

# TRANSAMERICA FINANCIAL ADVISORS, INC.

Transamerica Financial Advisors Division

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## **FORM ADV PART 2A APPENDIX 1**

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**SEPTEMBER 24, 2015**

*This Brochure provides information about the qualifications and business practices of the Transamerica Financial Advisors Division of Transamerica Financial Advisors, Inc.'s Wrap Fee Programs. If you have any questions about the contents of this Brochure, please contact us at (800) 322-7161 extension 123-6535. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any State Securities Authority.*

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

TFA is a Registered Investment Adviser. Registration as an investment adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Wrap Fee Programs Brochure, is information you may wish to use in considering whether to hire or retain TFA as your advisor.

## ITEM 2 – MATERIAL CHANGES

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This is an amendment filing relating to the Form ADV Part 2A, Appendix 1, for the Transamerica Financial Advisors Division of TFA. This filing is made as of September 24, 2015.

In this version of TFA's Disclosure Brochure, we updated Item 10, Broker-Dealers under Common Control with AEGON N.V., and removed Clark Securities, Inc. as they are no longer a subsidiary of AEGON N.V., TFA's ultimate parent company.

When we update this Disclosure Brochure with material changes, we will either send you a copy or offer to send you a copy (either by electronic means (email) or in hard copy form).

If you would like another copy of this Disclosure Brochure, you may download it from the SEC website as indicated above, download it at <https://TFA.Transamerica.com>, or contact our Rep Relations Department at (800) 322-7161 extension 123-6535.

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## ITEM 4 – SERVICES, FEES AND COMPENSATION

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### The Company

Transamerica Financial Advisors, Inc. (“we/our/us/TFA”) is an investment advisor firm registered with the SEC since 1991. Our name was changed in September of 2009 when one of our affiliate firms merged with us. In January 2012 TFA merged with another affiliate and created a new division of TFA, the Transamerica Financial Group Division (“TFG”). This Disclosure Brochure describes the investment advisory services offered by the TFA Division. The advisory services offered through the TFG Division are disclosed in separate Form ADV Part 2A and Appendix 1 Disclosure Brochures specific to that Division.

TFA is also a general securities broker/dealer firm and has been a member of the Financial Industry Regulatory Authority (FINRA) since 1984. This enables us to provide a full range of financial products to our clients such as stocks, bonds, mutual funds and direct investments. Some of our advisory programs require our investment adviser representatives (“Advisors”) to act as broker/dealer representatives, as well.

We are directly owned by AUSA Holding Company, Transamerica International Holdings, Inc. and AEGON Asset Management Services, Inc., which are indirect, wholly-owned subsidiaries of the ultimate parent, AEGON N.V., a publicly traded company listed on the New York Stock Exchange (NYSE) and trading under the symbol AEG.

### Services, Fees and Compensation

At the time we offer you our advisory services, our Advisors conduct interviews with you to determine your financial needs and objectives. They will analyze your current financial situation, investment goals, and present strategies. They will then provide recommendations to you based on the Advisor’s analysis. If your Advisor determines that your investments are best suited within a wrap fee program, your Advisor will offer you one of our three wrap fee programs:

- The Advantage Program
- Signature Wealth Services Program
- Transamerica I-Series®

In this Disclosure Brochure, we also provide information about three other wrap fee programs that are now closed to new investors:

- The Sterling Program
- TFA Elite Program
- InterSecurities Managed Account Program

A wrap fee program is an advisory program in which you are charged only one annual fee. Your annual fee will most likely be deducted from your wrap fee program account quarterly either in arrears (at the end of each calendar quarter) or in advance (at the beginning of each calendar quarter). A portion of these annual fees are paid to us and your Advisor for our advisory services. The wrap account fee also covers brokerage and transactions charges associated with placing trades in your account and administration costs associated with maintaining your account.

You may also incur certain charges imposed by TFA and/or other third parties in connection with investments made through your account, including, without limitation, the following types of charges which are generally charged by mutual funds and fully disclosed in the prospectus for each fund: 12b-1 fees, management fees and administrative servicing fees, other transaction charges and service fees, and IRA and Qualified Retirement Plan fees.

Each of our six wrap fee programs differ slightly. A more detailed description of the services, fees and compensation for each of our six wrap fee programs is described below.

## **OPEN WRAP FEE PROGRAMS**

*Open to New Investors*

### **THE ADVANTAGE PROGRAM**

#### **SERVICES**

The Advantage Program offers you a fee-based investment management program. This Program is available to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. We have entered into an agreement with Envestnet Asset Management, Inc. ("Envestnet"), whereby we will administer and sponsor the Advantage Program using Envestnet's internet-based platform ("Platform"). The Advantage Program provides your Advisor access to a Separately Managed Account program in which various Asset Managers can provide a portfolio of individually owned securities tailored to your investing preferences. Additionally, your Advisor will have access to various Asset Allocation programs which may use mutual funds

or exchange traded funds as the investment selection. A variety of these Asset Allocation programs allow you access to proprietary investment strategies managed by Envestnet in addition to other third-party Asset Managers. Your Advisor also has the ability to offer you a Unified Managed Account in which a single portfolio offers access to multiple Asset Managers and other funds that can be customized to your investment needs.

Through the Advantage Program website, your Advisor can access and offer these portfolio programs to you. The website also contains online analytical tools to assist your Advisor in conducting a review of your circumstances and situation. After conducting a suitability analysis, including consideration of your investment objectives, time horizon and risk tolerance, your Advisor will assist you with the selection of a portfolio that will meet your investment needs. Your Advisor will ask you from time to time whether information in your Confidential Client Questionnaire has changed so that updated investments can be made, if warranted. Your information is considered confidential and will be provided to Envestnet.

As a broker/dealer, we will provide certain services to the investment advisory portion of our business, and the Advantage Program. Your Advantage Program account's transactions will be executed by Envestnet or TFA. As noted above, we act in the capacity of a broker/dealer whose principal business is executing transactions in mutual funds, variable products, general securities and other investment products. We utilize the clearing and custody services of Pershing LLC ("Pershing"), a BNY Securities Group Company, which is both a registered broker/dealer and Registered Investment Adviser.

In connection with the Advantage Program, you will grant TFA and Envestnet full discretionary authority to invest, reinvest, and otherwise deal with the account assets in their discretion, including without limitation the authority to select, allocate and reallocate the account assets to different third-party money managers and to delegate such investment discretion to such third-party money managers.

You are not a client of any of the Asset Managers. The Asset Managers and Envestnet have entered into agreements in which the Asset Managers make their strategies available to Envestnet for use within your Advantage Program account. Your Advisor will assist you in determining whether these strategies are suitable for you. In certain circumstances, Envestnet may not fully follow the trading instructions of the Asset Managers in investing your funds. For example, thinly traded securities in which the Asset Managers invest may not be available to you. In other instances, your self-imposed strategy restrictions might limit your investment. You also may not have sufficient assets or may not be qualified to take part in a transaction. Other similar circumstances may lead Envestnet to use its investment discretion and not mirror trades of the Asset Managers.

Envestnet will be responsible for initiating transactions for TFA's Client accounts based on portfolios selected by the Client and communicated to Envestnet by TFA. Additionally, Envestnet will automatically effect one or more transactions for TFA's Client accounts where such transactions are required because one or more Asset Managers have re-balanced the underlying portfolios. Transactions executed by Envestnet for TFA Client accounts, under normal circumstances, will generally mirror those transactions the Asset Managers make in their Client accounts with the same investment strategies, unless a TFA Client has placed restrictions on their Advantage Program account.

You will receive quarterly performance reports describing account performance and positions. In addition to these reports, you will also receive trade confirmations and account statements. Your account statements show your account balance, transactions, positions, deposits, and withdrawals occurring in your account for a specific timeframe. You may elect to suppress trade confirmations. Your trade confirmations and account statements will be sent by our clearing firm, Pershing. Account statements are sent monthly when the account has had activity or quarterly if there has been no activity.

Envestnet will also provide a web-based quarterly review of your account showing historical performance, positions and activity. These web-based quarterly reports are prepared solely for informational purposes and to assist you in reviewing your account. In the event of a discrepancy between the information on the account statements produced by Pershing and the quarterly reports produced by Envestnet, the Pershing account statements will take precedence. Envestnet's performance reporting is calculated according to industry standards and is applied to each account or combination of several related accounts for a household's or family's assets.

TFA's Suitability Review Department reviews any new activity in advisory accounts held at Pershing for deviation from a client's stated risk tolerance through an automated surveillance program that creates "flagged" transactions if the standard deviation is exceeded. All "flagged" transactions are reviewed to ensure that trade activity meets the client's current risk tolerance. The purpose of our surveillance is to review the propriety of the transactions occurring in your Advantage Program account. At least annually, your Advisors will meet or speak by telephone with you. This review is intended to help determine whether your portfolio continues to meet your needs. We may also use other third-party systems to help monitor account performance information provided by Envestnet.

You may also incur certain charges imposed by third-parties other than us. These charges may include mutual fund fees and expenses, certain deferred sales charges on previously purchased mutual funds transferred into your account, custodial, and qualified retirement

plan fees. We and your Advisor may receive a portion of these third-party fees. Further information regarding charges and fees assessed are available in the product's prospectus.

### **PROXY VOTING**

Unless you provide written instructions to the contrary, we will not vote proxies for you, but will instead advise Envestnet to vote proxies for securities held in your account. You may delegate this authority to vote proxies to another person. Neither we nor Envestnet will be responsible or liable for failing to vote any proxy where Envestnet has not received such proxy or related shareholder communications on a timely basis. In connection with its responsibility to vote your proxies, Envestnet has adopted a set of Proxy Voting Policies and Procedures. These proxy procedures state that Envestnet will exercise voting rights on all decisions that Envestnet determines have a material effect of the value of a security. You may obtain a copy of Envestnet's Proxy Voting Policies and Procedures and/or information about how Envestnet voted specific proxies, by sending your written request to Envestnet Asset Management, 35 E. Wacker Drive, 24<sup>th</sup> Floor, Chicago, IL 60601, (866) 924-8912.

### **FEES AND COMPENSATION**

You will pay an annual Total Client Fee ("Fee") as outlined in the Advantage Program's Statement of Investment Selection. The Fee is comprised of our administrative/platform fee, the Asset Manager's fee, and your Advisor's investment advisory fee. This compensation may be more than what your Advisor would receive if you participated in our other programs or paid separately for investment advice, brokerage services, or other services. Similar services may also be obtained through the Envestnet Direct program for which Envestnet, not TFA, is the wrap fee program's Sponsor. These services may be available at a reduced cost in the Envestnet Direct program and typically, TFA will generate less revenue from this program while at the same time providing fewer services. Therefore, TFA may have a financial incentive to recommend the Advantage Program over other programs or services. Your advisory fees may be higher or lower than other fees charged by other Advisors participating in the Advantage Program.

Transaction costs are included in the Fee. Your Advisor's investment advisory fee is negotiable; however the Fee may not exceed 2.50% of the portfolio value. Additionally, the Fee is paid quarterly in advance (at the beginning of each calendar quarter). Upon entering into an Advisory Agreement, you authorize us, through our custodian, Pershing, to collect the Fee owed by debiting your account directly. You will be able to view your Fee statement through the Platform when the statement is sent to Pershing for payment. The payment of the Fee will be reflected on your Pershing account statements.



All brokerage, custodial, and administrative costs associated with this program will be clearly noted on your statements. Envestnet will collect its portion of the fees (the “Envestnet Platform Fees”) and Asset Manager fees from us according to an agreement between us and Envestnet. Of the remaining fees, we will pay the advisor portion (“the Advisor Fee”) to the Advisor and retain the Administration Fee. In addition, we will receive a portion of the Advisor Fee for our supervision responsibilities related to your Advisor. Your participation in this program may cost you more or less than purchasing the Advantage Program’s services separately. Factors that impact the overall cost of this program in relation to the cost of the same services purchased separately may include the following:

- ✓ size of the account
- ✓ trading activity in the account
- ✓ types of investments
- ✓ scope of advisory and other services provided by your Advisor
- ✓ Asset Manager selection

We and your Advisor may also utilize the services of solicitors in establishing client accounts. The referral fee that we pay solicitors is part of your Total Client Fee.

#### **FEE SCHEDULE**

<b><u>*ADVANTAGE PROGRAM ANNUAL FEE SCHEDULE</u></b>				
<b>SERVICES</b>	<b>TFA’S AND PLATFORM FEES</b>	<b>IAR’S FEE</b>	<b>ASSET MANAGER’S FEE</b>	<b>TOTAL CLIENT FEE</b>
<b>ADVANTAGE PROGRAM</b>	Ranges from 0.00% to 0.60% per year depending on account size. <sup>1</sup>	The IAR fee is negotiable.	.00% to 1.30%	The total client fee will not exceed 2.50%.

<sup>1</sup> Fees for the specific programs available within the Advantage Program can vary depending on; the portfolio manager selected, the investment strategy selected, the underlying account holdings, and the amount of assets invested.

Account minimums can start as low as \$10,000 depending on the Advantage Program account selected. Certain, not all, Advantage Program accounts can have a minimum annual account fee which can range up to \$350.

In addition, you may link “Family Members” Advantage Program accounts for the purpose of billing multiple accounts from a single account or obtaining consolidated quarterly performance reports. “Family Members” are defined to include the client, his or her spouse or domestic partner, as recognized by applicable state law, and client’s children under the age of 21, all of whom reside with client.

### **TERMINATION PROVISIONS**

Your agreement with us may be terminated by providing us a written notice from the individuals whose names are on the Advantage Program Advisory Agreement. A full refund will be paid to you if you terminate your agreement within the first five (5) business days. After five (5) business days, any prepaid fees will be prorated and you will receive the unearned portion. The fee (earned portion) is for the services rendered in connection with the termination of the account. Some of the services include:

- transferring the account assets in kind to another custodian of your choice;
- liquidating your account assets as you instruct; or
- issuing you the account proceeds

In the event you choose to terminate your Advantage Program account within the first 12 months, TFA has the ability to assess a \$500 early termination fee. Your agreement will also terminate in the event TFA and Envestnet terminate the agreement between them.

### **SIGNATURE WEALTH SERVICES PROGRAM**

#### **Services**

The Signature Wealth Services Program offers you a fee-based investment management wrap fee program in which your Advisor will direct and manage your assets. Your Advisor will assist in determining the suitability of the Signature Wealth Services Program for you by identifying your investment objectives, time horizons and risk tolerance. Our Advisors will manage your Signature Wealth Services Program account using their own analysis and research methods; investment style and strategy; and management philosophy. On an ongoing basis, your Advisor will be available for you to receive deposit and withdrawal instructions and to ascertain any changes in your financial circumstances or investment objectives.

Using various asset allocation tools, your Advisor will assist you in choosing securities to purchase and/or sell within your account. When recommending mutual funds, your Advisor will primarily use no-load and load-waived mutual funds. In addition, your

Advisor may recommend other types of securities such as stocks, bonds, load-waived REITS, and income-oriented securities. Many different share classes of mutual funds exist, and some share classes are less expensive than other share classes. Your Advisor is under no obligation to recommend the least expensive share class to you. However, as a fiduciary, we endeavor at all times to act in your best interest. We will permit you to transfer mutual funds into your account. However, we may place certain restrictions on such transfers. In addition, we may place certain restrictions on your Advisor when recommending the purchase of mutual fund class B, C or loaded class A shares for your account.

You are required to deposit a minimum of \$75,000 into your Signature Wealth Services Program account. TFA reserves the right to waive the minimum account size requirement. You may make additional cash deposits to the account at any time and may withdraw account assets by providing appropriate notice to your Advisor. You may link related accounts in the Signature Wealth Services and Premier Wealth Services Programs for the purpose obtaining consolidated performance reports. Please refer to TFA's Form ADV Part 2A for information about the Premier Wealth Services Program.

You will receive quarterly performance reports describing account performance and positions. In addition to these reports, you will also receive trade confirmations and account statements. Your account statements show the account balance, transactions, positions, deposits, and withdrawals occurring in your account for a specific timeframe. You may elect to suppress trade confirmations. Your trade confirmations and account statements will be sent by our clearing firm, Pershing. Account statements are sent monthly when the account has had activity or quarterly if there has been no activity. Opening a Signature Wealth Services Program account operates as consent to receive all notices, documents, and other information outlined in this paragraph by electronic delivery. You may elect to receive paper documents instead of electronic delivery, although we reserve the right to charge you an extra fee if you request paper documents.

### **Proxy Voting**

You are responsible for directing the manner in which proxies for the securities held within your account are voted.

### **Fees and Compensation**

You will pay a Total Annual Advisory Fee ("Fee") as outlined in the Signature Wealth Services Program's Advisory Fee Billing Form. The Advisory Fee Billing Form is part of the Signature Wealth Services Program's Client Agreement, which you will receive and sign prior to opening a Signature Wealth Services Program account.

The amount of this Fee may be more or less than what you would pay if you participated in other programs or paid separately for investment advice, brokerage, and other client services. Therefore, your Advisor may or may not have a financial incentive to recommend this wrap fee program over other programs or services. Your advisory fees may be higher or lower than other fees charged by other Advisors participating in this Program. TFA charges Advisors an administrative fee for establishing accounts in the Signature Program. Additionally, TFA retains a portion of the Fee for its oversight and supervision of your Advisor.

Transaction costs are included in the Fee. Your Advisor's investment advisory fee is negotiable; however, the Fee may not exceed 2.50% of your portfolio value regardless of the amount of assets under management. Additionally, the Fee is paid quarterly and in advance (at the beginning of each calendar quarter). Upon entering into an Agreement, the Client authorizes us through our custodian, Pershing, to collect the Fee owed in accordance with the Advisory Fee Billing Form by debiting your account directly. You will be able to view your Fee statement through the Platform on or before your statement is sent to Pershing for payment. The collection of the fees will be documented on your Pershing account statements.

### **Fee Schedule**

Signature Wealth Services Program Clients will be charged one flat Fee, not to exceed 2.50%, as negotiated with their Advisor. The Fee may be changed at any time upon mutual consent between the Client and Advisor through submission of a completed Advisory Fee Billing Form; however, TFA at its sole discretion, may lower the Fee without Client consent. Any Fee changes will be applied to the calendar quarterly billing cycle following the calendar quarter the Advisory Fee Billing Form was received by TFA in good order.

Your participation in the Signature Wealth Services Program may cost you more or less than purchasing this program's services separately. Factors that impact the overall cost of this program in relation to the cost of the same services purchased separately may include the following:

- ✓ size of the account
- ✓ trading activity in the account
- ✓ types of investments
- ✓ scope of advisory and other services provided by your Advisor

You may also incur certain charges imposed by third parties other than TFA in connection with investments made through your account, including, without limitation, the following types of charges which are generally charged by mutual funds and fully disclosed in the

prospectus for each fund: 12b-1 fees, management fees and administrative servicing fees, other transaction charges and service fees, and IRA and Qualified Retirement Plan fees.

As permitted by you, your Advisor may accept discretionary authority to manage your account in the Signature Wealth Services Program. Discretionary authority allows the Advisor to decide which securities to purchase and sell for you without your prior consent. This discretionary authority is limited to Advisors who are qualified and have obtained written approval from our firm. You must sign a Discretionary Agreement to authorize your Advisor to have discretion over your account.

### **TERMINATION PROVISIONS**

Your agreement with us may be terminated upon written notice to us from the individuals whose names are on the Signature Wealth Services Program Client Agreement. The termination will be effective upon receipt of the written notice. If your account is closed within the first six months of being opened, or as a result of withdrawals that bring the account value below the required minimum, TFA reserves the right to retain the pre-paid quarterly Account Advisory Fee for the current quarter in order to cover the administrative cost of establishing the account.

### **TRANSAMERICA I-SERIES® PROGRAM**

#### **Services**

The Transamerica I-Series® Program ("I-Series") is a fee-based, separately-managed account program based on model portfolios recommended by your Advisor and selected by you. I-Series is available to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. We have entered into an agreement with FOLIOfn Investments, Inc. ("FOLIOfn"), an unaffiliated web-based broker-dealer, to provide custody and brokerage services for I-Series. We have three roles in I-Series:

- administer the Program using FOLIOfn's internet-based platform;
- act as the Sponsor; and
- act as the Investment Advisor

Our Investment Management Team will use discretion to direct your investments without first consulting with you. For instance, we will buy, sell, exchange, convert or otherwise trade only in Exchange Traded Funds, Exchange Traded Notes, Mutual Funds, or other similar securities. At times, we may hold all or a portion of your assets in cash, similar to our other wrap fee programs. Specifically, we will direct and manage your assets as authorized by you and according to your selected asset allocation model or models. In

managing your assets, we will primarily use exchange traded products or other similar securities designed to track asset categories in our model portfolios. The I-Series' model portfolios are desirable for clients seeking professional investment management, marketability, liquidity in the investment, and a broad diversification among traditional and non-traditional asset classes. Currently, we offer three types of models:

- strategic asset allocation models that provide varying levels of risk and return;
- alternative asset allocation strategy model; and
- third-party models

In the future, we may adjust our existing asset allocation models and/or create additional asset allocation models.

Some of the mutual funds in which we invest have their own internal fees and expenses.

FOLIO*fn* generally receives, either directly or indirectly, a certain portion of those fees. Such fee arrangements are disclosed in a mutual fund's prospectus.

### **Ongoing Portfolio Research and Due Diligence**

TFA's Vice President of Advisory Services and Investment Management Team will evaluate at least semi-annually the performance of the model portfolios as well as their underlying holdings.

TFA's Investment Committee has the responsibility of overseeing I-Series. This committee will review the performance of I-Series model portfolios at least semi-annually.

Performance reports and other portfolio statistics will be provided to the committee members at regularly scheduled committee meetings. Material changes made to the asset allocation models or the holdings of the I-Series model portfolios are presented to TFA's Investment Committee for consideration and approval. TFA's Investment Committee does not approve individual holdings of any third-party model portfolio.

### **Custody/Trade Execution**

FOLIO*fn* performs all broker/dealer and clearing functions for I-Series. As the broker/dealer, FOLIO*fn* provides the following, but not limited to, broker/dealer functions:

- Executes trades based on selected model portfolios
- Electronically delivers trade confirms and prospectuses
- Provides online access to your account(s) to view account holdings, monthly statements, trade confirmations, order status, tax information, performance indicators and statistics, and cash)
- Transmits proxy material

- Provides safekeeping of all customer funds
- Provides secure access to all customer information

Once the account is funded, we will begin to assign the account to the models selected by you and your Advisor. Generally, once the account is assigned to its respective models, the account will be placed in queue for the next FOLIO<sup>fn</sup> trading window. Models will be rebalanced periodically depending upon the strategy. .

You may instruct us or your Advisor to transfer, switch, or reallocate your assets into existing and new model portfolios by completing and submitting the I-Series Investment Selection form.

### **Your Advisor's Responsibility**

Your Advisor will consult with you to determine your suitability for I-Series and your selection of one or more I-Series model portfolios. When making recommendations, your Advisor will consider your investment objectives, time horizon, risk tolerance, and any other relevant factors.

We require your Advisor to meet with you at least annually to review your account(s). Your Advisor will review your current situation, investment objectives, and suitability of selected investments. When you select I-Series, your Advisor will ask you to notify us of any changes such as your investment objectives, financial circumstances or investment objectives. Your changes may impact your asset allocation model(s) portfolios.

To participate in I-Series, you must deposit at least \$25,000. We may waive this minimum or you may link assets amongst your other accounts to reach the minimum. Your accounts will be linked through your Social Security Number. You must consider whether the cost of I-Series remains beneficial when account assets are lower than \$25,000. If you have an account with \$25,000 or more in assets, we generally grant an exception to the minimum when you establish another account.

Our business continuity planning program contains procedures to continue the operations of I-Series in the event of a disaster.

### **PROGRAM FEES**

You will pay a Total Annual Account Fee ("Fee") as described in the fee schedule contained in your client agreement. Fees are paid monthly in arrears (at the end of the month), and are prorated if applicable. The Fee compensates us, your Advisor and others including FOLIO<sup>fn</sup>. Transaction charges are included in the Fee and at no time may the Fee exceed

2.25% of your portfolio value. The Fee is based on an average daily balance of your account during the preceding month.

<b>TRANSAMERICA I-SERIES® ANNUAL FEE SCHEDULE</b>			
<b>RANGE OF ASSETS</b>	<b>PORTFOLIO MANAGEMENT AND ADMINISTRATION FEE<sup>1</sup></b>	<b>ADVISOR'S FEE</b>	<b>TOTAL ANNUAL ACCOUNT FEE<sup>2</sup></b>
\$25,000 to \$500,000	0.50 - 1.25%	1.00%	1.50 - 2.25%
\$500,001 to \$1,000,000	0.45 - 1.20%	0.95%	1.40 - 2.15%
\$1,000,001 to \$1,500,000	0.375 - 1.125%	0.875%	1.25 - 2.00%
\$1,500,001 to \$2,000,000	0.325 - 1.075%	0.825%	1.15 - 1.90%
Over \$2,000,001	0.30 - 1.05%	0.80%	1.10 - 1.85%

<sup>1</sup> Fees are expressed as an annual percentage of assets under management. A portion of the Portfolio Management and Administration Fee may be paid to the third party model managers and FOLIOfn. In addition, TFA retains all of the Portfolio Management and Administration Fees for managing certain Transamerica I- Series® portfolios.

<sup>2</sup>The Total Annual Account Fee is dependent on the model portfolio(s) selected.

A quarterly maintenance fee of \$25 per quarter will be assessed to any account that is valued at less than \$100,000. This maintenance fee is in addition to, and separate from the Fee described above. The maintenance fee will be based on the closing value of an account as of the last business day of each calendar quarter. Accounts under the same Social Security Number or Tax Identification number may be linked for the purposes of quarterly fee assessment. FOLIOfn will collect the various fees owed by debiting your account directly. The amount of fees will be documented on your FOLIOfn statement. Additionally, an Advance Notice IA Billing Report is available to you within your electronic account.

Additionally, you will be responsible for other account-related fees, as described in Foliofn's Service Fees document that are not included in your total Fee. Examples of these fees may include, but are not limited to the following: wire transfers out, partial or full



account transfer out, check book request, returned checks, stop payments, check copies, express mail, paper copies of account statements and confirmations, IRA custodial fee, etc.

Your participation in this program may cost you more or less than purchasing I-Series' services separately. Factors that impact the overall cost of this program in relation to the cost of the same services purchased separately may include the following:

- ✓ size of the account
- ✓ trading activity in the account
- ✓ types of investments
- ✓ scope of advisory and other services provided by your Advisor

Your Advisor receives compensation as a result of your participation in I-Series. The amount of this compensation may be more or less than what your Advisor would receive if you participated in other programs or paid separately for investment advice, brokerage, and other services. Therefore, your Advisor may have a financial incentive to recommend this Program over other services.

Additionally, we and your Advisor may also utilize the services of solicitors in establishing your account. Solicitors may receive a portion of the Fee paid by you.

### **Account Statements and Performance Reports**

You and your Advisor can access monthly account statements, trade confirmations and performance reports from FOLIO*fn*'s website. FOLIO*fn* will send email notifications to you and your Advisor when statements and confirmations are posted to your account (your electronic filing cabinet). In addition, we provide your Advisor access to Albridge's consolidated reporting package. TFA has entered into an agreement with Albridge for account recordkeeping services. If you wish to receive paper statements or performance reports, you can initiate one or both of the following:

- request your Advisor to have FOLIO*fn* provide those documents for an additional fee; or
- request your Advisor to provide them through Albridge, a portfolio management system.

### **Proxy Voting**

You are responsible for directing the manner in which proxies for the securities held in your account are voted.

## **TERMINATION PROVISIONS**

Your I-Series advisory agreement with us may be terminated by any party effective upon receipt of written notice to the other party. If the agreement is terminated after five (5) business days of signing, your account will be debited for fees earned prior to the termination. All account fees paid to us for investment advice are separate from any additional fees and expenses that FOLIO<sup>fn</sup> may charge for the termination of your account. Please refer to the FOLIO<sup>fn</sup>'s client agreement for more information.

## **CLOSED WRAP FEE PROGRAMS**

### **THE STERLING PROGRAM**

#### **Services**

On September 6, 2013, we discontinued offering the Sterling Program to new investors. Existing investors were permitted to remain in this program to continue to deposit and withdraw monies from their accounts.

The Sterling Program offers you a fee-based investment management wrap fee program in which your Advisor will direct and manage your assets. Your Advisor will assist you in determining the suitability of the Sterling Program for you by identifying your investment objectives, time horizons and risk tolerance. Our Advisors will manage your Sterling Program account using their own analysis and research methods; investment style and strategy; and management philosophy. On an ongoing basis, your Advisor will be available for you to receive deposit and withdrawal instructions and to ascertain any changes in your financial circumstances or investment objectives.

Using various asset allocation tools, your Advisor will assist you in choosing securities to purchase and/or sell within your account. When recommending mutual funds, your Advisor will primarily use no-load and load-waived mutual funds. In addition, your Advisor may recommend other types of securities such as stocks, bonds, load-waived REITS, and income oriented securities. Many different share classes of mutual funds exist, and some share classes are less expensive than other share classes. Your Advisor is under no obligation to recommend the least expensive share class to you. However, as a fiduciary, we endeavor at all times to act in your best interest. We will permit you to transfer mutual fund class A, B and C shares into your account. However, we place certain restrictions on your Advisor when recommending the purchase of mutual fund class B, C or loaded class A shares for your account.

You are required to deposit a minimum of \$50,000 into your Sterling Program account. You may make additional cash deposits to the account at any time and may withdraw account assets by providing appropriate notice to your Advisor. You may link “Family Members” Sterling Program accounts for the purpose of billing multiple accounts from a single account or obtaining consolidated quarterly performance reports. “Family Members” are defined to include the client, his or her spouse or domestic partner, as recognized by applicable state law, and client’s children under the age of 21, all of whom reside with client. The Sterling Program Linking Form (TFAST00476) must be completed to be eligible for account linking.

You will receive quarterly performance reports describing account performance and positions. In addition to these reports, you will also receive trade confirmations and account statements. Your account statements show your account balance, transactions, positions, deposits, and withdrawals occurring in your account for a specific timeframe. You may elect to suppress trade confirmations. Your trade confirmations and account statements will be sent by our clearing firm, Pershing. Account statements are sent monthly when the account has had activity or quarterly if there has been no activity.

### **Proxy Voting**

You are responsible for directing the manner in which proxies for the securities held within your account are voted.

### **Fees and Compensation**

You will pay a Total Annual Account Fee (“Fee”) as outlined in the Sterling Program’s Fee Schedule (“Schedule”). The Schedule is part of the Sterling Program’s Client Agreement, which you will receive and sign prior to opening a Sterling Program account.

The Fee is comprised of our administrative fee and your Advisor’s investment advisory fee. The amount of this compensation may be more or less than what your Advisor would receive if you participated in other programs or paid separately for investment advice, brokerage, and other client services. Therefore, your Advisor may or may not have a financial incentive to recommend this wrap fee program over other programs or services. Your advisory fees may be higher or lower than other fees charged by other Advisors participating in this Program.

All fee amounts and arrangements are negotiable and TFA may waive a particular fee, whether on an ongoing or a one-time basis, in its sole discretion. TFA may also allow for the aggregation of assets among a client’s “related” managed accounts for purposes of determining the value of assets under management and the applicable advisory fee to be

paid by a client. TFA reserves the right to determine whether client accounts are “related” for purposes of aggregating a client’s accounts together for a reduction in the percentage fee amount. See information above regarding linking “Family Members” accounts.

Administrative fees are reduced as a Client’s assets under management increases. Linking accounts for the purpose of aggregation can increase the amount of assets under management, thus providing a fee reduction once certain levels are met.

Transaction costs are included in the Fee. Your Advisor’s investment advisory fee is negotiable; however, the Fee may not exceed 2.50% of your portfolio value regardless of the amount of assets under management. Additionally, the Fee is paid quarterly and in advance (at the beginning of each calendar quarter). Upon entering into an Agreement, the Client authorizes us through our custodian, Pershing, to collect the Fee owed in accordance with the Fee Schedule by debiting your account directly. You will be able to view your Fee statement through the Platform on or before your statement is sent to Pershing for payment. The collection of the Fees will be documented on your Pershing account statements.

### **Fee Schedule**

<b>STERLING PROGRAM ANNUAL FEE SCHEDULE</b>			
<b>RANGE OF ASSETS</b>	<b>TFA’S FEE (INCLUDES SPONSOR AND CUSTODY FEES)</b>	<b>IAR’s FEES</b>	<b>TOTAL MAXIMUM FEE</b>
First \$500,000	0.35%	Negotiable	Not to exceed 2.50%
Next \$500,000	0.30%		
Thereafter	0.25%		

Your participation in the Sterling Program may cost you more or less than purchasing this program’s services separately. Factors that impact the overall cost of this program in relation to the cost of the same services purchased separately may include the following:

- ✓ size of the account
- ✓ trading activity in the account
- ✓ types of investments

- ✓ scope of advisory and other services provided by your Advisor

You may also incur certain charges imposed by third parties other than TFA in connection with investments made through your account, including, without limitation, the following types of charges which are generally charged by mutual funds and fully disclosed in the prospectus for each fund: 12(b)1 fees, management fees and administrative servicing fees, other transaction charges and service fees, and IRA and Qualified Retirement Plan fees.

As permitted by you, your Advisor may accept discretionary authority to manage your account in the Sterling Program. Discretionary authority allows the Advisor to decide which securities to purchase and sell for you without your prior consent. This discretionary authority is limited to Advisors who are qualified and have obtained written approval from our firm. You must sign a Discretionary Agreement to authorize your Advisor to have discretion over your account.

### **TERMINATION PROVISIONS**

Your agreement with us may be terminated with a written notice to us from the individuals whose names are on the Sterling Program advisory agreement. The termination will be effective upon receipt of the written notice. If your account is closed within the first six months of being opened, or as a result of withdrawals that bring the account value below the required minimum, TFA reserves the right to retain the pre-paid quarterly Account Advisory Fee for the current quarter in order to cover the administrative cost of establishing the account.

### **TFA ELITE PROGRAM**

#### **Services**

On May 21, 2010, we discontinued offering the TFA Elite Program to new investors. Existing investors were permitted to remain in this program to continue to deposit and withdraw monies from their accounts.

Your Advisor assists you in completing a profiling questionnaire and in the selection of a model general securities portfolio. There are four critical areas to determine proper distribution of assets:

- asset allocation between equity and fixed income investments
- investment discipline selection
- suggested number of portfolio managers
- portfolio manager selection

The selection of your model portfolio will be based upon your stated investment objectives, risk tolerance, and financial circumstances. In addition, your Advisor will gather other important information such as income, age, and net-worth to help determine the appropriateness of your selected model portfolio.

Your Advisor will assist you with the completion of all documentation necessary to establish your TFA Elite account. Your information will be forwarded the portfolio manager (“Portfolio Manager”) who will manage your account assets (“Account Assets”) on a discretionary basis. Your Advisor will be available to you on an ongoing basis to receive deposit and withdrawal instructions and to consult with you regarding any changes in your financial circumstances or investment objectives. When there are changes, your Advisor will notify the Portfolio Manager who will continue to manage your account based upon your changes.

Lockwood Advisors, Inc. (“Lockwood”), through a clearing and custody arrangement with its affiliate, Pershing, will provide services such as securities clearing, custody, statements and confirmations. Pershing will execute and clear all purchase and sale orders received from your Portfolio Manager. Pershing will maintain custody of all TFA Elite Program assets. These custodial functions will include the following:

- crediting of interest and dividends on your Account Assets and
- crediting of principal on called or matured securities in your Account

The costs of these custodial brokerage services are included as part of your advisory fee. There are no additional charges for these services.

Pershing will forward confirmations of each purchase and sale to you and, if requested, to your Portfolio Manager. Additionally, Pershing will forward your account statements to you, us, and, if requested, your Portfolio Manager for each month in which activity occurs in your account and each quarter.

Lockwood is the general administrator of the TFA Elite Program. These administrative services include the following:

- ❖ charging and collecting account fees
- ❖ processing deposits and withdrawals within your account
- ❖ providing a web-based tool: Lockwood Advisor Workstation to your Advisor

On a daily basis, the Lockwood Advisor Workstation provides access to the following information:

- account status
- account maintenance service orders

- holdings and values
- tax reporting tools
- transactions
- performance

In addition, Lockwood will provide you and us with quarterly performance reports that analyze the performance of your account. Generally, you will not have any direct contact with your Portfolio Manager.

### **PROGRAM FEES**

You will pay only one fee called a “wrap fee” for all services provided under this Program. You will not incur other charges. Your wrap fee is calculated quarterly in advance (at the beginning of each calendar quarter), based on an annual rate of 2.5% or less of the value of your Account Assets under management. This fee is calculated at the close of business on the last business day of the preceding calendar quarter (or, in the case of the commencement of your TFA Elite account, on assets under management on the first day services are provided). If your account is managed for only a portion of a quarter, your fee will be prorated based upon a ninety-day quarter. The minimum account size may vary depending on the Portfolio Manager(s) selected. Portfolio Managers will generally not accept accounts under \$100,000.

If assets are deposited after the inception of a quarter and subsequently withdrawn prior to the end of the same quarter, the fee charged will be prorated based on the number of days during the quarter the assets were held in your account. For valuation purposes, the assets will be treated as if they were held in your account as of the end of the quarter.

We do not negotiate brokerage commissions within your account. Instead, transactions are effected “net” (that is without commission), and a portion of the wrap fee is generally considered as being in lieu of commissions. Trades are generally executed with Pershing. Therefore, we are not free to seek best price and execution by placing transactions with other broker/dealers.

Your participation in the TFA Elite Program may cost you more or less than purchasing this program’s services separately. Factors that impact the overall cost of this program in relation to the cost of the same services purchased separately may include the following:

- ✓ size of the account
- ✓ trading activity in the account
- ✓ types of investments
- ✓ scope of advisory and other services provided by your Advisor

Your Advisor receives compensation as a result of your participation in the TFA Elite Program. The amount of this compensation may be more or less than what your Advisor would receive if you participated in other programs or paid separately for investment advice, brokerage, and other services. Therefore, your Advisor may have a financial incentive to recommend this program over other services.

#### **FEE SCHEDULE**

Your total wrap fee for your TFA Elite account is comprised of four (4) components:

- TFA' fee
- Pershing's fee
- Portfolio Manager's fee
- Advisor's fee

The total annual fee will not exceed the stated maximum annual fee as noted in your Client Services Agreement. In some cases, your Portfolio Manager may contract with us for a lower maximum annual fee. Such fees will be assessed on the first day of each calendar quarter based on the value of your Account Assets under management as of the close of business on the last business day of the preceding quarter as valued by an independent pricing service or otherwise as reflected on your quarterly performance report. Accounts reaching a breakpoint realize the benefit on the total account assets. We offer the group billing system through Pershing to aggregate your related accounts for the purposes of fee schedule breakpoint determination.

The portion of the program fee paid to Portfolio Managers of equity and balanced accounts varies from 65 basis points to 1.05% per year. Portfolio Managers of fixed income accounts are paid 42 to 80 basis points per year.



TFA ELITE PROGRAM				
ACCOUNT SIZE	<sup>1</sup> EQUITY & BALANCED (Includes Portfolio Manager, Platform, and Clearing and Custody Fees)	<sup>1</sup> FIXED INCOME (Includes Portfolio Manager, Platform, and Clearing and Custody Fees)	MAXIMUM ANNUAL FEE EQUITY & BALANCED	MAXIMUM ANNUAL FEE FIXED INCOME
\$100,000 - \$200,000	Ranges from  1.05% to  65 basis  points per  annum	Ranges from  80 basis  points to 42  basis points  per annum	2.50%	2.15%
\$200,001 - \$500,000			2.50%	2.15%
\$500,001 - \$750,000			2.40%	1.80%
\$750,001 - \$1,000,000			2.20%	1.50%
\$1,000,001 - \$2,000,000			2.00%	1.50%
\$2,000,001 - \$5,000,000			1.80%	1.25%
\$5,000,001 - \$8,000,000			1.60%	0.90%
\$8,000,001 - \$10,000,000			1.40%	0.75%
over \$10,000,000			1.10% or negotiable	1.10% or negotiable

<sup>1</sup>These ranges of fees do not include your Advisor's fee which is negotiable. However, as noted above your total annual fee will not exceed the stated maximum annual fee of 2.50%.

Through your Client Services Agreement, you will authorize Pershing to deduct all applicable fees from your TFA Elite account. All brokerage, custodial, and administrative costs associated with your TFA Elite account will be clearly noted on your statements.

### **PORTFOLIO MANAGER REVIEW AND SELECTION**

We will provide you with a schedule of Portfolio Managers, which may be modified from time to time. This schedule contains the investment styles and other information pertaining to each of the Portfolio Managers. Those Portfolio Managers listed on the schedule will enter into agreements with Lockwood, whereby Lockwood will furnish the administrative services.

The Portfolio Manager(s) that you appoint to manage your account will utilize your chosen investment style to initiate transactions through Pershing. Your account will be deemed activated only upon Lockwood receiving notification that the Portfolio Manager has accepted your appointment.

Notification to your Portfolio Manager that your assets are available for investment into the allocated portfolio(s) may take up to seven (7) business days from when the following criteria are met:

- account(s) is fully funded
- account is in good order
- account documentation has been reviewed and approved by TFA.

### **TERMINATION PROVISIONS**

You may close your account by submitting notice in writing. If you close your account within the first year or your withdrawals bring your account value below your Portfolio Manager's required minimum, you will be required to pay an early closing fee. We will process this fee which is calculated as the lesser of one additional quarterly fee or \$750.00, in addition to any paid quarterly fee. This early closing fee covers the administrative cost of establishing your account. According to your instructions, Pershing will deliver securities held in your account unless you request that your account be liquidated. After the first four calendar quarters, no early closing fee will apply. Instead you will be entitled to a pro rata refund of any pre-paid quarterly fee based upon the number of days remaining in the quarter at termination.

## **INTERSECURITIES MANAGED ACCOUNT PROGRAM**

### **Services**

On December 31, 2001, we discontinued offering InterSecurities Managed Account Program to new investors. Existing investors were permitted to remain in this program to continue to deposit and withdraw monies from their account.

Your Advisor will assist you in the selection of a model general securities portfolio. The model portfolio may fit one of three categories: conservative, moderate, or aggressive. Your model portfolio may also be any combination of these three.

The selection of your model portfolio will be based upon your stated investment objectives, risk tolerance, and financial circumstances. In addition, your Advisor will gather other important information such as income, age, and net worth to help determine the appropriateness of your selected model portfolio. Your Advisor will assist you with the completion of all documentation necessary to establish your InterSecurities Managed account. Your information will be forwarded to the portfolio manager ("Portfolio Manager") who will manage your account assets ("Account Assets") on a discretionary basis. Your Advisor will be available to you on an ongoing basis to receive deposit and withdrawal instructions and to consult with you regarding any changes in your financial circumstances or investment objectives. When there are changes, your Advisor will notify the Portfolio Manager who will continue to manage your account based upon your changes.

We utilize the clearing and custody services of Pershing through a clearing agreement. Your account will be maintained at this brokerage firm ("Account Custodian"). We have agreements with the Portfolio Managers participating in the InterSecurities Managed Account Program to direct all trades through us. The costs of custodial and brokerage are included as part of your advisory fee. There is no additional charge to you for these services.

### **PORTFOLIO MANAGER REVIEW AND SELECTION**

We have not made an independent verification of the qualifications or performance records of the Portfolio Managers. However, TFA's Vice President and our Investment Advisory Team will on a regular basis and at least annually, obtain and review each Portfolio Manager's performance information. The information will be evaluated for accuracy and measured against both industry standards and the Portfolio Manager's objectives. If the Portfolio Manager is underperforming for an extended time period, defined as one year, the appropriate Advisors will be contacted and asked to meet with each of you to discuss the portfolio management performance. After completion of this

review, the Vice President, the Investment Advisory Team, the Investment Committee and our RIA Due Diligence Committee will proceed, if warranted, to replace a particular Portfolio Manager. Generally, you will not have any direct contact or consultation with your Portfolio Manager.

You will need to notify your Advisor of the following:

- ❖ any policies or restrictions on your Account Assets
- ❖ any specific objectives concerning your Account Assets
- ❖ any investment decision made by your Portfolio Manager which you consider to be in violation of your policies, restrictions, or objectives.

### **FEES AND FEE SCHEDULE**

You will pay only one fee ("wrap fee") for all services provided under the InterSecurities Managed Account Program. You will not incur other charges. Your wrap fee is calculated quarterly, in advance, based on an annual rate of 2.6% or less of the value of your Account Assets under management. This fee is calculated at the close of business on the last business day of the preceding calendar quarter (or, in the case of the commencement of your InterSecurities Managed Account Program account, on assets under management on the first day services are provided). If your account is managed for only a portion of a quarter, your fee will be prorated based upon a ninety-day quarter. The minimum account size may vary depending on the Portfolio Manager(s) selected.

We do not negotiate brokerage commissions within your account. Instead, transactions are effected "net" (that is without commission), and a portion of the wrap fee is generally considered as being in lieu of commissions. Trades are generally executed with Pershing. Therefore, we are not free to seek best price and execution by placing transactions with other broker/dealers.

Your participation in the InterSecurities Managed Account Program may cost you more or less than purchasing this program's services separately. Factors that impact the overall cost of this program in relation to the cost of the same services purchased separately may include the following:

- ✓ size of the account
- ✓ trading activity in the account
- ✓ types of investments
- ✓ scope of advisory and other services provided by your Advisor

Your Advisor receives compensation as a result of your participation in the InterSecurities Managed Account Program. The amount of this compensation may be more or less than what your Advisor would receive if you participated in other programs or paid separately for investment advice, brokerage, and other services. Therefore, your Advisor may have a financial incentive to recommend the InterSecurities Managed Account Program over other services.

In no event will the total annual fee exceed the stated maximum annual fee. In some cases, the Portfolio Manager may contract with us for a lower maximum annual fee to you.

<b>IMAP ANNUAL FEE SCHEDULE</b>			
<b>RANGE OF ASSETS</b>	<b>TFA'S FEE (Includes Sponsor and Clearing Fees)</b>	<b>IAR'S FEE</b>	<b>TOTAL CLIENT FEE</b>
\$100,000 - \$200,000	1.40%	1.20%	2.60%
\$200,001 - \$500,000	1.40%	1.20%	2.50%
\$500,001 - \$750,000	1.27%	1.10%	2.30%
\$750,001 - \$1,000,000	1.25%	.80%	2.00%
\$1,000,001 - \$2,000,000	1.05%	.60%	1.65%
\$2,000,001 - \$5,000,000	.78%	.52%	1.30%
\$5,000,001 - \$8,000,000	.68%	.42%	1.10%
\$8,000,001 - \$10,000,000	.63%	.27%	.90%
Over \$10,000,000	Negotiable		

An amount up to 0.20% of your Account Assets may be charged in addition to the above fee schedule for the administration of qualified plans. The exact amount of this additional

charge is dependent upon the size and complexity of the qualified plan. Any such charge for the administration of a qualified plan will be paid entirely to your Portfolio Manager.

The wrap fee charged to your account is negotiable at the Advisor's discretion. The above schedule reflects the maximum allowable charges for the InterSecurities Managed Account Program. For all negotiated fee rates, the above schedule will apply to the portfolio manager's share of the fee. The discounted portion will be deducted from our share. All brokerage, custodial, and administrative costs associated with the InterSecurities Managed Account Program will be paid by us.

### **TERMINATION PROVISIONS**

You may close your account by submitting notice in writing. If your account is managed for only a portion of a quarter, the fee will be prorated based upon a ninety-day quarter. If you terminated your account within six months of opening your account, the fee will be prorated. We will deduct from this fee actual clearing, execution, and custodial costs for the administration of your account.

## **ITEM 5 – ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

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We provide advisory services to many types of clients. The majority of our clients are individuals, some of which may be high-net worth individuals. We also provide these services to pension and profit sharing plans, charitable organizations, state or municipal government entities, and other corporations or businesses.

We have established conditions for opening wrap fee program accounts. Specifically, advisory clients must complete a Customer Account Information form for certain programs. This form will provide us with information such as name, address, date of birth and other information used to identify you. We may use third-party sources to verify and/or update the information provided and may also request to see your driver's license or other identifying documents. Depending upon the wrap fee program, we will impose a minimum dollar value of assets. All our wrap fee programs will have a client advisory agreement for you to review carefully and agree to the conditions. Below is a table which outlines some of our wrap fee program's requirements.

Name of Advisory Program	Customer Identification /Account Forms	Minimum Account Assets and Balance Required	Minimum Account Size <sup>1</sup>
<b>TFA Advantage Program</b>	Yes	Yes	\$10,000 or higher depending upon the portfolio manager
<b>Signature Wealth Services</b>	Yes	Yes	\$75,000
<b>Sterling Program (Closed to new clients)</b>	Yes	Yes	\$50,000
<b>Transamerica I-Series® Program</b>	Yes	Yes	\$25,000
<b>TFA Elite Capital Advisors Program (Closed to new clients)</b>	Yes	Yes	\$100,000 or higher depending upon the portfolio manager
<b>InterSecurities Managed Account Program (Closed to new clients)</b>	Yes	Yes	\$100,000 or higher depending upon the portfolio manager

<sup>1</sup> At its sole discretion, TFA reserves the right to waive the minimum account size requirement.

Our compensation differs amongst our wrap fee programs. You will need to examine carefully your advisory agreement. It will provide you with greater detail of any fees and compensation that you will pay.

## ITEM 6 – PORTFOLIO MANAGER SELECTION AND EVALUATION

### I-Series Program

TFA is the portfolio manager for the Transamerica I-Series Program as described in Item 4 of this Disclosure Brochure. TFA's Investment Advisory team along with the Investment Committee monitor and review the models managed by TFA. In addition, third-party Model Managers are also offered through the Transamerica I-Series program. We select these model managers based on the following factors:

- 1) Firm history and experience
- 2) Portfolio strategy or investment style
- 3) Performance and risk statistics
- 4) Level of service and support

Generally, TFA will conduct initial due diligence on each Model Manager added to the program. The due diligence process and evaluation process may include a questionnaire, interviews of the management team, on-site visits and model analytics. If possible, TFA will request independent verification of the qualifications or performance records of our model managers. Once a model manager has been added to the I-Series program, TFA's Investment Advisory Team will review each model manager's performance information which may also include an annual due diligence questionnaire. The information collected from the party model managers will be evaluated for accuracy and measured against both industry standards and the portfolio objectives. If the Model Manager is underperforming for an extended time period, or if there are major changes within the Model Manager's organization that alters its investment mandate, the Investment Advisory Team and the Investment Committee may decide limit or terminate the model manager from the platform.

Generally, you will not have any direct contact or consultation with the Model Manager. However, the Model Manager may waive this requirement at his/her discretion. We do not charge advisory fees based on a share of the capital gains on or capital appreciation of funds or securities in your account. These fees are also called performance-based fees. Our advisory fee compensation is charged only as disclosed in Item 4 of this Disclosure Brochure.

Some of the model portfolios available in the Transamerica I-Series® Program are managed by TFA and Transamerica Asset Management, Inc. ("TAM"). Client accounts opened through the program using model portfolios managed by TFA or TAM will result in additional revenue to TFA or TAM as opposed to accounts opened using model portfolios of unaffiliated firms. Such additional revenue may create a conflict of interest for us and our Advisors. We resolve this conflict by monitoring the appropriateness of the recommendations made to you by our Advisors to participate in model portfolios available in the Transamerica I-Series® Program which are managed by TFA and TAM. These model portfolio managers are subject to the same selection and review as other portfolio managers that participate in the Transamerica I-Series® Program.



## TFA Advantage Program

As the sponsor of Advantage Program, TFA has entered into an agreement with Envestnet to provide certain services related the Program. These services include due diligence and research of the portfolio managers that are available through the Envestnet platform. Envestnet “approves” managers that have met their due diligence requirements. Those managers are automatically made available in the Advantage Program to TFA’s advisors and clients. Certain additional managers may also be made “available” by TFA upon request. Generally, TFA will perform additional reviews before making those managers available. TFA will generally monitor all managers on a quarterly basis and report any underperforming managers to the Investment Committee. The Investment Committee may recommend to limit or terminate any third party manager as it deems fit.

## TFA Signature and Sterling Program

Your advisor (or IAR) is considered the “Portfolio Manager” to the Signature and Sterling Program. Your advisor can utilize both internal and external research to manage your accounts. TFA may also set certain guidelines in the way your advisors can manage your accounts. Your advisor may or may not have discretion to trade your account(s). If your advisor has been granted discretion by you, he or she may trade your account without notifying you. You should meet with your advisor at least annually to discuss and review your account.

## ITEM 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

Your Advisor assists you in completing the Portfolio Manager’s questionnaire and in the selection of a model general securities portfolio. There are four critical areas to determine proper distribution of assets:

- Asset allocation between equity and fixed income investments
- Investment discipline selection
- Suggested number of portfolio managers
- Portfolio manager selection

The selection of your model portfolio will be based upon your stated investment objectives, risk tolerance, and financial circumstances. In addition, your Advisor will gather this information to assist in this selection:

- Income

- Age
- Number of dependents
- Employment status
- Marital status
- Tax bracket
- Net worth
- Risk tolerance
- Financial goals
- Investment experience.

Your Advisor will assist you with the completion of all documentation necessary to establish your account. Your information will be forwarded to the portfolio manager (“Portfolio Manager”), if applicable, who will manage your account assets (“Account Assets”) on a discretionary basis. Your Advisor will be available to you on an ongoing basis to receive deposit and withdrawal instructions and to consult with you regarding any changes in your financial circumstances or investment objectives. When there are changes, your Advisor will notify the Portfolio Manager, if applicable, who will continue to manage your account based upon your changes.

We require your Advisor to meet with you at least annually to review your account(s). Your Advisor will review your current situation, investment objectives, and suitability of selected investments. When you select any of our wrap fee programs, your Advisor will ask you to notify us of any changes such as your investment objectives, financial circumstances or investment objectives. Your changes may impact your asset allocation model(s) portfolios.

## ITEM 8 – CLIENT CONTACT WITH PORTFOLIO MANAGERS

Generally, you will not have any direct contact or consultation with your Portfolio Manager. At the Portfolio Manager’s discretion, he/she may waive this requirement.

## ITEM 9 – ADDITIONAL INFORMATION

### **Disciplinary Information**

As mentioned in Item 4, we are both a broker/dealer and a Registered Investment Adviser. The disciplinary events that are described below pertain to the broker/dealer only.

In the last ten years, we have had 16 disciplinary events that are material to your evaluation of us. Two events involve charges brought by the Securities and Exchange Commission ("SEC"). Four of the events involve charges brought by our self-regulatory organization, Financial Industry Regulatory Authority, Inc. ("FINRA") formerly known as the National Association of Securities Dealers. Ten of the events involve charges brought by state regulatory agencies.

### **SEC Proceedings**

On April 3, 2014, the Securities and Exchange Commission ("SEC") signed an Order Instituting Administrative and Cease-and-Desist Proceedings relating to the aggregation of advisory accounts for billing purposes in the Capital, Sterling, and Advantage Programs by Transamerica Financial Advisors, Inc. ("TFA"). We agreed to a censure, a fine of \$553,624, and to retain the services of an independent consultant to conduct a review of our policies and procedures. We also undertook remedial efforts by providing refunds and credits to accounts of clients and former clients who were overcharged fees. This matter pertained to the firm failing to apply advisory fee discounts to certain retail clients in several of its advisory fee programs contrary to its disclosures to clients and its policies and procedures. Please go to [TFA's Website, www.tfa.transamerica.com](http://www.tfa.transamerica.com), to obtain a copy of the Order relating to this matter.

On November 22, 2010, the firm entered into an Order with the Securities and Exchange Commission. Without admitting or denying the allegations, we agreed to pay a fine of \$200,000 and to retain the services of an outside vendor to provide suitability training to each of the firm's registered representatives for a two-year period. This matter pertains to the SEC alleging that the firm did not provide adequate supervision to representatives in a California-based office from the beginning of 2006 through May 2007. The SEC also believed that certain registered representatives of that office made unsuitable securities recommendations to clients during that time.

### **FINRA Proceedings**

On March 23, 2009, FINRA accepted our Letter of Acceptance, Waiver and Consent in which we proposed a settlement of alleged NASD rule violations. We agreed to a censure and fine of \$50,000. This matter related to the trade-by-trade review we conducted as part of a breakpoint assessment required by FINRA.

On December 21, 2010, FINRA accepted our Letter of Acceptance, Waiver and Consent in which we proposed a settlement of alleged NASD rule violations. We agreed to a fine of \$50,000. We further agreed to review the adequacy of our policies, systems and

procedures for determining whether new products are securities and to provide a written description of the policies, systems and procedures and certification to FINRA.

On January 20, 2015, FINRA accepted our Letter of Acceptance, Waiver and Consent in which we proposed a settlement of alleged FINRA rule violations. We agreed to a censure and fine of \$50,000. This matter pertained to an inaccurate Form U5 and inaccurate and misleading Amended Form U5 filed by the firm relating to the termination of a registered representative.

On July 27, 2015, FINRA accepted our Letter of Acceptance, Waiver, and Consent in which we proposed a settlement of alleged FINRA rule violations. We agreed to a censure and fine of \$85,000 and paid restitution to impacted Clients in the amount of \$51,066.08 (plus interest). This matter pertained to the broker-dealer failing to identify and apply volume discounts to certain Clients' eligible purchases of non-traded real estate investment trusts (REITs) and business development companies (BDCs), resulting in customers paying excessive sales charges of approximately \$51,000. Also, the broker-dealer failed to establish, maintain, and enforce a supervisory system and written supervisory procedures with respect to the sale of non-traded REITs and BDCs.

### **State Proceedings**

On February 9, 2006, we entered into a Consent Order with the Maryland Securities Commissioner relating to the supervision of a registered representative and his associated representatives who had sold unregistered promissory notes. Without admitting or denying these allegations, we consented to pay an amount not to exceed \$364,811.34 for disbursement to certain clients; to notify the State of all complaints brought by Maryland residents and their dispositions for two years; and to provide information to the State regarding examinations of our Maryland registered representatives for two years.

On July 12, 2006, the Pennsylvania Securities Commission accepted our Offer of Settlement in which we proposed a settlement of alleged violations of the Pennsylvania Securities Act of 1972. Without admitting or denying the allegations, we agreed to pay an administrative assessment of \$100,000 and \$5,500 for the costs of investigation. We also agreed to retain an expert to examine certain supervisory records and to review our supervisory procedures. This matter related to our supervision of an OSJ Branch Manager who was obligated to oversee a registered representative who had been placed under heightened supervision.

On November 8, 2006, we entered into a Consent Order with the State of Missouri Securities Division. Without admitting or denying the allegations, we agreed to pay a fine of \$130,600 to the State and restitution to customers totaling \$98,000. This matter pertained to our supervision of registered representatives who effected unsuitable variable annuity transactions for elderly clients.

On May 31, 2007, we entered into a Stipulation and Consent Order with the Division of Securities of the Department of Commerce of the State of Utah. Without admitting or denying the allegations, we agreed to a fine of \$50,000, to provide training to all Utah registered representatives, and to improve our policies and procedures relating to the review of seminars. This matter pertained to two registered representatives making misrepresentations and omitting material facts during seminars that they conducted.

On September 18, 2007, we were issued a Letter of Caution by the State of Nevada Securities Division. Without admitting or denying the allegations, we agreed to ensure the firm's trade blotter reflects all applications received from a branch office, revise the firm's policies and procedures to clarify the term "promptly submit", and to provide training to the firm's registered representatives. This matter pertained to the firm failing to follow its own policies and procedures and failing to supervise a registered representative and branch manager in connection with the maintenance of trade blotters.

On February 17, 2009, we entered into a Consent Order with the State of North Dakota Securities Department relating to the supervision of a registered representative who had sold unregistered promissory notes. Without admitting or denying these allegations, we paid a fine of \$90,000. In addition, we informed our supervisory and compliance officers and field auditors about the Order; reminded them of the importance of uncovering and preventing selling away activities; and instructed them to review bank records of our registered representatives and investment advisor representatives.

On December 2, 2009, we entered into a Consent Order with the State of Nevada Securities Division. Without admitting or denying the allegations, we agreed to pay a fine of \$30,000 and to take remedial action to ensure that our registered representatives comply with the firm's internal policies and procedures relating to entry of rejected trades on the branch office trade blotter.

On April 15, 2010, we entered into a Consent Order with the State of Nevada Securities Division. We agreed to pay the State \$15,000 for the cost of its investigation into a matter which the firm reported to the State. Also, restitution in the amount of \$382,200 was paid

by the firm as a result of a former registered representative selling unregistered securities, without the firm's knowledge, to six individuals.

On May 17, 2010, we agreed to pay an administrative penalty in the amount of \$25,000 to the Arizona Corporation Commission and we were required to undertake remedial measures as directed by the State for a period of three years. We also paid restitution in the amount of \$828,501. This matter pertained to the sale of unapproved products by former registered representatives of the firm.

On August 2, 2011, we entered into a Consent Order with the State of Florida Office of Financial Regulation. Without admitting or denying the allegations, we agreed to pay an administrative fine of \$50,000. The State of Florida found that we failed to reasonably supervise a former representative in violation of Section 517.161(1)(H) Florida Statutes and Rule 69W-600.013(1)(H)1 Florida Administrative Code.

#### **Other Financial Industry Activities and Affiliations**

As stated in Item 4, we are also a broker/dealer. In general, our Advisors, our management team, and most of our Investment Committee members are Registered Representatives of our broker/dealer.

We are a member of the Transamerica Group of companies. These companies include investment companies that offer mutual funds and variable insurance products. Many of these products are allowed to be purchased in or transferred into our proprietary advisory accounts. Based on our affiliation with various investment companies and variable insurance companies, a conflict of interest may exist due to the compensation paid to us by these companies and compensation gained by our affiliates through fees and expenses charged to you on their products. This compensation is in addition to the advisory fees you pay to us. We resolve this conflict by monitoring the appropriateness of the recommendations made to you by our Advisors on all products you purchase including those products issued by our affiliates.

We have contracts with Third-Party Money Managers who are also investment advisors that offer fee-based advisory programs. These relationships were described in Item 4. These Third-Party Money Managers are not affiliated with us and they pay us a portion of the fees you pay to them. This is considered a material conflict of interest. The cost of placing your assets with one of these Third-Party Money Managers may be higher than placing your assets in one of our Advisor or Firm managed advisory accounts.

In certain cases, third-party money managers may pay us amounts in addition to our portion of the advisory fee, for marketing purposes. The amount and terms of this marketing compensation may increase or decrease from time to time, and may only relate to certain types of accounts. Any additional marketing compensation paid by the third-party money managers to us will not affect your account, the services provided to you, the fee for advisory services that you pay to the third-party money manager, or the compensation paid by us to your Advisor. The existence of a marketing compensation agreement with certain, but not all, third-party money managers can create a conflict of interest for your Advisor and us. We will earn more revenue when you open an account with a third-party money manager that has a marketing compensation agreement with us, and our Advisor may indirectly benefit from this additional revenue through different educational and marketing initiatives conducted by us.

Each of the third-party money managers and other service providers that have marketing and referral agreements with us, may attend, contribute to, or sponsor education and training meetings for our Advisors. A third-party money manager may reimburse us for up to 100% of the cost of these meetings. These contributions and reimbursements create a potential conflict of interest because meeting sponsors have more opportunities to provide our Advisors with education on investments, their investment management services, industry trends, and other issues and because we benefit from these contributions and reimbursements.

Some of our Advisors are registered directly with the SEC or the state as investment advisors. These Advisors have formed their own company and hold this company out as a Registered Investment Advisor (“Independent Registered Investment Advisors”). Some of our Advisors are associated with other Independent Registered Investment Advisors; that is, they are registered as an Advisor both with us and with an unaffiliated firm. Both of these types of Advisors will provide you with a Disclosure Brochure or Form ADV, Part 2A, for us and for the Independent Registered Investment Advisor. Our Independent Registered Investment Advisers offer some of our advisory programs to their advisory clients. It is important that you understand the registration relationships of your Advisor. Ask your Advisor to explain these relationships thoroughly.

### **Broker-Dealers under Common Control with AEGON N.V.**

The following FINRA registered broker/dealers are under common control with us. We and each of these broker/dealers are indirect, wholly-owned subsidiaries of AEGON N.V.

- Transamerica Investors Securities Corporation

- Transamerica Capital, Inc.

Transamerica Capital, Inc. is the principal underwriter for variable annuity and life insurance products offered by our affiliated insurance companies. We have a selling agreement with this broker/dealer that compensates us for selling these products. This firm is also a wholesale distributor of Transamerica products. Such compensation may create a conflict of interest for us and our Advisors. We resolve this conflict by monitoring the appropriateness of the recommendations made to you by our Advisors on all products you purchase including those products issued by our affiliates.

### **Investment Companies under Common Control with AEGON N.V.**

We have an agreement to sell shares of one of our related investment companies, Transamerica Funds. Through our affiliated insurance companies, we have the ability to offer insurance products which may contain shares of the Transamerica Series Trust and/or Transamerica Partners Funds, both of which are affiliated investment companies. We receive compensation from these sales. Such compensation may create a conflict of interest for us and our Advisors. We resolve this conflict by monitoring the appropriateness of the recommendations made to you by our Advisors on all products you purchase including those products issued by our affiliates.

### **Registered Investment Advisers under Common Control with AEGON N.V.**

The following SEC Registered Investment Advisers are under common control with us. We and each of these advisory firms are indirect, wholly-owned subsidiaries of AEGON N.V.

- Transamerica Asset Management, Inc. ("TAM");
- AEGON USA Investment Management, LLC ("AUIM");
- Transamerica Retirement Advisors, Inc.

Some of the model portfolios available in the Transamerica I-Series® Program are managed by TFA and TAM. Client accounts opened through the program using model portfolios managed by TFA or TAM will result in additional revenue to TFA or TAM as opposed to accounts opened using model portfolios of unaffiliated firms. Such additional revenue may create a conflict of interest for us and our Advisors. We resolve this conflict by monitoring the appropriateness of the recommendations made to you by our Advisors to participate in model portfolios available in the Transamerica I-Series® Program which are managed by TFA and TAM.



TAM is the investment advisor to Transamerica Funds and has an indirect relationship with TFA due to TFA's distribution of Transamerica Funds as described above which may create a conflict of interest. We resolve this conflict by monitoring the appropriateness of the recommendations made to you by our Advisors on all products you purchase including those products issued by our affiliates.

### **Insurance Companies or Agencies under Common Control with AEGON N.V.**

We have material relationships or arrangements with a select group of product sponsors ("Sponsoring Companies") which some are affiliated insurance companies/agencies. In certain cases, some of our officers may be personally affiliated with our affiliated insurance companies/agencies. In addition, due to our registration as a broker/dealer, we may also receive additional compensation in the form of revenue sharing payments when you purchase products through these insurance companies/agencies. A summary of TFA's Revenue Sharing and Sponsoring Company compensation arrangements and current Sponsoring Company list for TFA can be found at the Home Page of TFA at [www.tfa.transamerica.com](http://www.tfa.transamerica.com) under Revenue Sharing. Such revenue sharing payments may create a conflict of interest for us and our Advisors. We resolve this conflict by monitoring the appropriateness of the recommendations made to you by our Advisors on all products you purchase including those products issued by our affiliates.

The following is a list of our affiliated insurance companies/agencies:

- Transamerica Premier Life Insurance Company
- InterSecurities Insurance Agency, Inc.
- Transamerica Life Insurance Company
- Transamerica Financial Life Insurance Company
- World Financial Group Insurance Agency, Inc. (DBA World Financial Insurance Agency, Inc. in California)
- World Financial Group Insurance Agency of Hawaii, Inc.
- World Financial Group Insurance Agency of Massachusetts, Inc.
- World Financial Group Insurance Agency of Wyoming, Inc.
- WFG Insurance Agency of Puerto Rico, Inc.

Your Advisor may be able to offer you insurance products through his or her affiliation with one or more of these agencies. When you purchase insurance products through your Advisor and our Affiliated Agencies, your Advisor and our Affiliated Agencies will receive commission compensation.

## Code of Ethics

We have adopted a Code of Ethics and an Insider Trading Policy (“Code”). This Code is designed to ensure that we meet our fiduciary obligation to you and our prospective clients, that we conduct our advisory services with the highest level of ethical standards, and that we instill a culture of compliance within our firm.

Our Code is comprehensive and is distributed to each home office employee and Advisor (collectively “Access Persons”) at the time of hire, and annually thereafter. We also supplement the Code with annual training and ongoing monitoring of the activity of Access Persons.

Our Code includes the following requirements for our Access Persons:

- Maintain the principles of honesty, integrity, professionalism and comply with federal and state securities laws;
- Follow all policies and procedures contained in our manuals, bulletins, and supervisory directives and cooperate with any investigation or inquiries;
- Maintain the privacy and confidentiality of information provided by our clients;
- Refrain from:
  - insider trading
  - accepting gifts and entertainment that exceed our policy standards
  - participating in any initial public offerings
  - executing a personal transaction in a security for which the Access Person already has a pending buy or sell order for a client.
- Report all gifts and business entertainment;
- Pre-clear personal securities transactions;
- Report on a quarterly basis all personal securities transactions;
- Annually review and certify compliance with our Code.

We also have established the following guidelines for our Access Persons:

- Our directors, officers and employees are not allowed to buy or sell securities for their personal portfolio(s) unless the sales information is also available to the investing public. Access Persons are not to place their own interests above yours.
- Any Access Person not complying with these guidelines may be subject to disciplinary action including termination.

You may request a complete copy of our Code by contacting our Rep Relations Department at the address or telephone number displayed on the cover page of this Disclosure Brochure.

## **Review of Accounts**

Our Advisors are required to review their client advisory accounts regularly and at least annually. They review and discuss the client's account performance and the client's financial circumstances and investment objective information. All Advisors must annually complete a client meeting worksheet that contains the details of the meeting with the client.

Our Suitability Team reviews initial account applications and approves or rejects them. A Compliance Officer and/or the Manager of Compliance Monitoring & Surveillance, or designee, review monthly a sampling of advisory accounts for consistency with our clients' objectives and restrictions. This team will also review and compare the personal securities holdings of the Advisor with the client's securities holdings.

Annually, the Advisory Services Product Manager of our Advisory Services Team, or designee, delivers the firm's Annual Due Diligence Questionnaire to all Third-Party Money Managers with which we have agreements. The Advisory Services Product Manager, or designee, reviews these questionnaires and escalates any irregularity to the Advisory Services Team. If warranted, the matter will be escalated to our firm's Investment Committee. This committee will review the matter and vote to retain or reject the Third-Party Money Manager.

## **Client Referrals and Other Compensation**

### Registration Arrangements

Many of our Advisors are also Registered Representatives of our broker/dealer. In the capacity of a Registered Representative, your Advisor will recommend that you place securities transactions through our broker/dealer. These transactions could include, but are not limited to, the purchase or sale of general securities, mutual funds or variable insurance products. The amount of the commissions for the sale of these products is dictated by the investment companies, their distributors, and/or the broker/dealers through which these transactions are executed. All sales charges and expenses are disclosed in the product prospectus, which you will receive at or before the time of your purchase of the product. When your Advisor executes any general securities transactions for you, the Advisor's commissions are based on our broker/dealer's commission table and

may be negotiable. These commissions may be higher or lower than other Registered Representative's commissions, but are believed to be reasonable and competitive.

#### Marketing Compensation Arrangements

In certain cases, third-party money managers or other service providers may pay us marketing compensation. The amount and terms of this marketing compensation may increase or decrease from time to time. Any additional marketing compensation paid by the third-party money managers or other service providers to us will not affect your account, the services provided to you, the fee for advisory services that you pay, or the compensation paid by us to your Advisor. The existence of a marketing compensation arrangement with third-party money managers or other service providers can create a conflict of interest for your Advisor and us. We will earn more revenue due to such marketing compensation arrangements and our Advisor may indirectly benefit from this additional revenue through different educational and marketing initiatives conducted by us.

Each of the third-party money managers and other service providers that have marketing and referral arrangements with us, may attend, contribute to, or sponsor education and training meetings for our Advisors. A third-party money manager may reimburse us for up to 100% of the cost of these meetings. These contributions and reimbursements create a potential conflict of interest because meeting sponsors have more opportunities to provide our Advisors with education on investments, their investment management services, industry trends, and other issues and because we benefit from these contributions and reimbursements.

#### Solicitors Arrangements

We may, from time to time, enter into Solicitor Agreements with separately registered investment advisers that may be affiliated or unaffiliated with us. These agreements allow these registered investment advisers to offer our advisory programs on a solicitor's basis, pursuant to Rule 206(4)-3 of the Investment Advisers Act of 1940.

On occasion, third persons ("Solicitors") who are not associated with TFA will refer prospective clients to an Advisor who will present our advisory programs. We enter into Referral Agreements with these Solicitors pursuant to Rule 206(4)-3 of the Investment Advisers Act of 1940. TFA will compensate the 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**

We have custody of a limited number of client accounts because a few of our Advisors act in the capacity of a trustee or Power of Attorney on behalf of their clients. In addition, we also have indirect custody of a limited number of client accounts held through our affiliates, Transamerica Life Insurance Company and Transamerica Premier Life Insurance Company, for which our Advisors provide investment advisory services. You will receive account financial statements directly from your qualified custodian at least quarterly. We urge you to carefully review these statements as they are the official record of your account and assets.

Our Advisors may provide you with account statements, performance reports, consolidated statements, or other account summaries. We urge you to compare any such reports to the statements you receive from your custodian covering the same period.

## **Investment Discretion**

We accept discretionary authority to manage your account in the Signature Wealth Services Program, TFA Sterling Advisory Account Program, and the TFA Advantage Program. We also allow certain Advisors to exercise discretion in managing the subaccounts of variable insurance products. Discretionary authority allows the Advisor to decide which securities to purchase and sell for you without your prior consent. This discretionary authority is limited to Advisors who are qualified and have obtained written approval from our firm. You must sign a Discretionary Agreement to authorize your Advisor to have discretion over your account.

When you open a Transamerica I-Series® account, you give us discretionary authority. You may impose reasonable limitations and restrictions at the time of opening your account or at a later time by written notice. Our Advisory Services team exercises this discretionary authority.

Third-Party Money Managers will maintain discretionary authority. Such authority would be fully disclosed to clients in the Third-Party Money Manager's Form ADV Part 2A or other disclosure document.

## **Financial Information**

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to you and we have never been the subject of a bankruptcy proceeding.