value - 0.82%.

Transamerica Partners Stock Index - 0.40%.

Note: Each of the series of TPFPG, other than the asset allocation funds, invests all or substantially all of its assets in a single registered investment company. Pursuant to the investment advisory agreement for each such series, the annual fee computed as set forth above shall be reduced by the aggregate management fees allocated to that series for the series' then-current fiscal year from such other registered investment company.

The following are series of TPFGII:

Transamerica Asset Allocation - Intermediate Horizon - 0.10%.

Transamerica Asset Allocation - Intermediate/Long Horizon - 0.10%.

Transamerica Asset Allocation - Long Horizon - 0.10%.

Transamerica Asset Allocation - Short Horizon - 0.10%.

Transamerica Asset Allocation - Short/Intermediate Horizon - 0.10%.

Transamerica Partners Institutional Balanced - 0.45%.

Transamerica Partners Institutional Core Bond - 0.35% of first \$2 billion; 0.335% in excess of \$2 billion.

Transamerica Partners Institutional High Quality Bond - 0.35%.

Transamerica Partners Institutional High Yield Bond - 0.55% of first \$1.25 billion; 0.525% over \$1.25 billion up to \$2 billion; 0.50% in excess of \$2 billion.

Transamerica Partners Institutional Inflation-Protected Securities - 0.35%.

Transamerica Partners Institutional International Equity - 0.74% of the first \$500 million; 0.72% over \$500 million up to \$1 billion; 0.69% over \$1 billion up to \$2 billion; 0.66% in excess of \$2 billion.

Transamerica Partners Institutional Large Core - 0.60%.

Transamerica Partners Institutional Large Growth - 0.62% of the first \$2 billion; 0.61% over \$2 billion up to \$3 billion; 0.60% over \$3 billion up to \$4 billion; 0.58% in excess of \$4 billion.

Transamerica Partners Institutional Large Value - 0.45%.

Transamerica Partners Institutional Mid Growth - 0.72%.

Transamerica Partners Institutional Mid Value - 0.67% of the first \$750 million; 0.665% over \$750 million up to \$1.5 billion; 0.655% over \$1.5 billion up to \$2 billion; 0.6475% in excess of \$2 billion.

Transamerica Partners Institutional Money Market - 0.25%.

Transamerica Partners Institutional Small Core - 0.80% of the first \$300 million; 0.77% in excess of

\$300 million.

Transamerica Partners Institutional Small Growth - 0.84% of the first \$300 million; 0.80% in excess of \$300 million.

Transamerica Partners Institutional Small Value - 0.82%.

Transamerica Partners Institutional Stock Index - 0.40%.

Note: Each of the series of TPFGL, other than the asset allocation funds, invests all or substantially all of its assets in a single registered investment company. Pursuant to the investment advisory agreement for each such series, the annual fee computed as set forth above shall be reduced by the aggregate management fees allocated to that series for the series' then-current fiscal year from such other registered investment company.

The following are series of TAAVF:

Transamerica Asset Allocation Intermediate Horizon Subaccount - 0.20%.

Transamerica Asset Allocation Intermediate/Long Horizon Subaccount - 0.20%.

Transamerica Asset Allocation Short Horizon Subaccount - 0.20%.

TIS

1/2 of 1%.

The following are series of AEGON Global Funds (UCITs):

Sub-Fund	Class A	Class N	Class I	Class X	Class M	Class Z
AEGON Emerging Markets Debt Fund	0.65%	0.70%	0.60%	N/A*	0.60%	0.65%
AEGON Flexible Income Fund	0.53%	0.58%	0.48%	N/A*	0.48%	0.53%
AEGON High Yield Bond Fund	0.64%	0.69%	0.59%	N/A*	0.59%	0.64%
AEGON International Equity Fund	0.85%	0.90%	0.80%	N/A*	0.80%	0.85%
AEGON Large Cap Value Fund	0.70%	0.75%	0.65%	N/A*	0.65%	0.70%
AEGON Short-Term Bond Fund	0.60%	0.65%	0.55%	N/A*	0.55%	0.60%
AEGON Small Cap Core Fund	0.85%	0.90%	0.80%	N/A*	0.80%	0.85%
AEGON Tactical Income Fund	0.52%	0.57%	0.47%	N/A*	0.47%	0.52%
AEGON Tactical Rotation Fund	0.60%	0.65%	0.55%	N/A*	0.55%	0.60%

Additional Information Regarding Fund Complex

Each sub-adviser to a Fund may voluntarily waive a portion of its sub-advisory fee. To the extent any waiver is made, the Adviser will be able to retain a larger portion of its management fee. The Adviser may use such amounts to pay its obligation under any applicable expense limitation agreement. In such cases, the sub-adviser would effectively be assisting the Adviser in meeting its obligation under such expense limitation agreement. Each Fund's board of directors/trustees reviews and evaluates advisory and sub-advisory fees and fee waivers in connection with its annual review of the applicable investment advisory and sub-advisory agreements.

The Adviser's fees are exclusive of brokerage commissions, transaction fees and other related costs and expenses which will be incurred by the Funds. For more information, please refer to the disclosure in "Brokerage Practices" later in this brochure.

The Funds also pay certain other fees and expenses, including transfer agent fees, custodian fees, legal

and audit expenses and other administrative fees and expenses. Certain share classes of the Funds pay distribution and service fees. Certain Funds that invest in other funds bear a pro rata portion of the operating expenses of the underlying funds in which they invest.

The Adviser and its affiliates, directors, officers, employees and personnel (collectively, for purposes of this sub-section, “Transamerica”) are engaged in a variety of businesses and have interests other than that of managing the Funds. The broad range of activities and interests of Transamerica gives rise to actual, potential and perceived conflicts of interest that could affect the Funds and their shareholders.

The performance of certain Funds may impact the financial exposure of the Transamerica Insurance Companies under guarantees that those companies provide as issuers of variable insurance contracts. Transamerica’s investment decisions and the design of Funds may be influenced by this. For example, a Fund being managed or designed in a more conservative fashion may help reduce the risk to the Transamerica Insurance Companies that provide guaranteed benefits under variable insurance contracts and facilitate the provision of those guaranteed benefits.

The Adviser serves as investment adviser to certain funds of funds that invest in affiliated underlying funds, unaffiliated underlying funds, or a combination of both, and is subject to conflicts of interest in allocating the funds of funds’ assets among the underlying funds. The Adviser will receive more revenue to the extent it selects an affiliated fund rather than an unaffiliated fund for inclusion in a fund of funds. In addition, the Adviser may have an incentive to allocate the fund of fund’s assets to those underlying funds for which the net advisory fees payable to the Adviser are higher than the fees payable by other underlying funds or to those underlying funds for which an affiliate serves as the sub-adviser.

The Adviser may have a financial incentive to implement certain changes to the Funds. Transamerica may, from time to time, recommend a change in sub-adviser or a fund combination. Transamerica will benefit to the extent that an affiliated sub-adviser replaces an unaffiliated sub-adviser or additional assets are combined into a Fund having a higher net advisory fee payable to the Adviser and/or that is sub-advised by an affiliate of Transamerica. Transamerica will also benefit to the extent that it replaces a sub-adviser with a new sub-adviser with a lower sub-advisory fee.

Additional discussion of the actual, potential and perceived conflicts of interests that could affect the Funds and their shareholders stemming from the broad range of activities and interests of Transamerica appears under the heading “Other Financial Industry Activities and Affiliations” below.

Transamerica Capital, Inc. (“**TCI**”), the Funds’ distributor and an affiliate of the Adviser, the Adviser and their affiliates may enter into arrangements with affiliated entities that provide administrative, recordkeeping and other services with respect to one or more of the Funds. Payment for these services is made by TCI, the Adviser and their affiliates out of past profits and other available sources and may take the form of internal credit, recognition or cash payments. TCI, the Adviser and their affiliates may also enter into similar arrangements with unaffiliated entities.

TCI engages in wholesaling activities designed to support, maintain, and increase the number of financial intermediaries who sell shares of the Funds. Wholesaling activities include, but are not limited to, recommending and promoting, directly or through intermediaries, the Funds to financial intermediaries and providing sales training, retail broker support and other services. Payment for these activities is made by TCI, the Adviser and their affiliates out of past profits and other available sources, including revenue sharing payments from others.

TCI (in connection with, or in addition to, wholesaling services), the Adviser and Fund sub-advisers, directly or through TCI, out of their past profits and other available sources, typically provide cash payments or non-cash compensation to affiliated (TFA) and unaffiliated brokers and other financial intermediaries who have sold shares of the Funds, promote the distribution of the Funds or render investor services to Fund shareholders. Such payments and compensation are in addition to the sales charges, Rule 12b-1 Plan fees, service fees and other fees that may be paid, directly or indirectly, to such brokers and other financial intermediaries. These arrangements are sometimes referred to as “revenue sharing” arrangements. The amount of revenue sharing payments is substantial, may be substantial to any given recipient and may exceed the costs and expenses incurred by the recipient for any fund-related distribution or shareholder servicing activities. The presence of these payments and the basis on which an intermediary compensates its registered representatives or salespersons may create an incentive for a particular intermediary, registered representative or salesperson to highlight, feature or recommend the Funds, at least in part, based on the level of compensation paid. Revenue

sharing arrangements are separately negotiated. Revenue sharing payments are not an additional charge to the Funds.

The Adviser makes revenue sharing payments to certain financial intermediaries and receives revenue sharing payments from certain financial services firms.

Such additional cash payments may be made to brokers and other financial intermediaries that provide services to the Funds and/or Fund shareholders, including (without limitation) shareholder servicing, marketing support and/or access to meetings and/or events, sales representatives and management representatives of the broker or other financial intermediaries. Cash compensation may also be paid to brokers and other financial intermediaries for inclusion of a Fund on a sales list or mutual fund trading platform, including a preferred or select sales list or trading platform, in other sales programs, or as an expense reimbursement or compensation in cases where the broker or other financial intermediary provides services to Fund shareholders. To the extent permitted by applicable law, TCI and other parties may pay or allow other incentives and compensation to brokers and other financial intermediaries. TCI and the other parties making these payments generally assess the advisability of continuing making these payments periodically.

These cash payments may take a variety of forms, including (without limitation) reimbursement of ticket charges, additional compensation based on sales, on-going fees for shareholder servicing and maintenance of investor accounts, and finder's fees that vary depending on the Fund or share class and the dollar amount of shares sold. Revenue sharing payments can be calculated: (i) as a percentage of gross or net sales for a particular period; (ii) as a percentage of gross or net assets under management; (iii) as a fixed or negotiated flat fee dollar amount; and/or (iv) based on a combination of any of these methods. These payments are made on a periodic basis, such as monthly or quarterly.

The Adviser also serves as investment adviser to certain funds of funds that are underlying investment options for Transamerica insurance products. TCI and its affiliates make revenue sharing payments to or receive revenue sharing payments from affiliates of certain underlying unaffiliated funds within Transamerica insurance products for the provision of services to investors and distribution activities. These amounts are in addition to revenue sharing payments described above with respect to mutual fund distribution. A financial intermediary may receive both mutual fund-related and insurance-related revenue sharing payments.

In addition, while TCI typically pays most of the sales charge applicable to the sale of Fund shares to brokers and other financial intermediaries through which purchases are made, TCI may, on occasion, pay the entire sales charge.

From time to time, TCI, its affiliates and/or the Adviser and/or Fund sub-advisers may also, to the extent permitted by applicable law, pay non-cash compensation or revenue sharing to brokers and other financial intermediaries and their sales representatives in the form of, for example: (i) occasional gifts or prizes; (ii) occasional meals, tickets or other entertainment; and/or (iii) ad hoc sponsorship support of broker marketing events, programs, sales contests, promotions or other activities. Such non-cash compensation may also include, in part, assistance with the costs and expenses associated with travel, lodging, and educational, sales and promotional meetings, seminars, programs and conferences, entertainment and meals to the extent permitted by law. TCI and the Adviser may also make payments in connection with the sponsorship by Transamerica or its affiliates of special events which may be attended by brokers and other financial intermediaries. Such non-cash compensation is in addition to the overall revenue sharing arrangements with the intermediaries described above.

The non-cash compensation to sales representatives and compensation or reimbursement received by brokers and other financial intermediaries through sales charges, other fees payable from the Funds, and/or revenue sharing arrangements for selling shares of the Funds may be more or less than the overall compensation or reimbursement on similar or other products and may influence your broker or other financial intermediary to present and recommend the Funds over other investment options available in the marketplace. In addition, depending on the arrangements in place at any particular time, your broker or other financial intermediary may have a financial incentive for recommending a particular class of Fund shares over other share classes.

Shareholders may obtain more information about these arrangements, including the conflicts of interests that such arrangements may create, from their brokers and other financial intermediaries, and should so inquire if they would like additional information. A shareholder may ask his/her broker or

financial intermediary how he/she will be compensated for investments made in the Funds. Revenue sharing payments, as well as payments under the shareholder services and distribution plan (where applicable), also benefit the Adviser, TCI and their affiliates and Fund sub-advisers to the extent the payments result in more assets being invested in the Funds on which fees are being charged.

Although a Fund may use financial firms that sell Fund shares to effect transactions for the Fund's portfolio, the Fund and its investment adviser or sub-adviser will not consider the sale of Fund shares as a factor when choosing financial firms to effect those transactions.

Collective Trust

The Adviser currently receives no advisory fee from the collective trust because of an all-in fee charged at the separate account level. The Adviser currently receives no advisory fee from Transamerica Life Insurance Company for serving as investment adviser to the collective trust. The Adviser serves as the investment adviser to the underlying funds in which certain series of the collective trust invest, and receives fees for such services from the underlying funds.

Investment Scorecard Program

For its services, the Adviser receives compensation from TRSC of \$200,000 annually.

Asset Allocation Program

For serving as the investment adviser for the Program, the Adviser receives fees from TALIC and TFLIC in the amount of 0.0375% calculated as a percentage of the total TALIC and TFLIC Investor Choice Annuity contract assets participating in the Program. TALIC and TFLIC provide a statement to the Adviser detailing the calculation of the prior month's fees. TALIC and TFLIC pay the Adviser the fees earned within 10 days of the prior month's end.

There is no charge to the client for participation in the Program; however, the client directly, or in the case of a Contract owned by an individual retirement account or Roth individual retirement account, indirectly, pays the fees associated with the Contract, including the charges for Annual Contract Maintenance, Mortality and Expense Risks, Administration and any applicable Surrender Charges. Similarly, the client directly, or in the case of a Contract owned by an individual retirement account or Roth individual retirement account, indirectly, will also bear a proportionate share of the expenses of the funds comprising the Model, as will the other Contract owners who do not participate in the Program but are invested in the same funds that comprise the Model. Investment management fees (as well as other fund expenses, including any applicable expenses relating to fund administration, accounting, custody, audit, legal and directors' compensation) may vary among the funds comprising the Models as described in the Contract and applicable fund prospectuses, including the statements of additional information.

Model Manager Program

For its services to the Model Manager Program, the Adviser receives compensation from TFA of 0.20% (on an annualized basis) for those assets in the Dual Alpha I-Series accounts invested in accordance with the Asset Allocation Model Portfolios, based on the market value of the assets in the specific Dual Alpha I-Series accounts.

Performance-Based Fees and Side-By-Side Management

The Adviser does not currently charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Types of Clients

As discussed in "Advisory Business" above, the Adviser provides investment advisory and management services to investment companies registered under the 1940 Act. The Adviser also provides investment advice to foreign registered investment companies, a privately-offered pooled investment vehicle, an affiliated broker-dealer, an asset allocation program for use in certain variable annuity contracts issued by affiliated insurance companies, a model asset allocation program for use in a specific program offered by an affiliated investment adviser, and certain products within the product line of an affiliated recordkeeper for various retirement plans.

Certain Funds have minimum initial and subsequent investment amounts. Certain Funds also require

minimum account balances. These amounts are set forth in the Funds' current prospectuses.

Methods of Analysis, Investment Strategies and Risk of Loss

Fund Complex

As discussed under "Advisory Business" above, the Adviser serves as investment adviser to each of the Funds in the Fund Complex. The Adviser currently renders "manager of managers" investment advisory services to a number of funds in the Fund Complex and hires sub-advisers to furnish investment advice and recommendations and has entered into a sub-advisory agreement with the Funds' sub-advisers. The Adviser is responsible for the day-to-day management of certain asset allocation in the Fund Complex.

As a manager of managers, the Adviser's primary strategy for the Funds is to select sub-advisers to provide day-to-day management services to the Funds. The Adviser oversees Funds across a wide range of asset classes and investment styles. The investment strategies employed include asset allocation, equity, fixed income, money market and alternative strategies. The Adviser draws on the expertise of highly-accredited industry professionals to construct customized investment solutions that seek attractive long-term risk-adjusted performance. To seek performance, the Adviser's investment management team is dedicated to a selection process designed to help identify top tier industry talent from around the world.

The Adviser evaluates, selects and monitors potential and current sub-advisers. The goals of the Adviser's research process are clear and simple:

- Create and maintain a platform of investment managers combining consistent, above average performance with prudent risk management techniques.
- Focus on investment managers who the Adviser believes are able to protect capital and maintain participation in up markets.
- Compound small advantages into attractive long-term performance.
- Provide quality investment managers at fair and reasonable pricing.

Through this process, the Adviser selects sub-advisers based on an evaluation of their abilities in managing assets pursuant to a particular investment style among other things. The Adviser closely monitors the performance, risk, style and consistency of the sub-advisers. The Adviser also monitors for any organizational or investment process changes with respect to the sub-advisers.

All investments involve risk. There can be no assurance that a Fund's investment objective will be attained. The value of a Fund's investments and, therefore, investment performance will vary from day to day. The investment decisions made, and the actions taken, for a Fund by the Adviser or its sub-adviser will be subject to various market, liquidity, currency, economic and political risks, and will not necessarily be profitable. Certain risks of the Sub-advised Funds are summarized in a section below titled "Fund Complex Risks."

Transamerica Asset Allocation Funds (Transamerica Partners)

The Adviser is responsible for the day-to-day management of the Transamerica Asset Allocation Funds of Transamerica Partners Funds Group and Transamerica Partners Funds Group II. The Transamerica Asset Allocation Funds each invest in a combination of Transamerica Partners funds ("**underlying funds**"). The Adviser selects the combination and amount of underlying funds to invest in based on each fund's investment goal. Each fund invests in securities through an underlying fund having the same investment goals and strategies as the investing fund. The fund may invest in one or more underlying funds. The investment strategies of the funds are summarized below.

The following charts show approximately how much of the assets of each fund are invested in Transamerica Partners Bond, Stock and Money Market Funds. These allocations reflect the Adviser's present strategy for asset allocation during normal market conditions, and may be changed at any time without notice to shareholders and without shareholder approval. In the short-term, actual asset allocations may vary due to short-term changes in cash flows caused by purchases and redemptions in the fund. The Adviser may allocate the assets of the fund without limit to the Money Market Fund in attempting to respond to adverse market or other conditions or to process a large purchase or

redemption within the fund. For more information on allocations to the underlying funds, see the funds' current prospectus.

Each fund is a non-diversified fund, meaning that it is not limited by the Investment Company Act of 1940 as to the amount of its assets that may be invested in a single issuer. The funds invest in the underlying funds, which are diversified.

Each underlying fund has its own investment objective and principal investment strategies. The sub-adviser for each underlying fund decides which securities to purchase and sell for that underlying fund.

Each fund may invest its assets in cash, cash equivalent securities or short-term debt securities, repurchase agreements and money market securities. Under adverse or unstable market, economic or political conditions, the fund may take temporary defensive positions in cash and short-term debt securities without limit.

<u>FUND</u>	<u>PRINCIPAL INVESTMENT STRATEGIES AND RISKS</u>
Transamerica Asset Allocation - Intermediate Horizon Transamerica Institutional Asset Allocation - Intermediate Horizon	<u>Normal Approximate Allocations</u> Bond Funds Stock Funds Money Market Fund 49.8% 50% 0.2%
Transamerica Asset Allocation - Intermediate/Long Horizon Transamerica Institutional Asset Allocation - Intermediate/Long Horizon	<u>Normal Approximate Allocations</u> Bond Funds Stock Funds Money Market Fund 29.8% 70% 0.2%
Transamerica Asset Allocation - Long Horizon Transamerica Institutional Asset Allocation - Long Horizon	<u>Normal Approximate Allocations</u> Bond Funds Stock Funds Money Market Fund 9.8% 90% 0.2%
Transamerica Asset Allocation - Short/Intermediate Horizon Transamerica Institutional Asset Allocation - Short/Intermediate Horizon	<u>Normal Approximate Allocations</u> Bond Funds Stock Funds Money Market Fund 69.8% 30% 0.2%
Transamerica Asset Allocation - Short Horizon Transamerica Institutional Asset Allocation - Short Horizon	<u>Normal Approximate Allocations</u> Bond Funds Stock Funds Money Market Fund 89.9% 10% 0.2%

Fund Complex Risks

A summary of certain risks (in alphabetical order) of investing in a fund in the Fund Complex is set forth below. This summary of certain risks is not a complete list of the risks involved in investing in the Funds. A complete list of risks of investing in the Funds may be found in the prospectus and statement of additional information at www.sec.gov.

Active Trading – The fund is actively managed and may purchase and sell securities without regard to the length of time held. Active trading may have a negative impact on performance by increasing transaction costs and may generate greater amounts of net short-term capital gains, which, for shareholders holding shares in taxable accounts, would be subject to tax at ordinary income tax rates upon distribution.

Aggressive Investment – The fund's investment strategies, techniques and/or portfolio investments differ from those of many other mutual funds and may be considered aggressive. This approach to investing may expose the fund to additional risks, make the fund a more volatile investment than other mutual funds and cause the fund to perform less favorably than other mutual funds under similar market or economic conditions.

Arbitrage – Securities purchased pursuant to an arbitrage strategy intended to take advantage of a perceived relationship between the value of two or more securities may not perform as expected.

Asset Allocation – The Adviser allocates the fund's assets among various asset classes and underlying funds. These allocations may be unsuccessful in maximizing the fund's return and/or avoiding investment losses, and may cause the fund to underperform.

Cash Management and Defensive Investing – The value of investments held by a Fund for cash management or defensive investing purposes can fluctuate. Like other fixed income securities, cash and cash equivalent securities are subject to risk, including market, interest rate and credit risk. If a Fund holds cash uninvested, the Fund will be subject to the credit risk of the depository institution holding the cash, it will not earn income on the cash and the Fund's yield will go down. To the extent that the Fund's assets are used for cash management or defensive investing purposes, it may not to achieve its objective.

CFTC Regulation – The Investment Adviser has registered as a “commodity pool operator” under the Commodity Exchange Act with respect to its service as investment adviser to the fund. The Investment Adviser is therefore subject to dual regulation by the SEC and the Commodity Futures Trading Commission (“CFTC”), and is a member of the National Futures Association and is also subject to its rules. Regulation of commodity investing continues to change, and additional compliance and other expenses may be incurred.

Commodities – To the extent the fund invests in commodities or instruments whose performance is linked to the price of an underlying commodity or commodity index, the fund will be subject to the risks of investing in commodities, including regulatory, economic and political developments, weather events and natural disasters and market disruptions. The fund's investment exposure to the commodities markets may subject the fund to greater volatility than investments in more traditional securities, such as stocks and bonds. Commodities and commodity-linked investments may be less liquid than other investments. Commodity-linked investments are subject to the credit risks associated with the issuer, and their values may decline substantially if the issuer's creditworthiness deteriorates.

Counterparty – The fund will be subject to credit risk (that is, where changes in an issuer's financial strength or credit rating may affect an instrument's value) with respect to the amount it expects to receive from counterparties to derivatives, repurchase agreements and other financial contracts entered into by the fund or held by special purpose or structured vehicles. If a counterparty becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties, the value of your investment in the fund may decline.

Conflicts of Interest – The Adviser and its affiliates are engaged in a variety of businesses and have interests other than that of managing the Funds. The broad range of activities and interests of the Adviser and its affiliates gives rise to actual, potential and perceived conflicts of interest that could affect the Funds and their shareholders.

The performance of certain Funds may impact the financial exposure of the Transamerica insurance companies under guarantees that those companies provide as issuers of variable insurance contracts. The Adviser's investment decisions and the design of Funds may be influenced by this. For example, a Fund being managed or designed in a more conservative fashion may help reduce the risk to the Transamerica insurance companies that provide guaranteed benefits under variable insurance contracts and facilitate the provision of those guaranteed benefits.

The Adviser serves as investment adviser to certain funds of funds that invest in affiliated underlying funds, unaffiliated underlying funds, or a combination of both, and is subject to conflicts of interest in allocating the funds of funds' assets among the underlying funds. The Adviser will receive more revenue to the extent it selects an affiliated fund rather than an unaffiliated fund for inclusion in a fund of funds. In addition, the Adviser may have an incentive to allocate the fund of fund's assets to those underlying funds for which the net advisory fees payable to the Adviser are higher than the fees payable by other underlying funds or to those underlying funds for which an affiliate of the Adviser serves as the sub-adviser.

The Adviser may have a financial incentive to implement certain changes to the Funds. The Adviser may, from time to time, recommend a change in sub-adviser or a fund combination. The Adviser will benefit to the extent that an affiliated sub-adviser replaces an unaffiliated sub-adviser or additional assets are combined into a fund having a higher net advisory fee payable to the Adviser and/or that is sub-advised by an affiliate of the Adviser. The Adviser will also benefit to the extent that it replaces a sub-adviser with a new sub-adviser with a lower sub-advisory fee.

Credit – If an issuer or other obligor (such as a party providing insurance or other credit enhancement) of a security held by the fund or a counterparty to a financial contract with the fund defaults or is downgraded, or is perceived to be less creditworthy, or if the value of any underlying assets declines, the value of your investment will typically decline. Below investment grade, high-yield debt securities (commonly known as “junk bonds”) have a higher risk of default and are considered speculative. Subordinated securities are more likely to suffer a credit loss than non-subordinated securities of the same issuer and will be disproportionately affected by a default, downgrade or perceived decline in creditworthiness.

Currency – The value of investments in securities denominated in foreign currencies increases or decreases as the rates of exchange between those currencies and the U.S. dollar change. Currency conversion costs and currency fluctuations could reduce or eliminate investment gains or add to investment losses. Currency exchange rates can be volatile, and are affected by factors such as general economic conditions, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls, and speculation.

Cybersecurity - With the increased use of technologies such as the Internet to conduct business, a fund is susceptible to operational, information security and related risks through breaches in cybersecurity. In general, a breach in cybersecurity can result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting a fund's investment adviser, sub-adviser and other service providers (including, but not limited to, fund accountants, custodians, transfer agents and financial intermediaries) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with a fund's ability to calculate its NAV, impediments to trading, the inability of fund shareholders to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which a fund invests, counterparties with which a fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers for fund shareholders) and other parties. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. While a fund's service providers have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain

risks have not been adequately identified or prepared for. Furthermore, a fund cannot control the cyber security plans and systems put in place by its service providers or any other third parties whose operations may affect the fund or its shareholders. Cybersecurity risks may also impact issuers of securities in which the fund invests, which may cause the fund's investments in such issuers to lose value. A fund and its shareholders could be negatively impacted as a result.

Depository Receipts – Depository receipts may be less liquid than the underlying shares in their primary trading market. Any distributions paid to the holders of depository receipts are usually subject to a fee charged by the depository. Holders of depository receipts may have limited voting rights, and investment restrictions in certain countries may adversely impact the value of depository receipts because such restrictions may limit the ability to convert equity shares into depository receipts and vice versa. Such restrictions may cause equity shares of the underlying issuer to trade at a discount or premium to the market price of the depository receipts.

Derivatives – Using derivatives exposes the fund to additional risks and can increase fund losses and reduce opportunities for gains when market prices, interest rates or the derivatives themselves behave in a way not anticipated by the fund. Using derivatives also can have a leveraging effect and increase fund volatility. The fund may also have to sell assets at inopportune times to satisfy its obligations. Derivatives may be difficult to sell, unwind or value, and the counterparty may default on its obligations to the fund. The fund's investments in derivative instruments may involve a small investment relative to the amount of investment exposure assumed and may result in losses exceeding the amounts invested in those instruments. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. The U.S. government is in the process of adopting and implementing regulations governing derivatives markets, including mandatory clearing of certain derivatives, margin and reporting requirements. The ultimate impact of the regulations remains unclear. Additional regulation of derivatives may make them more costly, may limit their availability, may disrupt markets or may otherwise adversely affect their value or performance.

Distressed or Defaulted Securities – Investments in defaulted securities and obligations of distressed issuers, including securities that are, or may be, involved in reorganizations or other financial restructurings, either out of court or in bankruptcy, involve substantial risks and are considered speculative. The fund may suffer significant losses if the reorganization or restructuring is not completed as anticipated. The fund will generally not receive interest payments on the distressed securities and may incur costs to protect its investment. Repayment of defaulted securities and obligations of distressed issuers is subject to significant uncertainties.

Dynamic Risk Management – In implementing the Dynamic Risk Management strategy, the sub-adviser anticipates that it will sell shares the fund holds in equity and longer-term fixed income ETFs and, as a result, may be more concentrated in shorter-term defensive instruments. The fund may incur additional trading costs while implementing the Dynamic Risk Management strategy, which may reduce the fund's performance. If the fund increases its exposure to short-term defensive instruments at inopportune times or for extended periods of time, the fund may experience lower performance and greater losses. There is no guarantee that the Dynamic Risk Management strategy will work as intended and shareholders should evaluate their ability to invest for the long term, especially during periods of downturn in the market.

Emerging Markets – Investments in the securities of issuers located in or principally doing business in emerging markets are subject to foreign investments risks. These risks are greater for investments in issuers in emerging market countries. Emerging market countries tend to have economic, political and legal systems that are less fully developed and are less stable than those of more developed countries. Emerging market securities are often particularly sensitive to market movements because their market prices tend to reflect speculative expectations. Low trading volumes may result in a lack of liquidity and in extreme price volatility.

Equity Securities – Equity securities represent an ownership interest in an issuer, rank junior in a company's capital structure and consequently may entail greater risk of loss than debt securities. Equity securities include common and preferred stocks. Stock markets are volatile. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. If the market prices of the equity securities owned by the fund fall, the value of your investment in the fund will decline.

Fixed-Income Securities – The market prices of fixed-income securities may go up or down, sometimes

rapidly and unpredictably, due to general market conditions, such as real or perceived adverse economic or political conditions, inflation, changes in interest rates, lack of liquidity in the bond markets or adverse investor sentiment. In addition, the market value of a fixed income security may decline if the issuer or other obligor of the security fails to pay principal and/or interest, otherwise defaults or has its credit rating downgraded or is perceived to be less creditworthy, or the credit quality or value of any underlying assets declines. When market prices fall, the value of your investment will go down. The value of your investment will generally go down when interest rates rise. Interest rates have been at historically low levels, so the fund faces a heightened risk that interest rates may rise. A rise in rates tends to have a greater impact on the prices of longer term or duration securities.

Focused Investing – To the extent the fund invests in one or more countries, regions, sectors or industries, or in a limited number of issuers, the fund will be more susceptible to negative events affecting those countries, regions, sectors, industries or issuers. Local events, such as political upheaval, financial troubles, or natural disasters may disrupt a country's or region's securities markets. Geographic risk is especially high in emerging markets.

Foreign Investments – Investing in securities of foreign issuers or issuers with significant exposure to foreign markets involves additional risk. Foreign countries in which the fund may invest may have markets that are less liquid, less regulated and more volatile than U.S. markets. The value of the fund's investments may decline because of factors affecting the particular issuer as well as foreign markets and issuers generally, such as unfavorable government actions, political or financial instability or other adverse economic or political developments. Lack of information and weaker accounting standards also may affect the value of these securities.

Growth Stocks – Returns on growth stocks may not move in tandem with returns on other categories of stocks or the market as a whole. Growth stocks may be particularly susceptible to larger price swings or to adverse developments. Growth stocks as a group may be out of favor and underperform the overall equity market for a long period of time, for example, while the market favors "value" stocks.

High-Yield Debt Securities – High-yield debt securities, commonly referred to as "junk bonds," are securities that are rated below "investment grade" (that is, securities rated below Baa/BBB) or, if unrated, determined to be below investment grade by the sub-adviser. Changes in interest rates, the market's perception of the issuers and the creditworthiness of the issuers may significantly affect the value of these bonds. Junk bonds are considered speculative, have a higher risk of default, tend to be less liquid and may be more difficult to value than higher grade securities. Junk bonds tend to be volatile and more susceptible to adverse events and negative sentiments.

Industry Concentration – The fund will typically concentrate its investments in issuers of one or more particular industries to the same extent that its underlying index is so concentrated and to the extent permitted by applicable regulatory guidance or concentrates its investments in a specific industry or industries. Concentration in a particular industry subjects the fund to the risks associated with that industry. As a result, the fund may be subject to greater price volatility and risk of loss as a result of adverse economic, business or other developments affecting that industry than funds investing in a broader range of industries.

Interest Rate – Interest rates in the U.S. have been at historically low levels, so the fund faces a heightened risk that interest rates may rise. The value of fixed income securities generally goes down when interest rates rise, and therefore the value of your investment in the fund may also go down. Debt securities have varying levels of sensitivity to changes in interest rates. A rise in rates tends to have a greater impact on the prices of longer term or duration securities.

Managed Risk Strategy – The portfolio employs a managed risk strategy. The strategy attempts to stabilize the volatility of the portfolio around a target volatility level and manage downside exposure during periods of significant market declines but may not work as intended. Because market conditions change, sometimes rapidly and unpredictably, the success of the strategy will be subject to the sub-adviser's ability to implement the strategy in a timely and efficient manner. The strategy may result in periods of underperformance, may limit the portfolio's ability to participate in rising markets and may increase transaction costs at the portfolio and/or Underlying Portfolio level. The strategy also serves to reduce the risk to the Transamerica insurance companies that provide guaranteed benefits under certain variable contracts from equity market volatility and to facilitate their provision of those guaranteed benefits. The strategy also may have the effect of limiting the amount of guaranteed benefits. The portfolio's performance may be lower than similar portfolios that are not subject to a

managed risk strategy.

Manager – The Adviser to the fund actively manages the fund’s investments. Consequently, the fund is subject to the risk that the methods and analyses employed by each Adviser may not produce the desired results. This could cause the fund to lose value or its results to lag relevant benchmarks or other funds with similar objectives.

Market – The market prices of the fund’s securities may go up or down, sometimes rapidly or unpredictably, due to general market conditions, such as real or perceived adverse economic or political conditions, inflation, changes in interest rates or currency rates, lack of liquidity in the markets or adverse investor sentiment. Adverse market conditions may be prolonged and may not have the same impact on all types of securities. Market prices of securities also may go down due to events or conditions that affect particular sectors, industries or issuers. When market prices fall, the value of your investment will go down. The fund may experience a substantial or complete loss on any individual security. Financial markets in the U.S., Europe and elsewhere have experienced increased volatility and decreased liquidity since the global financial crisis began in 2008. Governmental and non-governmental issuers defaulted on, or were forced to restructure, their debts. These market conditions may continue, worsen or spread. The U.S. government and the Federal Reserve, as well as certain foreign governments and their central banks have taken steps to support financial markets, including keeping interest rates at historically low levels. More recently, the Federal Reserve has reduced its market support activities. Further reduction or withdrawal of this support, or other related efforts in response to the crisis could negatively affect financial markets generally and increase market volatility as well as result in higher interest rates and reduce the value and liquidity of certain securities. This environment could make identifying investment risks and opportunities especially difficult for the Adviser. Whether or not the fund invests in securities of issuers located in or with significant exposure to countries experiencing economic and financial difficulties, the value and liquidity of the fund’s investments may be negatively affected. In addition, policy and legislative changes in the United States and in other countries are affecting many aspects of financial regulation, and in some instances may contribute to decreased liquidity and increased volatility in the financial markets.

Master Limited Partnerships – Investments in MLPs involve risks that differ from investments in corporate issuers, including risks related to limited control and limited rights to vote on matters affecting the MLP, risks related to potential conflicts of interest between the MLP and the MLP’s general partner, cash flow risks, dilution risks, certain tax risks, and risks related to the general partner’s right to require unitholders to sell their common units at an undesirable time or price. MLP entities are typically focused in the energy, natural resources and real estate sectors of the economy. A downturn in the energy, natural resources or real estate sectors of the economy could have an adverse impact on the fund. At times, the performance of securities of companies in the energy, natural resources and real estate sectors of the economy may lag the performance of other sectors or the broader market as a whole. The yields for equity and debt securities of MLPs and other issuers in the energy sector are susceptible in the short-term to fluctuations in interest rates and the value of the fund’s investments in such securities may decline if interest rates rise. The value of the fund’s investment in MLPs depends to a significant extent on the MLPs being treated as partnerships for U.S. federal income tax purposes. If an MLP does not meet the legal requirements to maintain partnership status, it could be taxed as a corporation and there could be a material decrease in the value of its securities.

Medium Capitalization Companies – The fund will be exposed to additional risks as a result of its investments in the securities of medium capitalization companies. Investing in medium capitalization companies involves greater risk than is customarily associated with more established companies. The prices of securities of medium capitalization companies generally are more volatile and are more likely to be adversely affected by changes in earnings results and investor expectations or poor economic or market conditions. Securities of medium capitalization companies may underperform larger capitalization companies, may be harder to sell at times and at prices the portfolio managers believe appropriate and may offer greater potential for losses.

Model and Data – If quantitative models, algorithms or calculations (whether proprietary and developed by the sub-adviser or supplied by third parties) (“Models”) or information or data supplied by third parties (“Data”) prove to be incorrect or incomplete, any decisions made, in whole or part, in reliance thereon expose the fund to additional risks. Models can be predictive in nature. The use of predictive Models has inherent risks. The success of relying on or otherwise using Models depends on a number of factors, including the validity, accuracy and completeness of the Model’s development, implementation

and maintenance, the Model's assumptions, factors, algorithms and methodologies, and the accuracy and reliability of the supplied historical or other Data. Models rely on, among other things, correct and complete Data inputs. If incorrect Data is entered into even a well-founded Model, the resulting information will be incorrect. However, even if Data is input correctly, Model prices may differ substantially from market prices, especially for securities with complex characteristics. Investments selected with the use of Models may perform differently than expected as a result of the design of the Model, inputs into the Model or other factors. There can be no assurance that the use of Models will result in effective investment decisions for the fund.

Money Market Fund Reform – New requirements for money market funds will take effect over the course of 2015 and 2016. The new regulations will impact funds differently depending upon the types of investors that will be permitted to invest in a fund, and the types of securities in which a fund may invest. “Retail” money market funds will generally limit their beneficial owners to natural persons. All other money market funds will be considered to be “institutional” money market funds. “Prime” money market funds will be permitted to invest primarily in corporate or other non-government securities, “U.S. government” money market funds will be required to invest a very high percentage of their assets in U.S. government securities and “municipal” money market funds will be required to invest significantly in municipal securities. Under the new requirements, institutional prime money market funds and institutional municipal money market funds will be required to sell and redeem shares at prices based on their market value (a floating net asset value). Retail money market funds and institutional U.S. government money market funds will not be subject to the floating net asset value requirement. The new rules will also permit or require both retail and institutional money market funds to impose liquidity fees and suspend redemptions temporarily in certain circumstances. As a result, money market funds will be required to implement changes that will impact and may adversely affect the funds and their investors.

Money Market Funds – An investment in a money market fund is not a bank deposit, and is not insured or guaranteed by the Federal Deposit Insurance Corporation (“FDIC”) or any other government agency. Although money market funds generally seek to maintain a stable net asset value of \$1.00 per share, it is possible to lose money by investing in a money market fund.

Mortgage-Related and Asset-Backed Securities – The value of mortgage-related and asset-backed securities will be influenced by factors affecting the housing market and the assets underlying such securities. As a result, during periods of declining asset values, difficult or frozen credit markets, swings in interest rates, or deteriorating economic conditions, mortgage-related and asset-backed securities may decline in value, face valuation difficulties, become more volatile and/or become illiquid. Mortgage-backed securities may be issued by private issuers, by government-sponsored entities such as Fannie Mae or Freddie Mac or by agencies of the U.S. government, such as Ginnie Mae. Mortgage-backed securities represent direct or indirect participations in, or are collateralized by and payable from, mortgage loans secured by real property. Unlike mortgage-related securities issued or guaranteed by agencies of the U.S. government or government-sponsored entities, mortgage-related securities issued by private issuers do not have a government or government-sponsored entity guarantee (but may have other credit enhancement), and may, and frequently do, have less favorable collateral, credit risk or other underwriting characteristics. Asset-backed securities represent participations in, or are secured by and payable from, assets such as installment sales or loan contracts, leases, credit card receivables and other categories of receivables. The value of mortgage-backed and asset-backed securities may be affected by changes in credit quality or value of the mortgage loans or other assets that support the securities. Mortgage-backed and asset-backed securities are subject to prepayment or call and extension risks. Some of these securities may receive little or no collateral protection from the underlying assets. The risk of default is generally higher in the case of mortgage-backed investments that include so-called “sub-prime” mortgages. The structure of some of these securities may be complex and there may be less information available than for other types of debt securities. Upon the occurrence of certain triggering events or defaults, the fund may become the holder of underlying assets at a time when those assets may be difficult to sell or may be sold only at a loss.

Non-Diversification – The fund is classified as “non-diversified,” which means it may invest a larger percentage of its assets in a smaller number of issuers than a diversified fund. To the extent the fund invests its assets in a smaller number of issuers, the fund will be more susceptible to negative events affecting those issuers than a diversified fund.

Portfolio Selection – The value of your investment may decrease if the sub-adviser’s judgment about

the quality, relative yield, value or market trends affecting a particular security or issuer, industry, sector, region or market segment, or about the economy or interest rates is incorrect.

Preferred Stock – Preferred stock’s right to dividends and liquidation proceeds is junior to the rights of a company’s debt securities. The value of preferred stock may be subject to factors that affect fixed income and equity securities, including changes in interest rates and in a company’s creditworthiness. The value of preferred stock tends to vary more with fluctuations in the underlying common stock and less with fluctuations in interest rates and tends to exhibit greater volatility. Shareholders of preferred stock may suffer a loss of value if dividends are not paid and have limited voting rights.

Real Estate Securities – Investments in the real estate industry are subject to risks associated with direct investment in real estate. These risks include declines in the value of real estate, adverse general and local economic conditions, increased competition, overbuilding and changes in operating expenses, property taxes or interest rates.

Redemption – The fund may experience periods of heavy redemptions that could cause the fund to liquidate its assets at inopportune times or at a loss or depressed value. Redemption risk is greater to the extent that the fund has investors with large shareholdings, short investment horizons, or unpredictable cash flow needs. The redemption by one or more large shareholders of their holdings in the fund could have an adverse impact on the remaining shareholders in the fund. In addition, the fund may suspend redemptions when permitted by applicable regulations.

REITs – Investing in real estate investment trusts (“REITs”) involves unique risks. When the fund invests in REITs, it is subject to risks generally associated with investing in real estate. A REIT’s performance depends on the types and locations of the properties it owns, how well it manages those properties and cash flow. REITs may have lower trading volumes and may be subject to more abrupt or erratic price movements than the overall securities markets. In addition to its own expenses, the fund will indirectly bear its proportionate share of any management and other expenses paid by REITs in which it invests. REITs are subject to a number of highly technical tax-related rules and requirements; and the failure to qualify as a REIT could result in corporate-level taxation, significantly reducing the return on an investment to the fund.

Repurchase Agreements – If the other party to a repurchase agreement defaults on its obligation, the fund may suffer delays and incur costs or lose money in exercising its rights under the agreement. If the seller fails to repurchase the security and the market value declines, the fund could lose money. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, the fund’s ability to dispose of the underlying securities may be restricted.

Small and Medium Capitalization Companies – The fund will be exposed to additional risks as a result of its investments in the securities of small or medium capitalization companies. Small or medium capitalization companies may be more at risk than large capitalization companies because, among other things, they may have limited product lines, operating history, market or financial resources, or because they may depend on a limited management group. The prices of securities of small and medium capitalization companies generally are more volatile than those of large capitalization companies and are more likely to be adversely affected than large capitalization companies by changes in earnings results and investor expectations or poor economic or market conditions. Securities of small and medium capitalization companies may underperform large capitalization companies, may be harder to sell at times and at prices the portfolio managers believe appropriate and may offer greater potential for losses.

Subsidiary – By investing in the Subsidiary, the fund will be indirectly exposed to the risks associated with the Subsidiary’s investments. The derivatives and other investments that will be held by the Subsidiary are generally similar to those that are permitted to be held by the fund and will be subject to the same risks that apply to similar investments if held directly by the fund. There can be no assurance that the investment objective of the Subsidiary will be achieved. The Subsidiary is not registered under the Investment Company Act, and, unless otherwise noted in this prospectus, is not subject to the investor protections of the Investment Company Act. Although certain regulated investment companies received private letter rulings from the Internal Revenue Service (“IRS”) with respect to their investment in entities similar to the Subsidiary, the portfolio has not received such a ruling. The IRS is no longer issuing private letter rulings on structures of this kind and is reportedly reexamining its position with respect to such structures. The fund relies on a private letter ruling from the Internal Revenue Service (the “IRS”) with respect to the investment in the Subsidiary. Changes in the laws of the United States

and/or the Cayman Islands could result in the inability of the fund and/or the Subsidiary to operate as described in this prospectus and the SAI and could adversely affect the fund.

Tactical Asset Allocation – Tactical asset allocation is an investment strategy that actively adjusts a fund's asset allocation. The fund's tactical asset management discipline may not work as intended. The fund may not achieve its objective and may not perform as well as other funds using other asset management styles, including those based on fundamental analysis (a method of evaluating a security that entails attempting to measure its intrinsic value by examining related economic, financial and other factors) or strategic asset allocation (a strategy that involves periodically rebalancing the portfolio in order to maintain a long-term goal for asset allocation). The sub-adviser's evaluations and assumptions in selecting underlying funds or individual securities may be incorrect in view of actual market conditions, and may result in owning securities that underperform other securities.

Taxable Investments – Although distributions of interest income from the fund's tax-exempt securities are generally exempt from regular federal income tax, distributions from other sources, including capital gain distributions and any gains on the sale of your shares are not. In addition, the interest on the fund's municipal securities could become subject to regular federal income tax due to noncompliant conduct by issuers, unfavorable legislation or litigation, or adverse interpretations by regulatory authorities.

Underlying Exchange Traded Funds and Mutual Funds – Because the portfolio invests its assets in various underlying ETFs and mutual funds (the "underlying portfolios"), its ability to achieve its investment objective depends largely on the performance of the underlying portfolios in which it invests. Each of the underlying portfolios in which the portfolio may invest has its own investment risks, and those risks can affect the value of the underlying portfolios' shares and therefore the value of the portfolio's investments. There can be no assurance that the investment objective of any underlying portfolio will be achieved. To the extent that the portfolio invests more of its assets in one underlying portfolio than in another, the portfolio will have greater exposure to the risks of that underlying portfolio. In addition, the portfolio will bear a pro rata portion of the operating expenses of the underlying portfolios in which it invests.

Equity-based ETFs are subject to risks similar to those of stocks; fixed income based ETFs are subject to risks similar to those of fixed-income securities. An investment in an ETF generally presents the same primary risks as an investment in a conventional fund (i.e., one that is not exchange-traded) that has the same investment objectives, strategies and policies. The price of an ETF can fluctuate up and down, and the portfolio could lose money investing in an ETF if the prices of the securities owned by the ETF go down. In addition, ETFs are subject to the following risks that do not apply to conventional funds: (i) the market price of an ETF's shares may be above or below the shares' net asset value; (ii) an active trading market for an ETF's shares may not develop or be maintained; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

U.S. Government Agency Obligations – Government agency obligations have different levels of credit support and, therefore, different degrees of credit risk. Securities issued by agencies and instrumentalities of the U.S. government that are supported by the full faith and credit of the U.S. generally present a lesser degree of credit risk than securities issued by agencies and instrumentalities sponsored by the U.S. government that are supported only by the issuer's right to borrow from the U.S. Treasury and securities issued by agencies and instrumentalities sponsored by the U.S. government that are supported only by the credit of the issuing agencies. Although the U.S. government has provided financial support to the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac") in the past, there can be no assurance that it will support these or other government sponsored entities in the future.

Valuation – The sales price the fund could receive for any particular portfolio investment may differ from the fund's valuation of the investment, particularly for securities that trade in thin or volatile markets, that are priced based upon valuations provided by third-party pricing services that use matrix or evaluated pricing systems, or that are valued using a fair value methodology.

Value Investing – The prices of securities the sub-adviser or an underlying fund believes are undervalued may not appreciate as anticipated or may go down. Value stocks as a group may be out of favor and underperform the overall equity market for a long period of time, for example, while the

market favors “growth” stocks.

Volatility Guidelines – The portfolio is subject to volatility guidelines. These guidelines require that the amount of exposure to the equity markets of the portfolio be based, in part, on the level of volatility of the equity markets. The guidelines are intended to improve absolute and risk-adjusted returns but may not work as intended. Because market conditions change, sometimes rapidly and unpredictably, the success of the guidelines will be subject to the Adviser or to an Underlying Fund’s ability to implement the guidelines in a timely and efficient manner. The guidelines may result in periods of underperformance, may limit the portfolio’s ability to participate in rising markets and may increase transaction costs at the portfolio and/or underlying portfolio level. The guidelines also serve to reduce the risk to the Transamerica insurance companies that provide guaranteed benefits under certain variable contracts from equity market volatility and to facilitate their provision of those guaranteed benefits. The guidelines also may have the effect of limiting the amount of guaranteed benefits. The portfolio’s performance may be lower than similar portfolios that are not subject to volatility guidelines.

Volatility Target – The fund utilizes an investment strategy that focuses on the management of fund volatility. There can be no assurance that the fund will meet its annualized volatility target. The annualized volatility target is intended to reduce the overall risk of investing in the fund but may not work as intended, may result in periods of underperformance and may limit the fund’s ability to participate in rising markets. The fund’s performance may be lower than similar funds that are not managed to an annualized volatility target.

Each Fund’s investment objectives, principal investment strategies and risks, policies and restrictions are set forth in the Fund’s current prospectus and statement of additional information (or the registration statement, as amended, for TIS). For additional information regarding a particular Fund’s principal investment strategies and risks, please see the Fund’s prospectus and statement of additional information (or registration statement, as amended, for TIS).

AEGON Global Funds (UCITs)

The Adviser serves as the investment adviser to AEGON Global Funds, which includes nine foreign registered investment companies that are Luxembourg-domiciled UCITS (Undertakings for Collective Investment in Transferable Securities) (the “Sub-Funds”). The Adviser oversees the investment and reinvestment of the assets of the Sub-Funds and supervises the delegation of the day-to-day duties to sub-advisers. The Sub-Funds are traded on the Luxembourg Stock Exchange and not sold in the United States. Risks of investing in these Sub-Funds include: Active Trading, Cash Management and Defensive Investing, Credit, Currency, Currency Hedging, Derivatives, Distressed or Defaulted Securities, Emerging Markets, Equity Securities, Expenses, Extension, Fixed-Income Securities, Focused Investing, Non-U.S. Investments, High-Yield Debt Securities, Interest Rate, Liquidity, Manager, Market, Mortgage-Related and Asset-Backed Securities, Portfolio Selection, Preferred Stock, Prepayment or Call, Small and Medium Capitalization Companies, Sovereign Debt, Value Investing, and Valuation.

Collective Trust

The Adviser serves as the investment adviser to a collective trust, a privately-offered pooled investment vehicle. The trustee of the collective trust (the “Trustee”) retains final and complete authority to accept or reject the Adviser’s recommendations. Each series of the collective trust has its own objectives, principal investment strategies and risks, policies and restrictions, as set forth in the offering memorandum for the collective trust.

The Collective Trust is established for the collective investment of assets of participating eligible investors, such as retirement plans and insurance company separate accounts, in one or more series. Each series of the Collective Trust (each a “Series”), invests in securities through an underlying fund (called a “Portfolio”) having the same investment goals and strategies as the investing Series. The Asset Allocation Series will invest in one or more Series of the Collective Trust. The underlying Portfolios’ are:

Bond Collective Trust Series: Transamerica Partners High Quality Bond – Collective Trust Fund, Transamerica Partners Core Bond – Collective Trust Fund, Transamerica Partners High Yield Bond – Collective Trust Fund; **Stock Collective Trust Series:** Transamerica Partners

Large Value – Collective Trust Fund, Transamerica Partners Large Core – Collective Trust Fund, Transamerica Partners Mid Growth – Collective Trust Fund, Transamerica Partners Mid Value – Collective Trust Fund, Transamerica Partners Small Core – Collective Trust Fund, Transamerica Partners International Equity – Collective Trust Fund, Transamerica Partners Stock Index – Collective Trust Fund; **Asset Allocation Series:** Transamerica Asset Allocation – Intermediate Horizon – Collective Trust Fund, Transamerica Asset Allocation – Intermediate/Long Horizon – Collective Trust Fund, Transamerica Asset Allocation – Long Horizon – Collective Trust Fund, Transamerica Asset Allocation – Short Horizon – Collective Trust Fund, Transamerica Asset Allocation – Short/Intermediate Horizon – Collective Trust Fund, and the **Transamerica Target Date Index Funds** (10 funds).

The following are risks of the Collective Trust: active trading; asset allocation; cash management and defensive investing; convertible securities; credit; currency; derivatives; emerging markets; fixed income securities; foreign securities; growth stocks; high-yield debt securities; inflation-protected securities; liquidity; loans; market; mortgage-related and asset-backed securities; portfolio selection; preferred stock; REITs; securities lending; small- or medium-sized companies; stocks; valuation; value investing; and warrants and rights.

The following chart shows approximately how much of the assets of each Transamerica Asset Allocation – Collective Trust Fund are invested in the Bond Collective Trust Fund Series, Stock Collective Trust Fund Series and Money Market Collective Trust Fund. These allocations reflect the Trustee’s present strategy for asset allocation during normal market conditions, and may be changed at any time without notice to investors and without investor approval. In the short-term, actual asset allocations may vary due to short-term changes in cash flows caused by purchases and withdrawals in the Transamerica Asset Allocation – Collective Trust Funds.

	Normal Approximate Allocations		
	Bond Collective Trust Fund Series	Stock Collective Trust Fund Series	Money Market Collective Trust Fund Series
Short Horizon	89.8%	10%	0.2%
Short/Intermediate Horizon	69.8%	30%	0.2%
Intermediate Horizon	49.8%	50%	0.2%
Intermediate/Long Horizon	29.8%	70%	0.2%
Long Horizon	9.8%	90%	0.2%

Each Series is subject to the following main investment risks (in alphabetical order):

- **Active Trading** – Certain Portfolios are actively managed and may purchase and sell securities without regard to the length of time held. Active trading may have a negative impact on performance by increasing transaction costs and may generate greater amounts of net short-term capital gains, which, for shareholders holding shares in taxable accounts, would be subject to tax at ordinary income tax rates upon distribution.
- **Asset Allocation** – The Trustee allocates an Asset Allocation Collective Trust Fund’s assets among various underlying Series which in turn invest in underlying Portfolios. These allocations may be unsuccessful in maximizing a Fund’s return and/or avoiding investment losses, and may cause a Fund to underperform other funds with a similar strategy.
- **Bank Obligations** – To the extent a Portfolio invests in U.S. bank obligations, the Portfolio will be more susceptible to adverse events affecting the U.S. banking industry. Banks are sensitive to changes in money market and general economic conditions. Banks are highly regulated. Decisions by regulators may limit the loans banks make and the interest rates and fees they charge, and may reduce bank profitability.

- **Cash Management and Defensive Investing** – The value of investments held by a Portfolio for cash management or defensive investing purposes can fluctuate. Like other fixed income securities, cash and cash equivalent securities are subject to risk, including market, interest rate and credit risk. If the Portfolio holds cash uninvested, the Portfolio will be subject to the credit risk of the depository institution holding the cash, it will not earn income on the cash and the Portfolio's yield will go down. To the extent that the Portfolio's assets are used for cash management or defensive investing purposes, it may not achieve its objective.
- **Convertible Securities** – Convertible securities share investment characteristics of both fixed income and equity securities. However, the value of these securities tends to vary more with fluctuations in the value of the underlying common stock than with fluctuations in interest rates. The value of convertible securities also tends to exhibit lower volatility than the underlying common stock. Convertible securities generally offer lower interest or dividend yields than non-convertible securities of similar quality. A Portfolio could lose money if the issuer of a convertible security is unable to meet its financial obligations or goes bankrupt.
- **Credit** – If an issuer or guarantor of a security held by a Portfolio or a counterparty to a financial contract with the Portfolio defaults or is downgraded, or is perceived to be less creditworthy, or if the credit quality or value of the any underlying assets declines, the value of your investment will decline. Below investment grade, high-yield debt securities (commonly known as “junk bonds”) have a higher risk of default or are already in default and are considered speculative. Subordinated securities are more likely to suffer a credit loss than non-subordinated securities of the same issuer and will be disproportionately affected by a default, downgrade or perceived decline in creditworthiness.
- **Currency** – The value of a Portfolio securities denominated in foreign currencies fluctuates as the rates of exchange between those currencies and the U.S. dollar change. Currency conversion costs and currency fluctuations could reduce or eliminate investment gains or add to investment losses. Currency exchange rates can be volatile and are affected by, among other factors, the general economics of a country, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls, and speculation.
- **Derivatives** – Using derivatives exposes a Portfolio to additional risks and can increase portfolio losses and reduce opportunities for gains when market prices, interest rates or the derivatives themselves behave in a way not anticipated by a Portfolio. Using derivatives also can have a leveraging effect and increase portfolio volatility. A Portfolio may also have to sell assets at inopportune times to satisfy its obligations. Derivatives may be difficult to sell, unwind or value, and the counterparty may default on its obligations to the Portfolio. A Portfolio's investments in derivative instruments may involve a small investment relative to the amount of investment exposure assumed and may result in losses exceeding the amounts invested in those instruments. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. The U.S. government is in the process of adopting and implementing regulations governing derivatives markets, including mandatory clearing of certain derivatives, margin and reporting requirements. The ultimate impact of the regulations remains unclear. Additional regulation of derivatives may make them more costly, may limit their availability, may disrupt markets or may otherwise adversely affect their value or performance.
- **Emerging Markets** – Investing in the securities of issuers located in or principally doing business in emerging markets are subject to foreign investments risks. These risks are greater for investments in issuers in emerging market countries. Emerging market countries tend to have economic, political and legal systems that are less fully developed and are less stable than those of more developed countries. Low trading volumes may result in a lack of liquidity and in extreme price volatility.
- **Fixed-Income Securities** – The market prices of fixed-income securities may fall due to general market conditions, such as real or perceived adverse economic or political conditions, inflation, changes in interest rates, lack of liquidity in the bond markets or adverse investor sentiment. In addition, the market value of a fixed income security may decline if the issuer or other obligor of the security fails to pay principal and/or interest, otherwise defaults or has its credit rating downgraded or is perceived to be less creditworthy, or the credit quality or value of any underlying

assets declines. When market prices fall, the value of your investment will go down. A rise in rates tends to have a greater impact on the prices of longer term or duration securities.

- **Foreign Investments** – Investing in securities of foreign issuers or issuers with significant exposure to foreign markets involve risk. Foreign countries may have markets that are less liquid, less regulated and more volatile than U.S. markets. The value of a Portfolio's investments may decline because of factors affecting the particular issuer as well as foreign markets and issuers generally, such as unfavorable government actions, political or financial instability or other adverse economic or political developments. Lack of information and weaker accounting standards also may affect the value of these securities.
- **Growth Stocks** – Returns on growth stocks may not move in tandem with returns on other categories of stocks or the market as a whole. Growth stocks may be particularly susceptible to larger price swings or to adverse developments. Growth stocks as a group may be out of favor and underperform the overall equity market for a long period of time, for example, while the market favors "value" stocks.
- **High-Yield Debt Securities** – High-yield debt securities, commonly referred to as "junk bonds," are securities that are rated below "investment grade" (that is, securities rated below Baa/BBB) or, if unrated, determined to be below investment grade by the sub-adviser. Changes in interest rates, the market's perception of the issuers and the creditworthiness of the issuers may significantly affect the value of these bonds. Junk bonds are considered speculative, have a higher risk of default, tend to be less liquid and may be more difficult to value than higher grade securities. Junk bonds tend to be volatile and more susceptible to adverse events and negative sentiments.
- **Inflation-Protected Securities** – Inflation-protected debt securities may react differently from other types of debt securities and tend to react to changes in "real" interest rates. Real interest rates represent nominal (stated) interest rates reduced by the expected impact of inflation. In general, the price of an inflation-protected debt security can fall when real interest rates rise, and can rise when real interest rates fall. Interest payments on inflation-protected debt securities can be unpredictable and will vary as the principal and/or interest is adjusted for inflation. Also, the inflation index utilized by a particular inflation-protected security may not accurately reflect the true rate of inflation, in which case the market value of the security could be adversely affected.
- **Interest Rate** – Interest rates in the United States recently have been historically low and are expected to rise. The value of fixed income securities generally goes down when interest rates rise, and therefore the value of your investment in the Portfolio may also go down. Debt securities have varying levels of sensitivity to changes in interest rates. A rise in rates tends to have a greater impact on the prices of longer term or duration securities.
- **Liquidity** – Some assets held by a Portfolio may be impossible or difficult to sell, particularly during times of market turmoil. These illiquid assets may also be difficult to value. If a Portfolio is forced to sell an illiquid asset to meet redemption requests or other cash needs, the Portfolio may be forced to sell at a loss.
- **Loans** – Loans are subject to the credit risk of nonpayment of principal or interest. Economic downturns or increases in interest rates may cause an increase in defaults, interest rate risk and liquidity risk. Loans may or may not be collateralized at the time of acquisition, and any collateral may be relatively illiquid or lose all or substantially all of its value subsequent to investment. In the event of bankruptcy of a borrower, a Portfolio could experience delays or limitations with respect to its ability to realize the benefits of any collateral securing a loan. Junior loans, which have a lower place in the borrower's capital structure than senior loans and may be unsecured, involve a higher degree of overall risk than senior loans of the same borrower. A Portfolio's investments in loans are also subject to prepayment or call risk.
- **Market** – The market prices of a Portfolio's securities may go down, sometimes rapidly or unpredictably, due to general market conditions, such as real or perceived adverse economic or political conditions, inflation, changes in interest rates or currency rates, lack of liquidity in the markets or adverse investor sentiment. Adverse market conditions may be prolonged and may not have the same impact on all types of securities. Market prices of securities also may go down due

to events or conditions that affect particular sectors, industries or issuers. When market prices fall, the value of your investment will go down. A Portfolio may experience a substantial or complete loss on any individual security. The global financial crisis that began in 2008 has caused a significant decline in the value and liquidity of many securities and unprecedented volatility in the markets. Governmental and non-governmental issuers (notably in Europe) have defaulted on, or been forced to restructure their debts; and many other issuers have faced difficulties obtaining credit or refinancing existing obligations. These market conditions may continue, worsen or spread, including in the United States, Europe and elsewhere. Further defaults or restructurings by governments and others of their debt could have additional adverse effects on economies, financial markets and asset valuations around the world. In response to the crisis, the U.S. government and the Federal Reserve, as well as certain foreign governments and their central banks have taken steps to support financial markets, including by keeping interest rates low. More recently, the Federal Reserve has reduced its market support activities. Further reduction or withdrawal of this support, failure of efforts in response to the crisis, or investor perception that such efforts are not succeeding could negatively affect financial markets generally and increase market volatility as well as reduce the value and liquidity of certain securities. This environment could make identifying investment risks and opportunities especially difficult for the sub-adviser. Whether or not the Portfolio invests in securities of issuers located in or with significant exposure to countries experiencing economic and financial difficulties, the value and liquidity of the Portfolio's investments may be negatively affected. In addition, policy and legislative changes in the United States and in other countries are affecting many aspects of financial regulation. The impact of these changes on the markets, and the practical implications for market participants, may not be fully known for some time.

- **Mortgage-Related and Asset-Backed Securities** – The value of mortgage-related and asset-backed securities will be influenced by factors affecting the housing market and the assets underlying such securities. As a result, during periods of declining asset values, difficult or frozen credit markets, swings in interest rates, or deteriorating economic conditions, mortgage-related and asset-backed securities may decline in value, face valuation difficulties, become more volatile and/or become illiquid. Mortgage-backed securities may be issued by private issuers, by government-sponsored entities such as Fannie Mae or Freddie Mac or by agencies of the U.S. government, such as Ginnie Mae. Mortgage-backed securities represent direct or indirect participations in, or are collateralized by and payable from, mortgage loans secured by real property. Unlike mortgage-related securities issued or guaranteed by agencies of the U.S. government or government-sponsored entities, mortgage-related securities issued by private issuers do not have a government or government-sponsored entity guarantee (but may have other credit enhancement), and may, and frequently do, have less favorable collateral, credit risk or other underwriting characteristics. Asset-backed securities represent participations in, or are secured by and payable from, assets such as installment sales or loan contracts, leases, credit card receivables and other categories of receivables. The value of mortgage-backed and asset-backed securities may be affected by changes in credit quality or value of the mortgage loans or other assets that support the securities. Mortgage-backed and asset-backed securities are subject to prepayment or call and extension risks. Some of these securities may receive little or no collateral protection from the underlying assets. The risk of default is generally higher in the case of mortgage-backed investments that include so-called “sub-prime” mortgages. The structure of some of these securities may be complex and there may be less information available than for other types of debt securities. Upon the occurrence of certain triggering events or defaults, the Portfolio may become the holder of underlying assets at a time when those assets may be difficult to sell or may be sold only at a loss.
- **Net Asset Value** – The Transamerica Partners Money Market – Collective Trust Fund does not maintain a stable net asset value of \$1.00 per unit and does not declare dividends on a daily basis (many money market funds do). Undeclared investment income, or a default on a portfolio security, may cause the net asset value to fluctuate. When a bank's borrowers get in financial trouble, their failure to repay the bank will also affect the bank's financial situation.

- **Portfolio Selection** – The value of your investment may decrease if the Portfolio’s sub-adviser’s judgment about the quality, relative yield, value or market trends affecting a particular security or issuer, industry, sector, region or market segment, or about the economy or interest rates is incorrect.
- **Preferred Stock** – Preferred stock’s right to dividends and liquidation proceeds is junior to the rights of a company’s debt securities. The value of preferred stock may be subject to factors that affect fixed income and equity securities, including changes in interest rates and in a company’s creditworthiness. The value of preferred stock tends to vary more with fluctuations in the underlying common stock and less with fluctuations in interest rates and tends to exhibit greater volatility. Shareholders of preferred stock may suffer a loss of value if dividends are not paid and have limited voting rights.
- **Redemption** – A Portfolio may experience periods of heavy redemptions that could cause the Portfolio to liquidate its assets at inopportune times or at a loss or depressed value particularly during periods of declining or illiquid markets. Redemption risk is greater to the extent that the Portfolio has investors with large shareholdings, short investment horizons, or unpredictable cash flow needs. The redemption by one or more large shareholders of their holdings in a Portfolio could have an adverse impact on the remaining shareholders in the Portfolio. In addition, the Portfolio may suspend redemptions when permitted by applicable regulations.
- **REITs** – Investing in real estate investment trusts (“REITs”) involves unique risks. When a Portfolio invests in REITs, it is subject to risks generally associated with investing in real estate. A REIT’s performance depends on the types and locations of the properties it owns, how well it manages those properties and cash flow. REITs may have lower trading volumes and may be subject to more abrupt or erratic price movements than the overall securities markets. In addition to its own expenses, the Portfolio will indirectly bear its proportionate share of any management and other expenses paid by REITs in which it invests. REITs are subject to a number of highly technical tax-related rules and requirements; and the failure to qualify as a REIT could result in corporate-level taxation, significantly reducing the return on an investment to the Portfolio.
- **Securities Lending** – A Portfolio may lend securities to other financial institutions that provide cash or other securities as collateral. When a Portfolio lends securities, its investment performance will continue to reflect changes in the value of the securities loaned, and the Portfolio will also receive a fee or interest on the collateral. Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the Portfolio may lose money and there may be a delay in recovering the loaned securities. A Portfolio could also lose money if it does not recover the securities and/or the value of the collateral falls, including the value of investments made with cash collateral. These events could trigger adverse tax consequences for a Portfolio.
- **Small and Medium Capitalization Companies** – A Portfolio will be exposed to additional risks as a result of its investments in the securities of small or medium capitalization companies. Small or medium capitalization companies may be more at risk than large capitalization companies because, among other things, they may have limited product lines, operating history, market or financial resources, or because they may depend on a limited management group. The prices of securities of small and medium capitalization companies generally are more volatile than those of large capitalization companies and are more likely to be adversely affected than large capitalization companies by changes in earnings results and investor expectations or poor economic or market conditions. Securities of small and medium capitalization companies may underperform large capitalization companies, may be harder to sell at times and at prices the portfolio managers believe appropriate and may offer greater potential for losses.
- **Underlying Series** – Because an Asset Allocation Collective Trust Fund invests its assets in various underlying Series which in turn invest in underlying Portfolios, a Fund’s ability to achieve its investment objective depends largely on the performance of the underlying Portfolios of the Series in which it invests. Each of the underlying Series in which the Portfolios may invest has its own investment risks, and those risks can affect the value of the underlying Series’ shares and therefore the value of the Portfolio’s investments. There can be no assurance that the investment objective of any underlying Series will be achieved. To the extent that the Portfolio invests more of its assets in one underlying Series than in another, the Portfolio will have greater exposure to the

risks of that underlying Series. In addition, the Portfolio will bear a pro rata portion of the operating expenses of the underlying Series in which it invests.

- **Valuation** – The sales price a Portfolio could receive for any particular portfolio investment may differ from the Portfolio's valuation of the investment, particularly for securities that trade in thin or volatile markets or that are valued using a fair value methodology.
- **Value Investing** – The prices of securities the sub-adviser believes are undervalued may not appreciate as anticipated or may go down. Value stocks as a group may be out of favor and underperform the overall equity market for a long period of time, for example, while the market favors “growth” stocks.
- **Warrants and Rights** – Warrants and rights may be considered more speculative than certain other types of investments because they do not entitle a holder to the dividends or voting rights for the securities that may be purchased. They do not represent any rights in the assets of the issuing company, and cease to have value if not exercised prior to the expiration date.
- **Yield** – The amount of income received by a Portfolio will go up or down depending on day-to-day variations in short-term interest rates, and when interest rates are very low the Portfolio's expenses could absorb all or a significant portion of the Portfolio's income.

Investment Scorecard Program

The Adviser furnishes investment advice to an affiliated recordkeeper. The Adviser screens a limited universe of mutual funds and other investment options for the affiliated recordkeeper using a combination of quantitative and/or qualitative analysis. The screening process relies on various mutual fund databases and other third party sources.

The screening process is a combination of quantitative and/or qualitative analysis. The quantitative screen examines trailing performance periods, consistency of performance, risk or volatility, expenses, style/market cap consistency, and manager tenure. The qualitative review generally includes an examination of the fund's organization, resources and incentive structure, investment process, portfolio construction and risk management, and manager reputation and experience.

Once the process is completed, the investment team regularly monitors the funds that it has reported on to the affiliated recordkeeper. The investment team typically meets on a weekly basis to discuss any mutual fund or investment option developments and review performance. This information, along with the other sources, is provided to the affiliated recordkeeper.

Asset Allocation Program

The Adviser creates and revises the Models for the Program. The Adviser is responsible for evaluating investment options available under the variable contracts and selecting the funds and applicable allocation of assets for each Model. In determining which funds will be included in each Model, the Adviser uses a variety of tools and information sources, including direct contacts with the investment firms. Investment decisions for each Model are based on analyses of the various funds, including their specific investment styles and strategies, investment processes, performance, organizational stability and experience and reputation. The composition of each Model is re-evaluated each calendar quarter. Contract owners are notified of any changes in the composition of their Model and are given the opportunity to reject the proposed changes, at which time their participation in the Program would cease.

Clients should understand that all investments involve risk (the amount of which may vary significantly from investment to investment and from time to time), investment performance can never be predicted or guaranteed, and the performance of the funds in their Model and annuity account value will fluctuate due to market conditions and other factors, and when redeemed, may be worth more or less than the original cost. The investment decisions made, and the actions taken, for each Model will be subject to various market, liquidity, currency, economic and political risks, and will not necessarily be profitable.

There is no assurance that a client participating in a Model will not lose money or that investment results will not experience volatility. Investment performance of annuity account value could be better or worse by participating in a Model than if the client had not participated and had chosen one or more other investment options. Model performance is dependent upon the performance of the component

funds selected for the Model. A Model may not perform as intended. Although the Models are intended to be catered to various levels of risk tolerance, fund, market and asset class performance, as well as the correlation of risks and returns among different funds and assets classes, may differ in the future from the historical performance and assumptions upon which the Models are based, which could cause the Models to be ineffective or less effective in reducing volatility. Periodic updating of the Models can cause the underlying funds to incur transactional expenses to raise cash for money flowing out of the funds or to buy securities with money flowing in. These expenses can adversely affect performance of the pertinent portfolios and the Models.

Model Manager Program

The Adviser creates and revises the Asset Allocation Models for the Model Manager Program. The Adviser is responsible for evaluating investment options in a platform offered by TFA and selecting the funds and applicable allocation of assets for each Asset Allocation Model. In determining which funds will be included in each Asset Allocation Model, the Adviser uses a variety of tools and information sources, including direct contacts with the investment firms. Investment decisions for each Asset Allocation Model are based on analyses of the various funds, including their specific investment styles and strategies, investment processes, performance, organizational stability and experience and reputation. The composition of each Asset Allocation Model is re-evaluated monthly. TFA is notified of any changes in the composition of their Asset Allocation Models and is given the opportunity to reject the proposed changes.

Program participants should understand that all investments involve risk (the amount of which may vary significantly from investment to investment and from time to time), investment performance can never be predicted or guaranteed, and the performance of the funds in their Asset Allocation Model will fluctuate due to market conditions and other factors, and when redeemed, may be worth more or less than the original cost. The investment decisions made, and the actions taken, for each Asset Allocation Model will be subject to various market, liquidity, currency, economic and political risks, and will not necessarily be profitable.

There is no assurance that a program participant participating in an Asset Allocation Model will not lose money or that investment results will not experience volatility. Investment performance could be better or worse by participating in an Asset Allocation Model than if the program participant had not participated and had chosen one or more other investment options. Asset Allocation Model performance is dependent upon the performance of the component funds selected for the Asset Allocation Model. An Asset Allocation Model may not perform as intended. Although the Asset Allocation Models are intended to be catered to various levels of risk tolerance, fund, market and asset class performance, as well as the correlation of risks and returns among different funds and assets classes, may differ in the future from the historical performance and assumptions upon which the Asset Allocation Models are based, which could cause the Asset Allocation Models to be ineffective or less effective in reducing volatility. Periodic updating of the Asset Allocation Models can cause the underlying funds to incur transactional expenses to raise cash for money flowing out of the funds or to buy securities with money flowing in. These expenses can adversely affect performance of the pertinent portfolios and the Asset Allocation Models.

Disciplinary Information

There have not been any legal or disciplinary events relating to the Adviser or its management persons that, in the opinion of the Adviser, are material to a client's or prospective client's evaluation of the Adviser's advisory business or the integrity of the Adviser's management.

Other Financial Industry Activities and Affiliations

The Adviser has a number of relationships with related persons that are material to its business.

Aegon USA Investment Management, LLC ("**AUIM**"), a registered investment adviser and an affiliate of the Adviser, is a sub-adviser to certain of the Funds.

Transamerica Fund Services, Inc. ("**TFS**"), an affiliate of the Adviser, is the Funds' administrator and transfer agent. TFS has outsourced the provision of certain transfer agency services to Boston Financial Data Services, Inc.

TCI, a registered broker-dealer, is an affiliate of the Adviser. Certain of the Funds have adopted distribution plans under Rule 12b-1 under the 1940 Act pursuant to which payments may be made to TCI in connection with the offering or sale of shares of such Funds. The Adviser benefits from the sale of Fund shares, as its fees for services to Fund clients are based on a percentage of assets under management. The Adviser has an interest in increasing assets of the investment companies, including in circumstances when that may not be in the Funds' or their shareholders' interests.

Transamerica Retirement Solutions Corporation, an affiliate, provides recordkeeping and other administrative services for retirement plans, such as 401(k) plans, sponsored by small U.S. employers.

Other related person broker-dealers include: Transamerica Investors Securities Corporation, Transamerica Financial Advisors, Inc., and Clark Securities, Inc.

AUIM, Transamerica Retirement Advisors, Inc., and Transamerica Financial Advisors, Inc., all registered investment advisers, are affiliates of the Adviser.

The insurance companies that select TST portfolios as investment options for the variable annuity contracts and variable life insurance policies that they issue and distribute, Transamerica Life Insurance Company, Transamerica Financial Life Insurance Company, Transamerica Advisors Life Insurance Company, and Transamerica Premier Life Insurance Company (together, the **"Transamerica Insurance Companies"**), are affiliated with the Adviser. Shares of TST are intended to be sold to separate accounts of the Transamerica Insurance Companies and may be made available to other insurance companies and their separate accounts in the future.

TCI and the Transamerica Insurance Companies engage in wholesaling activities designed to support, maintain, and increase the number of financial intermediaries who sell shares of the Funds. Wholesaling activities include, but are not limited to, recommending and promoting, directly or through intermediaries, the Funds to financial intermediaries and providing sales training, retail broker support and other services. Payment for these activities is made by TCI, the Transamerica Insurance Companies and their affiliates out of past profits and other available sources, including revenue sharing payments from others.

Such payments and compensation are in addition to the sales charges, Rule 12b-1 Plan fees, service fees and other fees that may be paid, directly or indirectly, to such brokers and other financial intermediaries.

Massachusetts Fidelity Trust Company (**"MFTC"**) is an indirect, wholly-owned subsidiary of Aegon USA. MFTC sponsors and serves as trustee of collective trust funds for retirement plans.

The Adviser and its affiliates, directors, officers, employees and personnel (collectively, for purposes of this section, "Transamerica"), including the entities and personnel who may be involved in the management, operations or distribution of the Funds and/or other products managed or advised by the Adviser (the **"Other Accounts"**), are engaged in a variety of businesses and have interests other than that of managing the Funds or Other Accounts. The broad range of activities and interests of Transamerica gives rise to actual, potential and perceived conflicts of interest that could affect the Funds and their shareholders.

In some cases the Adviser oversees sub-advisers who perform the day-to-day management of the Funds, and in other cases the Adviser itself performs the day-to-day management. A Fund may have investment objectives similar to those of other Funds or Other Accounts and/or that engage in transactions in the same types of securities and instruments. Such transactions could affect the prices and availability of the securities and instruments in which a Fund or Other Account invests, and could have an adverse impact on performance. A Fund or Other Account may buy or sell positions while other Funds or Other Accounts are undertaking the same or a differing, including potentially opposite, strategy, which could disadvantage the Fund or Other Account. A position taken by the Adviser, on behalf of a Fund or Other Account, may be contrary to a position taken on behalf of other Funds or Other Accounts or may be adverse to a company or issuer in which a Fund or Other Account has invested.

The results of the investment activities of a Fund or Other Account may differ significantly from the results achieved for other Funds or Other Accounts. Transamerica may give advice, and take action, with respect to any current or future fund or Other Account that may compete or conflict with advice the Adviser may give to, or actions the Adviser may take for, another Fund or Other Account. Transamerica may receive more compensation with respect to certain Funds or Other Accounts than

that received with respect to other Funds or may receive compensation based on the performance of certain Other Accounts. Transamerica personnel may have greater economic and other interests in certain Funds or Other Accounts promoted or managed by such personnel as compared to other Funds or Other Accounts.

As discussed under “Fees and Compensation” above, the Adviser and other financial service providers have conflicts associated with their promotion of the Funds or other dealings with the Funds that would create incentives for them to promote the Funds.

Certain Funds are offered as investment options through variable insurance contracts offered and sold by Transamerica Insurance Companies. The Adviser also acts as an investment adviser with respect to an asset allocation program offered for use in certain variable insurance contracts issued by Transamerica insurance companies. The performance of the Funds, Models and/or Asset Allocation Models (the Models and Asset Allocation Models, collectively, for purposes of this section, the “Models”) may impact Transamerica’s financial exposure under guarantees that the Transamerica Insurance Companies provide as issuers of the variable insurance contracts. The Adviser’s investment decisions and the design of the Funds and Models may be influenced by these factors. For example, the Funds or the Models being managed or designed in a more conservative fashion may help reduce potential losses and/or mitigate financial risks to the Transamerica insurance companies that provide the guarantees, and facilitate the provision of those guaranteed benefits, including by making more predictable the costs of the guarantees and by reducing the capital needed to provide them. In addition, certain Models may include certain of the Funds as investment options, and Transamerica will receive more revenue if the Adviser selects such Funds to be included in the Models.

The Adviser serves as investment adviser to certain funds of funds that invest in affiliated underlying funds, unaffiliated underlying funds, or a combination of both, including certain of the Funds, and the Adviser is subject to conflicts of interest in allocating the funds of fund’s assets among the underlying funds. Certain of the funds of funds are underlying investment options for Transamerica insurance products. The Adviser will receive more revenue when it selects an affiliated fund rather than an unaffiliated fund for inclusion in a fund of funds. This conflict may provide an incentive for the Adviser to include affiliated Funds as investment options for funds of funds and to cause investments by funds of funds in affiliated perform less well than unaffiliated funds. The inclusion of affiliated funds will also permit the Adviser and/or the sub-adviser to make increased revenue sharing payments, including to Transamerica. The affiliates of certain underlying unaffiliated funds also make revenue sharing payments to Transamerica. Such payments are generally made in exchange for distribution services provided to the fund of funds, but may also be compensation for services provided to investors. In addition, the Adviser may have an incentive to allocate the fund of fund’s assets to those underlying funds for which the net advisory fees payable to the Adviser are higher than the fees payable by other underlying funds or to those underlying funds for which an affiliate of the Adviser serves as the sub-adviser.

The Adviser may have a financial incentive to implement certain changes to the Funds or Other Accounts. The Adviser may, from time to time, recommend a change in sub-adviser or a fund combination. Transamerica will benefit to the extent that an affiliated sub-adviser replaces an unaffiliated sub-adviser or additional assets are combined into a Fund having a higher net advisory fee payable to the Adviser and/or that is sub-advised by an affiliate of the Adviser. The Adviser will also benefit to the extent that it replaces a sub-adviser with a new sub-adviser with a lower sub-advisory fee. The Adviser has a fiduciary duty to act in the best interests of a Fund or Other Account and its shareholders when recommending to the Board the appointment of or continued service of an affiliated sub-adviser for a Fund or Other Account or a Fund combination. Moreover, the Adviser’s “manager of managers” exemptive order from the SEC requires Fund shareholder approval of any sub-advisory agreement appointing an affiliated sub-adviser as the sub-adviser to a Fund (in the case of a new fund, the initial sole shareholder of the fund, typically an affiliate of Transamerica, may provide this approval).

Although there are no direct fees associated with participation in the Program for the Contract owner, Financial Advisors who introduce clients to the Program, and provide ongoing services to these clients, receive compensation in connection with the purchase of the Contract.

Funds selected by the Adviser to be part of a Model may be advised by the Adviser and/or affiliates of the Adviser. To the extent that the Adviser includes in the Models funds advised by the Adviser and/or by affiliates of the Adviser, the Adviser and/or those affiliates will receive compensation from those

funds in the form of investment advisory, administrative, transfer agency, distribution and/or other services. Thus, the Adviser and/or its affiliates will receive more revenue with respect to affiliated funds than for unaffiliated funds. The annuity prospectus discloses each of the available subaccounts as well as the investment advisory fees payable under each underlying fund option.

The Adviser may be subject to competing interests that have the potential to influence its decision making with regard to the Program. For example, a fund in the Fund Complex will benefit affiliates of the Adviser, whereas a fund that is not managed by an affiliate will not provide the same benefit. Further, one fund in the Fund Complex may provide a higher advisory fee to an affiliate of the Adviser than another fund, which may provide the Adviser with incentive to use the fund with the higher fee in a Model. In addition, the Adviser may believe that certain funds in the Fund Complex may benefit from additional assets or could be harmed by redemptions. Affiliates of the Adviser that manage the Funds may, from time to time, recommend a change in sub-adviser or strategy or the closure or merger of a fund, all of which could impact a Model.

The Adviser may, when it is not inconsistent with the interests of clients, consider business factors of its affiliates. For example, in certain of the Contracts, the Transamerica Insurance Companies offer optional guaranteed lifetime income benefits or death benefits under which the Companies assume investment and other risks, and their financial exposure and required reserves may be affected by gains or losses incurred in the Contracts. The Adviser's investment decisions in allocating monies to the available investment options may be influenced by these factors. For example, the Transamerica Insurance Companies may benefit if the Models are designed in a more conservative fashion, such as by increasing exposure to fixed-income securities or index funds, so as to help reduce potential losses or facilitate hedging by the Transamerica Insurance Companies for their exposure. The Adviser's investment decisions may be influenced by these and other potential conflicts of interests.

The Adviser may have conflicts of interest in preparing mutual fund research reports for the affiliated broker-dealer. Mutual funds sponsored by the Adviser and advised by the Adviser investment advisory personnel who participate in the preparation of the information may appear in the reports. The Adviser earns advisory and other fees from its mutual funds, and these fees go up as Fund assets increase. The Adviser may receive revenue sharing payments in connection with mutual funds included in the reports.

The mutual fund research list selection process is a combination of quantitative and qualitative analysis. The screening process relies on various retail mutual fund databases and other third party sources. The Adviser and/or its affiliates may benefit financially from the inclusion of affiliated Funds in the reports. The Adviser advised Funds included in the reports must pass the same screening process as other funds included in the reports.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

The Adviser has adopted a Code of Ethics as required by law, which is designed to prevent affiliated persons of the Adviser from engaging in deceptive, manipulative, or fraudulent activities in connection with securities held or to be acquired by the Funds (which may also be held by persons subject to a code of ethics). There can be no assurance that the codes of ethics will be effective in preventing such activities.

Pursuant to Rule 17j-1 under the 1940 Act, the Adviser has adopted a code of ethics that permits its personnel to invest in securities for their own accounts, including securities that may be purchased or held by a Fund. All personnel must place the interests of clients first, must not act upon non-public information, must not take inappropriate advantage of their positions, and are required to fulfill their fiduciary obligations. All personal securities transactions by employees must adhere to the requirements of the codes of ethics and must be conducted in such a manner as to avoid any actual or potential conflict of interest, the appearance of such a conflict, or the abuse of an employee's position of trust and responsibility.

Brokerage Practices

The Fund Complex

The Adviser has the authority to place all orders for the purchase or sale of securities on behalf of the Funds with selected broker-dealers, subject to the duty to seek to obtain "best execution" (prompt and reliable execution at the most favorable price). Notwithstanding the foregoing, the Adviser generally is

not engaged in selecting or recommending broker-dealers for clients because the Adviser has engaged, and intends to continue to engage, one or more sub-advisers to purchase and sell securities for each of the Funds (other than those asset allocation which are managed directly by the Adviser). Each sub-adviser is also subject to oversight by the directors/trustees of the applicable Fund. The Adviser does engage in futures trading in certain of the asset allocation funds.

The various sub-advisers to the Funds supervise the related securities transactions and are responsible for determining what securities will be purchased and sold for the Funds they sub-advise and for selecting the broker-dealer to execute those transactions. The sub-advisers may place, for compensation, portfolio transactions with broker-dealers that are affiliated with the sub-adviser or the Adviser.

Each sub-adviser's primary consideration in placing securities transactions with broker-dealers for execution is to obtain and maintain the availability of execution at the most favorable prices and in the most effective manner possible, subject to the duty to seek best execution. Each sub-adviser attempts to achieve this result by selecting broker-dealers to execute transactions on behalf of the clients of that sub-adviser on the basis of their professional capability, the value and quality of their brokerage services, and the level of their brokerage commissions.

Decisions as to the assignment of Fund Complex business for each of the Funds and negotiation of commission rates are made by a Fund's sub-adviser, whose policy is to seek to obtain the "best execution" of all Fund transactions. The Investment Advisory Agreement and Sub-Advisory Agreement for each Fund specifically provide that in placing portfolio transactions for a Fund, the Fund's sub-adviser may agree to pay brokerage commissions for effecting a securities transaction in an amount higher than another broker or dealer would have charged for effecting that transaction as authorized, under certain circumstances, by the Securities Exchange Act of 1934, as amended.

A sub-adviser may place portfolio transactions with a broker with whom it has negotiated a commission that is in excess of the commission another broker would have charged for effecting that transaction. This is done if the sub-adviser determines in good faith that such amount of commission was reasonable in relation to the value of the brokerage and research provided by such broker viewed in terms of either that particular transaction or of the overall responsibilities of the sub-adviser. Research provided may include:

- Furnishing advice, either directly or through publications or writings, as to the value of securities, the advisability of purchasing or selling specific securities and the availability of securities or purchasers or sellers of securities;
- Furnishing seminars, information, analyses and reports concerning issuers, industries, securities, trading markets and methods, legislative developments, changes in accounting practices, economic factors and trends and portfolio strategy;
- Access to research analysts, corporate management personnel, industry experts, economists and government officials; and
- Comparative performance evaluation and technical measurement services and quotation services, and other services (such as third party publications, reports and analyses, and computer and electronic access, equipment, software, information and accessories that deliver process or otherwise utilize information, including the research described above) that assist the sub-adviser in carrying out its responsibilities.

A sub-adviser may have an incentive to select or recommend a broker-dealer based on its interest in receiving research or other products or services, rather than on the clients' interests in receiving most favorable execution.

A sub-adviser may use research products and services in servicing other accounts in addition to the Funds. If a sub-adviser determines that any research product or service has a mixed use, such that it also serves functions that do not assist in the investment decision-making process, a sub-adviser may allocate the costs of such service or product accordingly. The portion of the product or service that a sub-adviser determines will assist it in the investment decision-making process may be paid for in brokerage commission dollars. Such allocation may be a conflict of interest for a sub-adviser.

A sub-adviser may place transactions for the purchase or sale of portfolio securities with affiliates of the Adviser or the sub-adviser. A sub-adviser may place transactions if it reasonably believes that the quality of the transaction and the associated commission are fair and reasonable. Under rules adopted by the SEC, the Funds' governing boards will conduct periodic compliance reviews of such brokerage

allocations and review certain procedures adopted by the governing boards to ensure compliance with these rules and to determine their continued appropriateness.

A sub-adviser to a Fund, to the extent consistent with the best execution and with the Adviser's usual commission rate policies and practices, may place portfolio transactions of the Fund with broker/dealers with which the Fund has established a Directed Brokerage Program. A Directed Brokerage Program is any arrangement under which a broker/dealer applies a portion of the commissions received by such broker/dealer on the Fund's portfolio transactions to the payment of operating expenses that would otherwise be borne by the Fund. These commissions are not used for promoting or selling Fund shares or otherwise related to the distribution of Fund shares.

Each sub-adviser determines the brokers who handle securities transactions for client accounts, subject to policies established by the respective boards of the Funds. Although investment decisions are made independently for each Fund, orders for each respective Fund are generally grouped by the respective sub-adviser to obtain the efficiencies and lower commission available on larger transactions. Brokers are usually selected on a transaction basis rather than client by client. Considerations for choosing a broker may include, but are not limited to, brokers who handle a substantial amount of business for the particular execution capabilities, those who provide valuable research information, and those who have referred accounts to the particular sub-adviser. Some simultaneous transactions are inevitable when several clients receive investment advice from the same sub-adviser. When two or more clients are simultaneously engaged in the purchase or sale of the same security, the securities are generally allocated by the applicable sub-adviser among clients in a manner believed by the sub-adviser to be equitable to each. It is recognized that in some cases this system could have a detrimental effect on the price or volume of the security as far as a particular client is concerned. However, it is believed that the ability of clients to participate in volume transactions will produce better executions for the clients.

Collective Trust

The underlying funds and privately-offered pooled investment vehicles in which certain series of the collective trust invest, which include TAM Funds, pay transaction costs, such as commissions, when buying and selling securities of their portfolios. The advisers and any sub-advisers to the underlying funds and privately-offered pooled investment vehicles may receive research or other products or services other than execution from broker-dealers or third parties in connection with the funds' or vehicles' securities transactions.

Asset Allocation Program

The underlying funds in the Asset Allocation Program, which include the Fund Complex, pay transaction costs, such as commissions, when buying and selling securities of their portfolios. The advisers and any sub-advisers to the underlying funds may receive research or other products or services other than execution from broker-dealers or third parties in connection with the funds' securities transactions.

Model Manager Program

The underlying funds in the Model Manager Program pay transaction costs, such as commissions, when buying and selling securities of their portfolios. The advisers and any sub-advisers to the underlying funds may receive research or other products or services other than execution from broker-dealers or third parties in connection with the funds' securities transactions.

Review of Accounts

The Fund Complex

Each of the Transamerica Asset Allocation Funds of Transamerica Partners Funds Group and Transamerica Partners Funds Group II (the "**Partners Funds**") was designed to address a particular segment of the risk/reward spectrum and is strategic and long-term in nature. The Adviser chooses the underlying funds and weights to match the objectives of each Partners Fund. Within the broad equity and fixed-income categories, funds are included in an attempt to achieve an optimal balance between risk and return potential, with the goal of providing a diversified portfolio of investments. With regard to equities, exposures to investment style (value vs. growth), capitalization (small vs. large) and regions (domestic vs. foreign) are considered, while for fixed-income, sectors (high yield vs. high quality) and

maturity (short-term vs. intermediate term) are considered, among other factors. Exposures are evaluated relative to benchmarks, common asset allocation practice, and long-term return and risk expectations.

On a weekly basis, the Adviser meets to discuss market developments and review current allocations and performance attribution with respect to broad asset class and underlying fund exposures. This provides an opportunity to discuss the Partners Funds' long-term strategic targets and fund weights as well, although changes are not expected to be frequent by design.

When acting as a manager of managers, the Adviser provides advisory services that include, without limitation, the design and development of each Fund or Sub-Fund, and its investment strategy and the ongoing review and evaluation of that investment strategy including recommending changes in strategy where it believes appropriate or advisable; the selection of one or more sub-advisers for each Fund employing a combination of quantitative and qualitative screens, research, analysis and due diligence; oversight and monitoring of sub-advisers and recommending changes to sub-advisers where it believes appropriate or advisable; recommending fund combinations and liquidations where it believes appropriate or advisable; regular supervision of the Funds' investments; regular review of sub-adviser performance and holdings; ongoing trade oversight and analysis; regular monitoring to ensure adherence to investment process; risk management oversight and analysis; design, development, implementation and regular monitoring of the valuation process; design, development, implementation and regular monitoring of the compliance process; review of proxies voted by sub-advisers; oversight of preparation, and review, of materials for meetings of the Funds' Board of Directors/Trustees, participation in these meetings and preparation of regular communications with the Board; oversight of preparation, and review, of prospectuses, shareholder reports and other disclosure materials and regulatory filings for the Funds; oversight of other service providers to the Funds, such as the custodian, the transfer agent, the Funds' independent accounting firm and legal counsel; supervision of the performance of recordkeeping and shareholder relations functions for the Funds; and ongoing cash management services. The Adviser uses a variety of quantitative and qualitative tools to carry out its investment advisory services.

Collective Trust

The Adviser recommends one or more underlying series or Funds and the relative amounts to be invested in each underlying fund or series based on the objectives and principal strategies of the particular series of the collective trust. The Adviser closely monitors the series of the collective trust. Pursuant to the Adviser's responsibilities to each series of the collective trust and subject to the oversight and review of the board, the Adviser is responsible for the evaluation and due diligence of prospective sub-advisers of the underlying series or Funds as stated above. The Adviser, when necessary, makes recommendations for changes in the underlying series or Funds used by each series of the collective trust.

Asset Allocation Program

On a quarterly basis, the Adviser reviews the Models and may adjust the composition of each Model. TALIC and TFLIC provide clients with quarterly Contract statements showing variable annuity account values, as well as periodic performance reports. TALIC and TFLIC also provide program participants with quarterly updates regarding Model changes and the opportunity to reject such changes.

Model Manager Program

On a monthly basis, the Adviser reviews the Asset Allocation Models and may adjust the composition of each Asset Allocation Model.

Client Referrals and Other Compensation

The Fund Complex

As discussed under "Fees and Compensation" and "Other Financial Industry Activities and Affiliations" above, the Adviser (and its affiliates) makes and receives revenue sharing payments and has conflicts associated with the promotion of the Funds or other dealings with the Funds that would create incentives for promoting the Funds.

Certain of the Funds have adopted a distribution plan under Rule 12b-1 of the 1940 Act pursuant to which payments may be made in connection with the offering or sale of shares of such investment

companies. The Adviser will benefit indirectly from the sale of shares, as its fees for services to the Funds are based on a percentage of assets under management. These 12b-1 fees may be used to make payments to Funds' distributor and to broker-dealers, financial institutions, or other financial intermediaries as compensation for the sale of Fund shares, and to make payments for advertising, marketing, or other promotional activity, and for providing personal service or the maintenance of shareholder accounts.

Collective Trust

As discussed under "Fees and Compensation" above, the Adviser currently receives no advisory fee from the collective trust because of an all-in fee charged at the separate account level. The Adviser currently receives no advisory fee from Transamerica Life Insurance Company for serving as investment adviser to the Collective Trust.

Asset Allocation Program

As discussed under "Fees and Compensation" above, there is no charge to the client for participation in the Program. The Adviser receives fees from TALIC and TFLIC in the amount of 0.0375% calculated as a percentage of the total TALIC and TFLIC Investor Choice Annuity contract assets participating in the Program.

For more information, please refer to the discussion above under "Fees and Compensation" that describes the Adviser's revenue sharing arrangements.

Model Manager Program

As discussed under "Fees and Compensation" above, for its services to the Model Manager Program, the Adviser receives compensation from TFA of 0.20% (on an annualized basis) for those assets in the Dual Alpha I-Series accounts invested in accordance with the Asset Allocation Model Portfolios, based on the market value of the assets in the specific Dual Alpha I-Series accounts.

Investment Scorecard Program

As discussed under "Fees and Compensation" above, the Adviser receives compensation from TRSC of \$200,000 annually for its services in the Investment Scorecard Program.

Custody

The Fund Complex

The Funds' custodial arrangements are subject to regulation under the 1940 Act. State Street Bank and Trust Company serves as custodian to the Funds. The custodian's responsibilities include safeguarding and controlling each Fund's cash and securities, handling the receipt and delivery of securities, determining income and collecting interest on each Fund's investments, maintaining books of original entry for portfolio and Fund accounting and other required books and accounts, and calculating the daily net asset value of shares of each Fund.

The Sub-Funds

Citibank International plc (Luxembourg Branch) serves as custodian, paying agent, administrator, domiciliary, and registrar and transfer agent of AEGON Global Funds. These custodial arrangements are subject to regulation under the Luxembourg law of 17 December 2010 on undertakings for collective investments. The custodian's responsibilities include safeguarding and controlling each Sub-Fund's cash and securities, handling the receipt and delivery of securities, determining income and collecting interest on each Sub-Fund's investments, monitoring daily compliance of each Sub-Fund, maintaining books of original entry for portfolio and Sub-Fund accounting and other required books and accounts, and calculating the daily net asset value of shares of each Sub-Fund.

Collective Trust

Transamerica Retirement Solutions Corporation, at the direction of TFS, provides participating eligible investors with quarterly statements in connection with their investment in the Trust.

Asset Allocation Program

TALIC and TFLIC provide clients with quarterly Contract statements showing variable annuity account values, as well as periodic performance reports. In addition, TALIC and TFLIC provide clients with additional reports in connection with their ownership of the Contract, including confirmations of activity showing any charges deducted and transfers among the investment options within their variable annuity contract, as required by law. Clients should carefully review these statement and reports.

Investment Discretion

Please see the description of advisory services rendered by the Adviser under “Advisory Business” above.

Voting Client Securities

The Adviser has adopted proxy voting policies and procedures pursuant to Rule 206(4) -6 under the Advisers Act. The purpose of the Adviser’s proxy voting policies and procedures is to ensure that where the Adviser exercises proxy voting authority with respect to client securities it does so in the best interests of the client, and that sub-advisers to the Adviser clients exercise voting authority with respect to the Adviser client securities in accordance with policies and procedures adopted by the sub-advisers under Rule 206(4)-6 and approved by the Adviser client. The Adviser’s proxy voting policies and procedures address material conflicts that may arise between the Adviser or its affiliates and the Funds by, in every case where the Adviser exercises voting discretion, either (i) providing for voting in accordance with the recommendation of an independent third party or board; or (ii) obtaining the consent of the board (or a board committee) with full disclosure of the conflict.

The Funds delegate the authority to vote proxies related to portfolio securities to the Adviser. The Adviser, in turn, delegates the responsibility to exercise voting authority with respect to securities held in the Funds’ portfolios for which one or more sub-advisers has been retained to the sub-adviser(s) for each such portfolio, in accordance with the proxy voting policies and procedures of the applicable sub-adviser. The Adviser will collect and review the proxy voting policies and procedures of each sub-adviser, together with a certification from the sub-adviser that its proxy voting policies and procedures comply with Rule 206(4)-6. In the event that the Adviser is called upon to exercise voting authority with respect to client securities, the Adviser generally will vote in accordance with the recommendation of RiskMetrics Group, Inc. or another qualified independent third party, except that if the Adviser believes the recommendation would not be in the best interest of the relevant portfolio and its shareholders, the Adviser will consult the board of the relevant Fund (or a committee of the board) and vote in accordance with instructions from the board or committee.

MFTC, Trustee of the Collective Trust, has all power and authority to administer the affairs of the Collective Trust, including, without limitation, to exercise, personally or by general or limited power of attorney, any right, including the right to vote, appurtenant to any securities or other property of the Collective Trust.

A copy of the Adviser’s proxy voting policies and procedures is available upon request by calling 1-888-233-4339. The Funds file Forms N-PX, with the complete proxy voting records of the Funds for the 12 months ended June 30th, no later than August 31st of each year. These forms are available without charge: (1) from the Funds upon request by calling 1-888-233-4339; and (2) on the SEC’s website at www.sec.gov.

Financial Information

The Adviser is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to the Funds, Collective Trust or the Program.

Requirements for State-Registered Advisers

This item is not applicable to the Adviser.