

# TRANSAMERICA RETIREMENT ADVISORS, LLC

## Transamerica Personalized Portfolios

408 St. Peter Street, Suite 230  
St. Paul, Minnesota 55102  
(866)-368-0566

This brochure provides information about the qualifications and business practices of Transamerica Retirement Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (866)-368-0566. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Transamerica Retirement Advisors, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Transamerica Retirement Advisors, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

April 17, 2017

## SUMMARY OF MATERIAL CHANGES

*TRA will begin offering Transamerica Personalized Portfolios (“TPP”) beginning in May, 2017. Other services TRA offers are described in separate brochures.*

## TABLE OF CONTENTS

Advisory Business .....	1
Fees and Compensation .....	2
Performance-Based Fees and Side-by-Side Management .....	2
Types of Clients .....	2
Methods of Analysis, Investment Strategies, and Risk of Loss .....	2
Disciplinary Information .....	3
Other Financial Industry Activities and Affiliations .....	3
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	4
Brokerage Practices .....	5
Review of Accounts .....	6
Client Referrals and Other Compensation .....	6
Custody.....	6
Investment Discretion.....	7
Voting Client Securities .....	7
Financial Information.....	6

## Advisory Business

### *Our Firm*

Transamerica Retirement Advisors, LLC (“TRA”) is a registered investment advisory firm that, with its predecessors, has been in business since 1992. TRA is part of the AEGON family of companies, a global leader in pensions. TRA is a wholly-owned subsidiary of Transamerica Retirement Solutions, LLC (“TRS”), a firm dedicated to providing services to retirement plans and their participants. TRS is an indirect wholly-owned subsidiary of AUSA Holding, LLC, a financial services holding company whose primary emphasis is on life and health insurance, and annuity and investment products. AUSA Holding, LLC is owned by Transamerica Corporation. Transamerica Corporation is owned by The AEGON Trust, which is owned by AEGON International B.V., which is owned by AEGON NV, a Netherlands corporation, and a publicly traded international insurance group (“AEGON”).

As of December 31, 2016, TRA has the following assets under management:

Discretionary: \$3,624,480,689 and Non-discretionary: \$178,477,320; as a new service that is being introduced, none all of these assets are related to the Transamerica Personalized Portfolios service.

### *Our Advisory Services*

TRA helps customers get ready for, and transition through, retirement. At the time we offer our advisory services to clients, our investment advisor representatives (“Advisors”) conduct interviews with clients to determine their financial needs and objectives. The Advisor will analyze a client’s current financial situation, investment goals, and present strategies. The Advisor will then provide recommendations to a client based on the Advisor’s analysis.

One of the services that our advisors may recommend is the Transamerica Personalized Portfolios (“TPP”). TPP is a managed account asset allocation service. Transamerica provides one-on-one investment advice and partners with NextCapital Advisors, Inc. (“NextCapital”), a SEC registered investment advisor, to provide the portfolio construction and discretionary asset allocation. NextCapital also selects the eligible investment options used in your TPP.

Upon enrollment in the TPP Service, your account will be invested in an investment portfolio allocated among investment options. The TPP investment allocation will be based upon your target retirement year, your financial goals, the risk preference you select, if any, and certain other information you provide about your other accounts.

Our Advisors will review with you, either by phone or in-person, your financial situation and investment objectives, time horizon, and confirmation of your financial goals. Our Advisors will

review the outputs of the NextCapital tool, monitor reports and performance results, and answer questions about the service.

## **Fees and Compensation**

You will be charged a fee at an effective annual rate of .85% -.95% based upon the average daily net asset value of your TPP assets. This fee covers both the applicable investment management fees of NextCapital and the investment advisory services provided by TRA. This fee is accrued daily and is debited from your account balance on a quarterly basis in arrears. If you close your TPP, the outstanding fee at the time of closure will be debited from your TPP balance on the date of closure.

95 bps for accounts \$5,000 to \$149,999

90 bps for accounts \$150,000 to \$999,999

80 bps for accounts >\$1,000,000

Your TPP also will bear your pro rata share of the expenses of the investment options in which your TPP is invested. ETF prospectuses, mutual fund prospectuses or similar disclosure documents contain additional information on these fees and expenses. If your TPP is “traded away” you will also pay brokerage commissions, taxes, charges and other costs related to the purchase and sale of investment options. This is discussed in greater detail below. There may also be fees associated with the maintenance of your account at Pershing. Please refer to your Pershing account agreement for a complete list of fees.

## **Performance-Based Fees and Side-by-Side Management**

Neither TRA nor any of its advisory personnel charge performance-based fees with respect to the accounts which they manage.

## **Types of Clients**

Through the Transamerica Personalized Portfolios, we generally provide investment advisory services to individuals. However, we may provide advisory services to corporations or other businesses, trusts, estates, and charitable organizations. While there are exceptions, there is generally a minimum account size of \$5,000.

## Methods of Analysis, Investment Strategies, and Risk of Loss

As a part of the TPP Service, you are able to provide information about your (and your spouse's) income, investments, savings accounts, brokerage accounts, and interests in other qualified and non-qualified plans in addition to your assets in the TPP Service. The TPP Service asset allocation portfolios will take into account your and your spouse's other retirement assets, income and investments to the extent you provide such information.

The TPP Service's asset allocation portfolios only include the investment options selected by NextCapital. NextCapital solely determines through its screening process which investment options should be included in the TPP asset allocation portfolios, which are generally exchange traded funds, but may also be mutual funds. Please refer to NextCapital's Form ADV for more information regarding their specific methods of analysis and investment strategies.

TRA will monitor and perform due diligence on the services provided by NextCapital. Investing in securities can involve a risk of loss to your principal. We cannot guarantee any level of performance or prevent losses in your account.

## Disciplinary Information

During the past ten years, there have been no legal or disciplinary events involving TRA or its advisory personnel that are material to TRA's advisory business.

## Other Financial Industry Activities and Affiliations

TRA is an indirect wholly-owned subsidiary of AEGON USA, LLC. Various direct or indirect subsidiaries of AEGON are engaged in investment advisory, brokerage, banking or insurance businesses. TRA may have material business arrangements with these subsidiaries, including the following subsidiaries.

*Oncor Insurance Services, LLC.* Oncor Insurance Services, LLC ("Oncor"), is a wholly owned subsidiary of AEGON, and an affiliate of TRA. Oncor is engaged in selling insurance products. In the course of providing TPP Services to our clients, TRA investment advisor representatives may refer clients to Oncor for help with their insurance needs. TRA may be compensated for this referral. In addition, Oncor may recommend insurance products to TRA clients that are offered by certain insurance company subsidiaries of AEGON, including products offered by Transamerica Financial Life Insurance Company and Transamerica Life Insurance Company as discussed below. Oncor's primary objective is to sell Transamerica insurance products. Oncor may recommend proprietary insurance products that meet certain specific criteria based on an analysis of the client's needs, even though

other non-proprietary products are available that might provide equivalent or potentially better benefits.

*Transamerica Investors Securities Corporation.* Transamerica Investors Securities Corporation ("TISC"), formerly known as Diversified Investors Securities Corp., is a registered broker-dealer and a wholly-owned subsidiary of TRS. Almost all of TRA's Advisors are licensed registered representatives of TISC.

*Transamerica Financial Life Insurance Company.* Transamerica Financial Life Insurance Company ("TFLIC") is an indirect wholly-owned subsidiary of AEGON, as is TRA. TFLIC is engaged in selling variable and fixed annuities and life insurance. TFLIC products may be held by TRA clients. In order to market these products, TRA employees and agents are appointed through TRIA as licensed insurance agents of TFLIC as necessary. These individuals will not receive commissions for the sale of these insurance products to advisory clients.

*Transamerica Life Insurance Company.* Transamerica Life Insurance Company ("TLIC") is an indirect wholly-owned subsidiary of AEGON, as is TRA. TLIC is engaged in selling variable and fixed annuities and life insurance. TLIC products may be held by TRA clients. In order to market these products, TRA employees and agents are appointed through TRIA as licensed insurance agents of TLIC as necessary. These individuals will not receive commissions for the sale of these insurance products to advisory clients.

*Transamerica Retirement Insurance Agency, Inc.* Transamerica Retirement Insurance Agency, Inc. ("TRIA") is a registered insurance agency wholly-owned subsidiary of TRS. In certain cases, some of our officers and Advisors may be personally affiliated with our affiliated insurance companies/agencies. When you purchase insurance products through an Advisor that is acting in his or her capacity as an insurance agent, TRIA will receive commission compensation. However, our Advisors do not receive commissions for sales of insurance products.

*Transamerica Asset Management, Inc.* Transamerica Asset Management, Inc. ("TAM") is an indirect wholly-owned subsidiary of AEGON. TAM serves as an investment adviser to a family of mutual funds known as the Transamerica Funds.

*NextCapital Group, Inc.* NextCapital Advisers, Inc. is a SEC registered investment adviser and wholly owned subsidiary of NexCapital Group, Inc. NextCapital Group's owners include several outside investors as well as NextCapital Group's four founders. TRA has an indirect equity interest in NextCapital Group through TRA's affiliate. Neither TRA, its affiliate, nor any outside investor concede that it controls NextCapital Group or is otherwise an affiliate of NextCapital for purposes of the Investment Advisers Act of 1940, as amended. This may create a conflict of interest for TRA

to recommend the TPP service over other services. In an effort to reduce this conflict of interest, TRA offers multiple advisory services in addition to TPP. We also monitor the appropriateness of the recommendations made to you by our Advisors on all products that you purchase.

TRA or its affiliates may be compensated and are therefore subject to a potential conflict of interest if proprietary insurance company products are purchased as a result of a referral from an Advisor to Oncor and/or TRIA. Oncor and/or TRIA may recommend proprietary insurance products that meet certain specific criteria based on an analysis of the client's needs, even though other non-proprietary products are available that might provide equivalent or potentially better benefits.

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

TRA has adopted a code of ethics (the "Code") under Rule 204A-1 under the Investment Advisers Act of 1940, which sets forth certain restrictions and standards of conduct for TRA's advisory personnel. While the Code permits such employees to invest in securities that may be held or acquired by TRA's advisory clients, it prohibits specific types of personal securities transactions that may give rise to substantial conflicts of interest. It also establishes reporting requirements through which certain employees provide information to TRA on their personal securities transactions. More generally, the Code prohibits any employees from taking inappropriate advantage of his or her position with TRA and provides that TRA may sanction employees who violate the Code. Any client or prospective client may obtain a copy of the Code (without charge) by calling 866-368-0566 or writing to us at Transamerica Retirement Advisors, Inc., 408 St. Peter Street, Suite 230, St Paul, Minnesota 55102.

TRA may also be subject to a conflict of interest if clients invest in investment funds that are sponsored or advised by affiliates. However, we believe this conflict is mitigated because only NextCapital makes discretionary decisions about which investment options to purchase and sell, not TRA, and NextCapital does not currently include investment funds sponsored or advised by TRA affiliates.

### **Brokerage Practices**

Transactions in investment funds for the TPP Service are executed through an unaffiliated clearing broker dealer, Pershing, LLC. TRA does not receive research or other soft dollar benefits from broker-dealers that place mutual fund transactions. NextCapital will have the discretion to execute trades with a broker-dealer other than the Custodian if NextCapital reasonably believes another broker-dealer can obtain a more favorable execution under the circumstances and you meet a



minimum account threshold of \$100,000. However, if NextCapital executes trades with a broker-dealer other than the Custodian, the TPP will incur trading costs in addition to the fees charged to the TPP as part of the TPP Services. The broker-dealer executing the transaction will charge additional fees, such as commissions, markups, mark-downs or “spreads” paid to market makers. As a result, if NextCapital trades away from the Custodian the strategy could be more costly to the TPP than if NextCapital primarily places trade orders with the Custodian for execution.

Please see NextCapital’s ADV and your client agreement for important information about brokerage practices and order aggregation and allocation utilized for the TPP Service.

## **Review of Accounts**

Review of client accounts will be conducted at least on an annual basis and upon client request. Reviews will be conducted by an Advisor.

Please refer to Form ADV Part 2A or similar disclosure document for information related to NextCapital’s review of its accounts.

Annually, TRA delivers an Annual Due Diligence Questionnaire to NextCapital. TRA reviews this questionnaire with our Investment Policy Committee. The Committee will also review publically available information on at least an annual basis, and more frequently, if necessary, to ensure such advisor is still an appropriate manager.

## **Types of Reports**

Periodic account statements, transaction confirmations, and/or performance reports will be available to you in your document vault. We urge you to carefully review these reports and compare your custodial statements with your performance reports. The information in your performance reports may vary from your custodial statements due to accounting procedures, reporting dates, or valuation methodologies of certain securities. In the event of any discrepancies you should rely on the statements you receive from the custodian of your assets.

## **Client Referrals and Other Compensation**

On occasion, persons who are not associated with us refer their clients to TRA. We enter into solicitor agreements with these third persons pursuant to Rule 206(4)-3 of the Investment Advisers Act of 1940. TRA will compensate that person/solicitor directly if you agree to accept our advisory services. A portion of your advisory fee will be paid to this solicitor. At the time of the referral your solicitor will provide you with a compensation statement disclosing the terms of his/her agreement with us.

## **Custody**

For all services discussed in this brochure, TRA does not have custody over funds held in client accounts, and does not hold physical custody of any of these funds. Funds are held with an independent qualified custodian. You will receive account statements at least quarterly from the custodian. Clients should carefully review account statements for accuracy.

## **Investment Discretion**

TRA does not accept discretionary authority. NextCapital maintains discretionary authority, but such authority would be fully disclosed to clients in the NextCapital Form ADV Part 2A or other disclosure document.

## **Voting Client Securities**

TRA does not accept authority to vote proxies on investment funds held in client accounts. You should refer to NextCapital's disclosure documents for a complete description of their proxy voting procedures. These documents will explain whether you will receive proxies or other solicitations directly from the custodian.

## **Financial Information**

We are not subject to any financial condition that is reasonably likely to impair our ability to meet our commitments to clients.