

# TRANSAMERICA FINANCIAL ADVISORS, INC.

Transamerica Financial Advisors Division

## FORM ADV PART 2A

---

570 CARILLON PARKWAY

ST. PETERSBURG, FLORIDA 33716-1202

(800) 322-7161

HTTPS://TFA.TRANSAMERICA.COM

**AUGUST 25, 2015**

*This Brochure provides information about the qualifications and business practices of the Transamerica Financial Advisors Division of Transamerica Financial Advisors, Inc. ("TFA"). 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 TFA 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 Brochure, is information you may wish to use in considering whether to hire or retain TFA as your advisor.

## ITEM 2 – MATERIAL CHANGES

---

This is an amendment filing relating to the Part 2A of Form ADV for the Transamerica Financial Advisors Division of TFA. This filing is made as of August 25, 2015.

In this version of TFA's Disclosure Brochure, we updated Item 9, Disciplinary Information, to disclose a settlement that our broker-dealer entered into with the Financial Industry Regulatory Authority, Inc ("FINRA") on July 27, 2015. This disclosure was related to the broker-dealer not applying volume discounts to certain customers' eligible purchases of non-traded real estate investment trusts and business development companies. This issue did not apply to accounts in our advisory programs as described in this brochure.

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's public disclosure website (IAPD) at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), download it at <https://TFA.Transamerica.com>, or contact us at (800) 322-7161, extension 123-6535.

## ITEM 3 – TABLE OF CONTENTS

Item 1 – Cover Page.....	i
Item 2 – Material Changes.....	ii
Item 3 – Table of Contents .....	iii
Item 4 – Advisory Business .....	1
Item 5 – Fees and Compensation .....	5
Item 6 – Performance-Based Fees and Side-By-Side Management .....	16
Item 7 – Types of Clients .....	16
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	17
Item 9 – Disciplinary Information .....	22
Item 10 – Other Financial Industry Activities and Affiliations .....	26
Item 11 – Code of Ethics .....	29
Item 12 – Brokerage Practices .....	30
Item 13 – Review of Accounts .....	34
Item 14 – Client Referrals and Other Compensation.....	37
Item 15 – Custody.....	38
Item 16 – Investment Discretion .....	39
Item 17 – Voting Client Securities (Proxy Voting).....	39
Item 18 – Financial Information .....	39

## ITEM 4 – ADVISORY BUSINESS

---

### **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 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., who 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.

### **Advisory Services Offered**

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. Our Advisors may offer you one or more of the following advisory services:

- **Financial Planning**

TFA offers resources designed to analyze and create a written evaluation for the implementation of a customized financial plan for clients. Your Advisor can review your present financial position including a net-worth statement, budget/cash flow analysis, risk assessment and income tax assessment. Financial goals, objectives, expectations and the degree to which you are able to tolerate fluctuations in the stock market are also taken into consideration. Once the assessment is complete,

your Advisor will propose a detailed financial plan designed to fit your personal needs and circumstances.

Areas of financial advice include:

**General Needs**

- Education
- Retirement
- Estate planning
- Investment planning

**Risk Management**

- Survivor income needs
- Disability income needs
- Long term care needs
- Other insurance needs

**Special Services**

- Business planning needs
- Charitable planning
- Special family needs
- Allocation of assets within qualified plans

- **Consulting Program**

Your Advisor consults with you on pertinent financial topics that address your particular needs and objectives. Your Advisor can analyze your current financial situation and investment goals, present strategies, and recommend appropriate investments to help reach your financial destination in the following areas:

- |                       |   |
|-----------------------|---|
| - Investment planning | - Estate planning                       |
| - Retirement planning | - Business ownership & succession needs |
| - Insurance planning  | - 401(k) plan asset allocation          |

The consulting program is an ongoing service and you can arrange to visit and speak with your Advisor when it is convenient for you. After each consultation, your Advisor will provide you a fee invoice for your payment.

TFA's Advisors may also offer consulting services to Employer Sponsored Group Retirement Plan fiduciaries, trustees, or sponsors in connection with 401(k) Plans, Pension Plans, etc.

- **Investment Management Programs**

When providing investment management services, our Advisors have the freedom to choose from a wide variety of services offered by many different providers.

**Advisor Managed Programs**

You and your Advisor work together to develop, guide, and rebalance a portfolio constructed to help meet your stated investment objectives. Advisors have the flexibility to use stocks, bonds, mutual funds, and other securities to implement the agreed-upon plan within a brokerage account available through TFA.

### **TFA Managed Programs**

TFA is the sponsor of and one of several model portfolio managers within the Transamerica I-Series® program. Transamerica I-Series® is a wrap fee program which uses strategic and alternative asset allocation models to establish an individualized portfolio in accordance with your particular investment objectives and risk tolerance. Within Transamerica I-Series® you may select multiple model portfolios allowing you to pursue different investment strategies within a single account. Depending upon the models selected, the underlying assets may include Exchange Traded Funds (ETFs), Exchange Traded Notes (ETNs), other Exchange Traded Products (ETPs), and/or mutual funds. Each Transamerica I-Series® client owns the underlying securities in his or her account.

More information about the Transamerica I-Series® program may be found in TFA's Form ADV Part 2A Appendix 1.

### **Variable Product Advisory Programs**

If you own certain variable products, such as a Variable Annuity ("VA") or Variable Universal Life ("VUL") policy, TFA's Advisors may offer you advisory services on the subaccount allocations in your VA or VUL products. These services may be provided directly by your Advisor or by a Third-Party Money Manager recommended by your Advisor. In either case, TFA's Variable Product Advisory Program is designed to provide you with ongoing investment management services on the subaccount allocations within your VA or VUL products. TFA's Variable Product Advisory Program may be offered to you on a discretionary or non-discretionary basis.

### **Third-Party Money Management Programs**

Our Advisors have access to a lineup of third-party money managers ("TPMMs") that focus on providing managed portfolios to clients with account balances as low as \$5,000. Depending on the TPMM selected, the TPMM will typically utilize either exchange traded products or mutual funds within their investment strategies. In some cases, TPMMs may include equity securities, municipal securities, US government securities, exchange traded notes and/or other securities products within their investment strategies (please refer to the specific TPMM's Form ADV Part 2A or other disclosure document for a complete listing of the types of investments it may use in a client's portfolio).

Within each Third-Party Money Management Program, the TPMM selected will have discretionary authority over your account in order to conduct the necessary trading activity.

- **Retirement Account Programs**

Our Advisors also have the ability to refer clients to various third-party providers that provide certain administrative services relating to employee benefit plans.

Through TIAA-CREF's Advisor Network program, TFA may provide investment advisory services to participants in retirement plans offered through TIAA-CREF. In order to participate in the program, TFA and any participating, approved Investment Advisor Representative must meet minimum due diligence standards set by the program and must agree to limit their fees to 1.25% (or lower depending on the plan) on assets maintained on the TIAA-CREF retirement platform.

- **Seminars and Educational Services**

We present financial and investment-related seminars to help educate the public. The seminar materials are selected by us and sometimes prepared by us, but are prepared primarily by unaffiliated publishers and distributors of investment seminar program materials. These materials provide investment-related information which is intended to be educational in nature and to provide seminar participants with information regarding certain investment-related topics. The information contained in the seminar materials is not intended as specific investment advice and does not purport to meet the investment objectives or needs of specific individuals or accounts.

An individual who attends a seminar is our client for purposes of the seminar only, and does not continue to be our client following completion of the seminar unless we subsequently provide additional investment advisory services to the same individual.

We also provide various services to employers or other organizations designed to help educate such organizations, or their employees or members, on general investment or financial issues. These services are educational in nature and are not intended as specific investment advice, nor do such services purport to meet the investment objectives or needs of specific individuals or accounts. The recipient of such services are our client for purposes of the services only, and do not continue to be our client following completion of the services unless we subsequently provide additional investment advisory services to the same recipient.

*Termination.* Our investment advisory relationship with an individual who attends a seminar or receives educational services ends at the end of the seminar or presentation of educational services, unless that individual subsequently retains us for other investment advisory services.

## **Assets Under Management**

As of December 31, 2014, TFA had approximately \$1.66 billion in discretionary assets under management and \$3.03 billion in non-discretionary assets under management. These figures are computed in the same fashion as in our Form ADV, Part 1A. Discretionary assets under management entails our having ongoing responsibility to select or make securities recommendations to you based upon your needs and arranging or effecting the purchase or sale of these securities without first consulting you. Non-discretionary assets under management entails our having ongoing responsibility to make securities recommendations to you based upon your needs and arranging or effecting the purchase or sale of these securities after consulting with you. We therefore provide you with continuous and regular supervisory or management services when acting in a discretionary or non-discretionary capacity.

## **ITEM 5 – FEES AND COMPENSATION**

---

We charge fees for our advisory services. The fees we charge differ among our programs. You will find specific details for each service below. You should carefully examine your advisory agreement for the advisory program you select. It provides greater detail with respect to the fees and charges that you will pay for the program you have selected.

- **Financial Planning**

There are two methods of advisory fee compensation for financial planning. One is a fixed or flat fee with a minimum charge of \$250. The other is an hourly fee ranging from \$25 to \$300 per hour. These fees are negotiable and usually depend upon the complexity of the financial plan. The specific fee arrangement for the program you select is described in your advisory agreement that you sign when engaging an Advisor's services. Once you sign this advisory agreement, you will be asked to pay all or a portion of the flat or hourly fee, with the balance to be paid upon delivery of the written financial plan.



- **Consulting Program**

Advisory fee compensation for the Consulting Program is calculated as a fixed or flat fee, based on an hourly rate, or based on percentage of assets under management. The fixed or flat fee has a minimum fee of \$200. The hourly fee ranges from \$50 to \$250 per hour. The percentage of assets under management fee is based on the value of the assets for which the consulting services are being provided with a maximum fee of 2.5% or 1.8% for consulting related asset allocation recommendations for eligible variable annuities or variable universal life products. Advisors cannot charge an assets under management fee for any assets for which the consulting services are not being provided. These fees are negotiable and usually depend upon the complexity of the consulting services. You will be asked to sign a Consulting Services Agreement. After each consultation, your Advisor will provide you a fee invoice for your payment.

- **Investment Management Programs**

Fees for our investment management programs are deducted directly from your account. The details with respect to the fees we charge for our investment management programs and applicable expenses are set forth below.

<i>Name of Program</i>	<i>Fees are Negotiable between You and Your Advisor</i>	<i>Deduct Fees from Your Account</i>	<i>Other Fees or Expenses Charged to Your Account<sup>1</sup></i>	<i>Linking<sup>2</sup> Of Accounts</i>	<i>Total Annual Advisory Fees Charged<sup>6</sup></i>
<b>Signature Wealth Services</b>	Yes	Quarterly in advance	None	Yes	Not to exceed 2.50%
<b>Premier Wealth Services</b>	Yes	Quarterly in advance	Transaction charges <sup>3</sup> – these may be paid by your Advisor	Yes	Not to exceed 2.50%
<b>TFA Sterling Advisory Account Program<sup>7</sup> (Closed to new clients)</b>	Yes	Quarterly in advance	None	Yes	Not to exceed 2.50%
<b>TFA Capital Account Program<sup>7</sup></b>	Yes	Quarterly in advance	Transaction charges <sup>3</sup> – these may be paid by	Yes	Not to exceed 2.50%

<i>Name of Program</i>	<i>Fees are Negotiable between You and Your Advisor</i>	<i>Deduct Fees from Your Account</i>	<i>Other Fees or Expenses Charged to Your Account<sup>1</sup></i>	<i>Linking<sup>2</sup> Of Accounts</i>	<i>Total Annual Advisory Fees Charged<sup>6</sup></i>
<b>(Closed to new clients)</b>			your Advisor		
<b>TFA Flex Program<sup>7</sup></b>	Yes	Quarterly in advance	Transaction charges <sup>3</sup> – these may be paid by your Advisor	Yes	Not to exceed 2.50%
<b>Retirement Account Programs</b>	Yes	Quarterly in advance or arrears depending on specific program selected	Transaction charges	No	Not to exceed 2.00%
<b>Transamerica I-Series® Program</b>	No, however Advisor may waive the advisory fee	Monthly at the end of each month	Accounts under \$100,000 are charged a quarterly fee of \$25	Yes	Not to exceed 2.50%
<b>TFA Advantage Program<sup>7</sup></b>	Yes	Quarterly in advance	Early account termination fee	Yes	Not to exceed 2.50%
<b>Essential Wealth Services Platform<sup>7</sup></b>	Yes	Quarterly in advance	Transaction charges <sup>3</sup> – these may be paid by your Advisor	Yes	Not to exceed 2.50%
<b>TFA One Program<sup>7</sup> (Closed to new clients)</b>	Yes	Quarterly in advance	Transaction charges <sup>3</sup> – these may be paid by your Advisor	Yes	Not to exceed 2.50%
<b>TFA Elite Capital Advisors Program<sup>7</sup> (Closed to new clients)</b>	Yes	Quarterly in advance	Early account termination fee	Yes	Not to exceed 2.50%
<b>InterSecurities Managed Account Program<sup>7</sup></b>	Yes	Quarterly in advance	None	No	Not to exceed 2.60%

<i>Name of Program</i>	<i>Fees are Negotiable between You and Your Advisor</i>	<i>Deduct Fees from Your Account</i>	<i>Other Fees or Expenses Charged to Your Account<sup>1</sup></i>	<i>Linking<sup>2</sup> Of Accounts</i>	<i>Total Annual Advisory Fees Charged<sup>6</sup></i>
<b>(Closed to new clients)</b>					
<b>Variable Product Advisory Management Program</b>	Yes	Quarterly in advance or arrears depending upon specific program selected	Variable product expenses as described in your product prospectus <sup>4</sup>	No	Not to exceed 1.80% <sup>4</sup>
<b>Third-Party Money Managers<sup>5</sup></b>	Please carefully review the Third-Party Money Manager's Disclosure Brochure and applicable fees schedules prior to accepting services offered by a Third-Party Money-Manager.				

<sup>1</sup> Client may also incur certain charges imposed by TFA and/or other third parties in connection with investments made through Client's 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.

<sup>2</sup> Linking of Accounts means that you may link related accounts for the purpose of obtaining consolidated performance reports. With the exception of the Premier Wealth Services and Signature Wealth Services Programs, Client may only link related accounts that are in the same program. Related accounts in the Premier Wealth Services and Signature Wealth Services Programs are eligible for linking.

<sup>3</sup> Transaction charges, also referred to as brokerage fees, vary and are subject to change. A copy of the brokerage fee schedule is provided upon opening an account in an exhibit to your Client Agreement. Please consult your Advisor for a description of applicable brokerage fees.

<sup>4</sup> The Annual Advisory Fee does not represent those fees and expenses charged by the variable product issuer such as Mortality and Expense, Administrative Charges, and Product Rider or Enhancement Charges, or Variable Subaccount Operating Expenses. For a more complete description of these fees and expenses, please refer to your variable product account establishment paperwork and prospectus(es).

<sup>5</sup> Our Advisors do not establish the specific fee charged by the Third-Party Money Manager for whom the Advisors solicit business. Our Advisors also do not establish the termination procedures for a Third-Party Money Manager for which the Advisor solicits business. Clients pay advisory fees directly to the Third-Party Money Manager and the Third-Party Money Manager in turn compensates TFA. TFA pays a portion of this fee to its Advisors. Clients typically receive a Disclosure Statement that describes the fee paid to TFA by the Third-Party Money Manager. Third-Party Money Managers will generally require that Clients authorize automatic fee deduction from the advisory account. In many cases, the Third-Party Money Manager will also charge fees on cash positions held within client accounts. Clients should refer to the Third-Party Money Manager's Form ADV Part 2A or other Disclosure Brochure for a complete discussion of the fees and termination procedures associated with the particular advisory program in which they will participate.

All fees paid by a client to a Third-Party Money Manager for portfolio management services are separate and distinct from the fees and expenses which may be charged by investment companies such as mutual fund fees and expenses. Such fees and expenses will generally include, but are not limited to, a management fee, other fund operating expenses, possible distribution fees, and/or administrative fees. You may pay an initial or deferred sales charge or surrender fee if the fund also imposes sales charges or surrender fees.

Participation in Third-Party Money Management advisory services offered through TFA may cost you more than purchasing similar services separately directly through a Third-Party Money Manager. However, certain Third-Party Money Manager services may not be offered directly to clients and may only be available through an introducing Investment Advisor such as TFA.

<sup>6</sup>TFA bills total advisory fees on the total assets held in the account including cash or cash equivalent positions.

<sup>7</sup>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. 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.

When you choose one of our proprietary investment management programs (Signature Wealth Services Program, Premier Wealth Services Program, TFA Sterling Advisory Account Program, Capital Account Program, TFA Flex Program, Managed Retirement Account Program, Transamerica I-Series® Program, TFA Elite Capital Advisors Program, TFA Advantage Program, TFA One Program, Essential Wealth Services Platform or InterSecurities Managed Account Program), we will notify the custodian of our advisory fee. We use three custodians: FOLIO<sup>fn</sup> Investments, Inc. for the Transamerica I-Series® Program, TIAA for the Managed Retirement Account Program and the Advisor Network Program, and Pershing LLC for our other proprietary programs. Please refer to your account establishment paperwork and/or custodial account paperwork for additional details on fees and expenses.

Assets held in variable products included in the Variable Products Advisory Management Program will be under the custody of the issuing insurance company or the issuing insurance company's designated custodian. Please refer to your account establishment paperwork and/or applicable variable product prospectus(es) for additional details on fees and expenses.

Our third-party money managers may use other custodians such as Schwab or Fidelity. These custodians will deduct the advisory fee directly from your account or, if you have more than one account, from the account you have designated for payment of your advisory fees. Please refer to your account establishment paperwork, custodial account paperwork, and/or the third-party money manager's Form ADV Part 2A or similar Disclosure Brochure for additional details on fees and expenses.

You will receive periodic financial statements (or notification that your financial statements are available to view online) directly from your account custodian. These statements will show all transactions, positions and credits/debits (deposits/withdrawals) in your account. These statements will reflect deductions for advisory fees paid by you to us.

- **Seminars and Educational Services**

Individuals participating in the seminars or educational services will typically be charged a fixed fee not to exceed \$199 per person. In certain instances, however, an employer or other organization may agree to bear the cost of sponsoring a seminar or educational service for a group of employees or other individuals. In those cases the individuals attending the seminar or educational service are not

charged a separate fee for their participation. The Advisor presenting the seminar or educational service determines the actual amount of the fee. For educational services, the fees as negotiated will be set forth in our agreement with each client for such services.

## **Refunds**

If you terminate your advisory relationship with us in accordance with the terms of your advisory agreement, we will stop providing you investment advice. If you have assets in an advisory account, we will follow your instructions on closing the account. For example, we will advise your custodian to deliver securities and funds to you or to liquidate your holdings. If advisory fees are charged in advance, you will be entitled to a prorated refund of the pre-paid account advisory fee. This refund is based upon the number of days remaining in the quarter. If advisory fees are charged in arrears, TFA may charge an advisory fee covering the period up to the date when your advisory agreement is terminated.

If you terminate the advisory agreement within five business days of signing, you will receive a refund of all fees and expenses you have paid. If you terminate the advisory agreement after five business days, any deposits or pre-paid fees will be prorated and the unused portion will be returned to you.

For clients receiving investment management services within TFA's Variable Products Advisory Management Program who terminate their advisory relationship with us or a Third-Party Money Manager, your assets will remain under the custody of the issuing insurance company or the issuing insurance company's designated custodian; however, neither TFA or the Third-Party Money Manager you selected will continue to offer investment management services on the subaccount allocations within your VA or VUL products. If your investment management services are offered by our Advisor, any advisory service fee billing will be discontinued upon termination of investment management services. If your investment management services are offered by a Third-Party Money Manager, please refer to the termination provisions and, if applicable, fee refund provisions in your Third-Party Money Manager's advisory service agreement and/or Form ADV Part 2A or similar Disclosure Brochure.

For clients with assets managed within Third-Party Money Management Programs, please refer to the termination provisions and, if applicable, fee refund provisions in your Third-Party Money Manager's advisory service agreement, account opening paperwork, and/or Form ADV Part 2A or similar Disclosure Brochure.

## **Conflicts of Interest**

### Financial Planning and Consulting Programs

Your Advisor may operate in various capacities including, but not limited to, as an Investment Adviser Representative offering you various advisory services, as a Registered Representative recommending the purchase or sale of securities products, or as an Insurance Agent recommending the purchase of insurance products. Your Advisor, as part of your financial plan or consulting services, may recommend securities and other investment or insurance products. As such, a conflict of interest may exist in the compensation your Advisor receives for services offered through the Financial Planning or Consulting programs and the compensation your Advisor may receive as a Registered Representative or Insurance Agent on the purchase or sale of securities and other investment or insurance products.

In an effort to reduce this conflict of interest, if your Advisor recommends securities or other investment or insurance products in the Financial Planning or Consulting programs, you have the option to purchase or sell such securities, investment, or insurance products through other brokers or agents who are not affiliated with us.

### Investment Management Programs

Since we are both a broker-dealer and an investment advisor, we may receive compensation for the sale of securities or other investment products in addition to the advisory fees you pay to us. Receipt of such compensation creates a conflict of interest. It gives our Advisors an incentive to recommend these securities and other investment products to you rather than focusing on your needs.

In our investment management programs, we also offer no-load, load waived/net asset value mutual funds. This means that our Advisors will not receive commissions for selling and buying these mutual funds in the advisory program of your choice.

### Transamerica I-Series® Program

TFA is the sponsor of and one of several model portfolio managers within the Transamerica I-Series® program. Due to the structure and fee arrangements of the Transamerica I-Series® program, a conflict of interest may exist. TFA may earn additional compensation that it would not otherwise earn when you elect to participate in the Transamerica I-Series® program as opposed to other investment management or similar advisory service programs. TFA receives customary advisory service fees as the investment advisor offering this program to you and also receives customary management fees as the investment

manager of the model portfolios available to you within this program. When TFA or its Advisors offer you other similar advisory service programs, TFA generally only receives customary advisory service fees.

In an effort to reduce this conflict of interest, TFA's Advisors will analyze your current financial situation and investment goals, and then provide recommendations to you based on their analysis. Our Advisors have multiple advisory service programs to offer you in addition to the Transamerica I-Series® program. In some cases, based on their analysis, our Advisors may recommend the Transamerica I-Series® program or they may recommend other advisory service programs. You are not obligated to participate in the Transamerica I-Series® program or any other programs recommended by our Advisors.

Transamerica I-Series® is a wrap fee program which uses strategic and alternative asset allocation models to establish an individualized portfolio in accordance with your particular investment objectives and risk tolerance. Depending upon the models selected, the underlying assets may include ETFs, ETNs, other ETPs, and/or mutual funds (collectively "Investment Products"). Due to TFA's customary advisory service fees and customary management fees within the Transamerica I-Series® program, you may be able to purchase such Investment Products within other accounts or programs at a lower cost than participating in the model portfolios available to you within this program.

Some of the model portfolios available in Transamerica I-Series® Program are managed by TFA and Transamerica Asset Management, Inc. ("TAM"). TAM is an affiliated investment advisor firm of TFA. Client accounts opened through the program using model portfolios managed by TFA or TAM will result in additional revenue to TFA and/or TAM as opposed to accounts opened using model portfolios of unaffiliated firms.

#### Variable Product Advisory Program

TFA recognizes that many clients desire to have additional assistance with the management of their variable product's sub-account allocations. As a result, Advisors are able to offer these clients additional allocation assistance from various Third-Party Money Manager relationships through TFA's Variable Product Advisory Program. Effective January 1, 2014, Advisors may only recommend to clients the use of a Third-Party Money Manager on no-load/non-commissionable VA and VUL products. Clients who have Third-Party Money Management relationships with other types of variable products that were established prior to January 1, 2014, will be permitted to maintain those relationships.

In certain cases in which the underlying variable product is not a no-load/non-commissionable VA or VUL product, the compensation payments associated with these



products may present a conflict of interest. Variable products may have previously been sold to you through your Advisor while they were acting in the capacity of a Registered Representative of TFA's registered broker/dealer. In such cases, some variable products may have paid a commission on the initial sale of the variable product to TFA which would have been shared with the Registered Representative. If you subscribed to TFA's Variable Product Advisory Program prior to January 1, 2014, your Advisor may have received: (1) the commissions paid, including any ongoing trail compensation, on the original sale of the variable product and (2) the ongoing advisory fees paid for the investment management services offered in this program.

In an effort to reduce the potential conflict of interest, TFA and its Advisors would not have accepted or applied any advisory fees for the investment management services offered for a period of three years when TFA or its Advisors received commission compensation on the sale of your variable product as a registered broker/dealer or Registered Representative. However, if you chose to participate in TFA's Variable Product Advisory Program through a Third-Party Money Manager recommended by your Advisor, the Third-Party Money Manager may still have applied and/or accepted advisory fees for the investment management services offered by such Third-Party Money Manager regardless of any commission compensation paid to TFA or its Advisors during any time period.

#### Other Conflicts of Interest

TFA may distribute its advisory services and/or investment management programs through its affiliates and/or other unaffiliated individuals or entities (collectively "Program Distributors"). In some cases, clients may pay more for TFA's advisory services or investment management programs when they obtain these services through TFA's Program Distributors. Clients should carefully consider any additional costs they may incur in obtaining TFA's advisory services and/or investment management programs through Program Distributors prior to subscribing to such services or programs.

Depending on your account balance and/or portfolios selected within TFA's investment management programs, the same investment management strategies or portfolios may be available to you at different pricing levels through TFA's various investment management programs which may be more or less expensive to you.

#### Additional Conflicts of Interest

Flexible Plan Investments, Ltd., an unaffiliated third-party money management firm and independent investment adviser registered with the Securities and Exchange Commission, has entered into an agreement with STF Management, LLC relating to the development of

the “STF Strategy” by Thomas Campbell. The STF Strategy is now managed by and available through Flexible Plan Investments. Thomas Campbell is a registered representative and investment advisor representative of TFA. The STF Strategy is an investment methodology that seeks gains in bull or bear markets, uses rule sets in an attempt to take advantage of both up and down market trends, and uses leveraged, double-beta funds while tracking the price action of the NASDAQ 100 Index. For certain qualifying client accounts that are managed pursuant to the STF Strategy, STF Management, LLC will receive additional compensation from Flexible Plan Investments if the client selects this strategy at the time the account is opened or thereafter. STF Management, LLC and Thomas Campbell will not receive any additional compensation for client accounts using the STF Strategy for which he is the Advisor or co-Advisor of record.

Fund Architects, LLC, an unaffiliated third-party money management firm and independent investment adviser registered with the Securities and Exchange Commission, has entered into an agreement with TFA to provide certain investment advisory services to TFA clients. Keith Reed, Executive Vice President, and Burt Snover, President, of Fund Architects are both registered representatives with TFA’s Broker/Dealer. Additionally, Burt Snover is an investment advisor representative of TFA’s Registered Investment Advisor. As executive officers of Fund Architects, Mr. Reed and Mr. Snover may both benefit from business referred to Fund Architects by TFA investment advisor representatives. We resolve this conflict by monitoring the appropriateness of the recommendations made to you by our Advisors on all products you purchase.

With respect to one of our third-party money manager programs available through AssetMark, Inc., TFA and its Advisors are entitled to receive a quarterly reimbursement from AssetMark, Inc. for qualified marketing and/or business development expenses incurred by TFA and/or Advisor. The amount of such reimbursement is based on the Advisor’s total assets invested at the end of each calendar quarter in the AssetMark Program as follows:

<b>Asset Level</b>	<b>Quarterly Reimbursement</b>	<b>Asset Level</b>	<b>Quarterly Reimbursement</b>
\$ 25 mm	\$1,250	\$ 175 mm	\$13,750
\$ 35 mm	\$1,750	\$ 200 mm	\$16,250
\$ 50 mm	\$2,500	\$ 225 mm	\$18,750
\$ 75 mm	\$3,750	\$ 250 mm	\$21,250
\$ 100 mm	\$6,250	\$ 275 mm	\$23,750
\$ 125 mm	\$8,750	\$ 300 mm	\$26,250
\$ 150 mm	\$11,250		

## ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

---

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 above in Item 5.

## ITEM 7 – TYPES OF CLIENTS

---

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 advisory 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 and maintaining advisory accounts. Specifically, advisory clients must complete a Customer Account Information form or Client Profile form for certain programs. Either form will provide us with information such as name, address, date of birth and other information used to identify you. Institutional clients must complete an Institutional Profile form. 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. To participate in certain advisory programs, you must deposit and maintain a minimum amount of assets in the account. Below is a table which outlines some of our advisory program's requirements.

Name of Advisory Program	Customer Identification /Account Forms	Minimum Account Assets and Balance Required	Minimum Account Size <sup>1</sup>
<b>Financial Planning</b>	No	Not Required	Not Applicable
<b>Consulting</b>	Yes	Not Required	Not Applicable
<b>Signature Wealth Services</b>	Yes	Yes	\$75,000
<b>Premier Wealth Services</b>	Yes	Yes	\$50,000
<b>TFA Sterling Advisory Account Program</b>	Yes	Yes	Closed to new clients
<b>Capital Account</b>	Yes	Yes	Closed to new clients

Name of Advisory Program	Customer Identification /Account Forms	Minimum Account Assets and Balance Required	Minimum Account Size <sup>1</sup>
<b>Program</b>			
<b>TFA Flex Program</b>	Yes	Yes	\$25,000
<b>Retirement Account Programs</b>	Yes	Not Required	Not Applicable
<b>Transamerica I-Series® Program</b>	Yes	Yes	\$25,000
<b>TFA Elite Capital Advisors Program</b>	Yes	Yes	Closed to new clients
<b>TFA Advantage Program</b>	Yes	Yes	\$10,000 or higher depending upon the portfolio manager and the program
<b>TFA One Program</b>	Yes	Yes	Closed to new clients
<b>InterSecurities Managed Account Program</b>	Yes	Yes	Closed to new clients
<b>Variable Product Advisory Management Program</b>	Yes	Yes	\$30,000
<b>Third-Party Money Managers</b>	Yes	Yes	If you select a Third-Party Money Manager, your Advisor will assist you with identifying the manager's minimum amount.
<b>Essential Wealth Services Platform</b>	Yes	Yes	\$25,000

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

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

We offer advice on the following securities:

- Equity securities – exchange-listed and over-the-counter
- Warrants
- Corporate debt securities

- Commercial paper
- Municipal securities
- Investment company securities such as variable life insurance, variable annuities, and mutual fund shares
- United States government securities
- Options contracts on securities
- Interests in partnerships investing in real estate, oil and gas interests
- Limited partnerships that invest in equipment leasing programs

## **Methods of Analysis**

In conducting security analysis, we use a broad spectrum of information obtained from numerous sources including the following:

- Financial publications
- Research materials prepared by other individuals or companies
- Corporate rating services
- Timing services
- Annual reports, prospectuses, filings with the SEC
- Company press releases
- Meetings with Portfolio Managers

## **Investment Strategies**

### *Transamerica I-Series® Program*

In the Transamerica I-Series® program (“I-Series Program”), we use our own proprietary investment models for some of the asset allocation strategies. These were created using risk/return analysis of historical data that includes multiple market cycles. We also analyze the performance of various asset classes such as equity, fixed income, commodities, real estate and cash. These asset classes are then broken out into further subsets based on factors such as market capitalization and international and domestic markets. The ETFs, ETNs and similar securities for each asset class or subclass, are selected based on various data including expense ratio, performance history, liquidity, underlying index, provider diversification and number of holdings. Each asset allocation model, as well as your personal portfolio, is rebalanced periodically to the targeted asset allocation.

In addition to using our proprietary investment models in the I-Series Program, we have retained independent firms to create asset allocation model portfolios (“Third-Party Model Portfolios”). These independent asset managers are referred to as “Model Managers”. We

may, from time to time, replace existing Model Managers or hire others to create Third-Party Model Portfolios. The Model Managers are responsible for all investment selections for the model portfolios that they create. Model Managers will not have direct investment discretion over your portfolio. From time to time, Model Managers will update their models and instruct us to add, remove, or rebalance your securities holdings. TFA, along with the Model Managers, will monitor the performance of the investments in the Third-Party Model Portfolios on a periodic basis.

More information about the Transamerica I-Series® Program may be found in TFA's Form ADV Part 2A Appendix 1.

*TFA Advantage Program and TFA Elite Capital Advisors Program (the TFA Elite Capital Advisors Program is closed to new clients)*

The TFA Advantage and TFA Elite Capital Advisors Programs are platforms designed to access third-party money managers. Accordingly, please refer to the Third-Party Money Manager Program section, below.

*Signature Wealth Services, Premier Wealth Services, Capital Account Program, TFA Sterling Advisory Account Program, TFA Flex Program, TFA Managed Retirement Account Program, TFA One Program, Essential Wealth Services Platform (the TFA One Program, Capital Account Program, and TFA Sterling Advisory Account Program are closed to new clients)*

The Signature Wealth Services Program, the Premier Wealth Services Program, the Capital Account Program, the TFA Sterling Advisory Account Program, the TFA Flex Program, TFA Managed Retirement Account Program, TFA One Program, and the Essential Wealth Services Platform (collectively the "Programs") offer you asset management accounts in which your Advisor will direct and manage specified assets, upon your authorization. The fee structure within the Premier Wealth Services Program, Capital Account Program, TFA Flex Program, TFA Managed Retirement Account Program, and Essential Wealth Services Platform differs from the Signature Wealth Services Program and TFA Sterling Advisory Account Program as referenced in Item 5. Your Advisor will assist you in determining your suitability for one of these Programs by identifying your investment objectives, investment time horizon and investment risk tolerance. Each Advisor chooses his/her own analysis and research methods, investment style and strategy, as well as ongoing management philosophy. In these Programs, the Advisor uses various asset allocation tools, to advise you which securities to purchase and/or sell. In these Programs, our Advisors primarily use no-load and load-waived mutual funds when making investment recommendations, but may also recommend other types of securities including, but not limited to, stocks, bonds, exchanged traded products, load-waived REITS, and income-oriented securities. Under certain conditions we may allow the transfer of mutual fund shares into these Programs;

however, we do not allow the purchase of mutual fund class B, C or loaded A shares in these Programs. In addition, administrative fees in the TFA Sterling Advisory Account Program and Capital Account Program are reduced as a Client's assets under management increases. Linking accounts in these programs for the purpose of aggregation can increase the amount of assets under management, thus providing a fee reduction once certain levels are met.

*InterSecurities Managed Account Program (closed to new clients)*

The InterSecurities Managed Account Program offers you a 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. 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 information will be forwarded to the Portfolio Manager ("Portfolio Manager") who will manage your 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.

More information about the InterSecurities Managed Account Program may be found in TFA's Form ADV Part 2A Appendix 1.

*Variable Product Advisory Management Program*

The Variable Product Advisory Management Program offers you investment management services on the subaccount allocations within your VA or VUL products. Such management services may be offered by your Advisor using his/her own analysis and research methods, investment style and strategy, as well as ongoing management philosophy. In this Program, the Advisor uses various asset allocation tools to advise you with respect to subaccount allocations within your VA or VUL products. When authorized by you, your Advisor may exercise discretion over your variable product subaccounts.

Your Advisor may also recommend Third-Party Money Managers in connection with the Variable Product Advisory Management Program. Such Third-Party Money Managers are responsible for all investment selections they create within your variable product subaccounts. The methods of analysis, sources of information and investment strategies used by our Third-Party Money Managers will vary among managers. We encourage you to read each manager's Disclosure Brochures, Form ADV, Part 2As and any other document you receive prior to entering into an agreement with a Third-Party Money Manager. Third-Party Money Managers will exercise discretion over your variable product subaccounts.

### Third-Party Money Manager Programs

Advisors may assist you in selecting a Third-Party Money Manager whose investment strategies suit your needs and financial objectives. Assistance may also be provided to you in explaining the differences among the Third-Party Money Managers available. Advisors may also provide assistance to you by explaining any special instructions for the management of the assets in your account; in understanding the investment management process, investment objectives, and the investment strategies undertaken as part of the service; in reviewing and completing the written materials required by the Third-Party Money Manager; in monitoring reports, statements and performance results; in monitoring your ongoing needs and financial situation; and in answering questions about the service.

We select Third-Party Money Managers who are registered investment advisers based upon the following criteria:

- track record
- investment strategy
- public reports comparing advisors and their managers
- their disclosure documents

The methods of analysis, sources of information and investment strategies used by Third-Party Money Managers will vary among managers. We encourage you to read each manager's Disclosure Brochures, Form ADV, Part 2As and any other document you receive prior to entering into an agreement with a Third-Party Money Manager. Third-Party Money Managers will exercise discretion over your account assets.

A risk associated with this type of analysis is that past performance is not a guarantee of future results. While a Third-Party Money Manager may have demonstrated a certain level of success in past economic times, the Third-Party Money Manager may not be able to replicate that success in future markets. In addition, just because a Third-Party Money Manager may have invested in a certain manner in past years, such Third-Party Money Manager may deviate from its strategy in future years. To mitigate this risk, TFA attempts to select Third-Party Money Managers with proven track records that have demonstrated a consistent level of performance and success. TFA also conducts annual due diligence on the Third-Party Money Managers.



## Risk of Loss

Although we work hard to preserve your capital assets and increase your wealth, investing in securities can involve a risk of loss to your principal (invested amount) and any unrealized profits. For example, securities may not be sold at the appropriate time to achieve a profit. Certain strategies may impose more risk than others. As a fiduciary, we will strive to provide investment advice for your portfolio that is in your best interests.

The risk of loss can increase based on the securities held in the account and how those securities are purchased. Some examples of risks include the following:

- Fluctuating stock markets and bond markets along with recent global and domestic economic events influencing these markets.
- Purchasing securities on margin where you could lose more funds or securities than were deposited.
- Writing or selling an option contract (*e.g.*, a call, put, or straddle) without depositing the underlying security. Your risk of loss is potentially unlimited.
- Purchasing inverse or leveraged mutual funds and exchange traded products. These securities could suffer losses even if the long-term performance of the underlying index or benchmark showed a gain.

We will strive to manage your assets to the best of our ability; however we cannot guarantee any level of performance or prevent losses to your account assets.

## ITEM 9 – 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.

## ITEM 10 – 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.

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 Adviser (“Independent Registered Investment Advisers”). Some of our Advisors are associated with other Independent Registered Investment Advisers; 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 Adviser. Our Independent Registered Investment Advisers may 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.

- Clark Securities, Inc.
- 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”); and
- 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 and/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 current Sponsoring Company compensation arrangements can be found at the Home Page of TFA’s website 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.

## ITEM 11 – 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.

## ITEM 12 – BROKERAGE PRACTICES

---

Our practices with respect to the execution of your securities transactions as well as the factors we consider in selecting a broker/dealer for your securities transactions are described below.

### **Directed Brokerage**

In most cases, we require you to direct your securities transactions for execution through us and through our clearing broker/dealer and custodian, Pershing LLC (“Pershing”). However, there are exceptions which are described below.

Our directed brokerage policies for our various advisory programs are set forth below.

- **Signature Wealth Services, Premier Wealth Services, TFA Advantage Program, TFA Elite Capital Advisors Program, Capital Account Program, TFA Sterling Advisory Account Program, TFA Flex Program, TFA One Program, and Essential Wealth Services Platform**

We require you to direct all trades in these programs through us. We will then place your securities transactions with our clearing broker/dealer and custodian, Pershing. Pershing is not an affiliate of ours. We will use our best

efforts to obtain the best execution and the most competitive prices through this firm; however, we may not always be able to meet this goal resulting in a higher cost to you.

- **Transamerica I-Series® Program**

When you select the Transamerica I-Series® Program, you will appoint FOLIO*fn* Investments, Inc. (“FOLIO*fn*”) as your exclusive broker/dealer and custodian. Your securities transactions will be executed through and your assets held at this firm. We will be solely responsible for directing your purchases and sale transactions to FOLIO*fn*. Additionally, we will periodically direct one or more transactions for your account when rebalancing is required. Rebalancing is the process of buying and selling portions of your portfolio in order to adjust the weight of each asset class to your original asset allocation model. FOLIO*fn* attempts to obtain the best execution for you; however, there is no guarantee that this will be accomplished. Due to this arrangement with FOLIO*fn*, we may be limited or unable to negotiate commissions, aggregate your orders, or seek execution of transactions as efficiently as possible and at the best price for your account. You may also be paying higher commissions than our other advisory clients.

- **Retirement Account Programs**

When you select the Managed Retirement Account Program or the TIAA-CREF’s Advisor Network Program, you will appoint Teachers Insurance and Annuity Association of America (“TIAA”) as your exclusive broker/dealer and custodian. Your securities transactions will be executed through and your assets held at this firm. TFA and TIAA are not affiliated. TIAA attempts to obtain the best execution for you; however, there is no guarantee that this will be accomplished. Due to this arrangement with TIAA, we may be limited or unable to negotiate commissions, aggregate your orders, or seek execution of transactions as efficiently as possible and at the best price for your account. You may also be paying higher commissions than our other advisory clients.

- **Financial Planning and the Consulting Program**

In general, your Advisor will recommend that you use our firm to implement any of the recommendations made in your plan. However, you are not obligated to do so. Your Advisor may receive commissions or other

compensation from implementing these recommendations. This compensation is separate from and in addition to the advisory fees you will be charged. When executing transactions through your Advisor that are recommended in your plan, we will use Pershing as the clearing broker/dealer firm.

## **Other Important Information**

All 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.

A conflict of interest may exist between your Advisor and you related to the compensation he/she receives for advisory services offered as an Advisor and the compensation he/she receives for services offered as a Registered Representative of our broker/dealer. Your Advisor may offer investment advice related to the purchase or sale of securities and/or insurance products. In some cases, when such investment advice is offered outside of a managed account arrangement, your Advisor may receive a fee for the investment advice and, if you purchase or sell a security or purchase a fixed insurance contract, your Advisor may also be paid a commission.

You should review brokerage practices contained in the disclosure statements of your Third-Party Money Managers who will be managing your assets. Except as specified above, we have no agreements with other Third-Party Money Managers that require them to recommend us for their brokerage services. The Third-Party Money Managers available within the TFA Elite Capital Advisors and the TFA Advantage Programs have agreements with Pershing to direct their brokerage services to this clearinghouse. Third-Party Money Managers may or may not recommend the brokerage services of our firm. You are not obligated to use our firm under these other programs. Should you use our brokerage services, we may receive separate additional compensation.

## Trade Aggregation and Allocation Policy

We may aggregate trades for ourselves or for our Advisors with your securities, transactions providing the following conditions are met:

- Our policies for the aggregation of transactions are disclosed in our Form ADV, Part 2A. These policies are also provided to all our clients and any broker-dealer(s) through which we place securities transactions.
- We will not aggregate your transactions unless we believe that best execution and best price has been sought. This policy is consistent with the terms of your Advisory Agreement.
- We will not favor you over any other client. Each client that participates in an aggregated order will participate at the average share price for all our transactions in a given security on a given business day, with transaction costs shared pro-rata based on each client's participation in the transaction.
- We will prepare a written statement ("Allocation Statement") before entering an aggregated order. This statement will provide the list of participating clients' accounts and a description of our allocation order.
- When an aggregated order is completely filled, it is allocated among all the clients. When the order is partially filled, it is allocated on a pro-rata basis.
- The order may also be allocated differently than specified in the Allocation Statement. A change in allocation will require that:
  - all clients' accounts receive fair and equitable treatment
  - the reason for the different allocation is explained in writing
  - one of our compliance officers approves the new allocation no later than one hour after the opening of the markets on the trading day following the day the order was executed.
- Your account statement will indicate the following:
  - the aggregated orders
  - the securities held, bought and sold for that account.
- Your funds and securities in aggregated orders are deposited with one or more custodian banks or broker/dealers. Your cash and/or securities will not be held any longer than is necessary to settle the purchase or sale of the aggregated order. Similarly, your cash and/or securities will be delivered to the custodian bank or broker/dealer promptly following the settlement.
- Our firm will not receive any additional compensation for an aggregated order.
- We will treat and advise each client individually.

## **Agency Cross Transactions**

We do not engage in agency cross transactions. An agency cross transaction is a transaction in which we would act as an investment advisor and broker/dealer for you on one side of the transaction and another client on the other side of the transaction. However, we or any person associated with our firm may buy or sell securities identical to those recommended to you for their personal accounts.

## **Principal Trading**

Generally, we do not engage in principal trading. However, we do maintain a “trade error account” in which we buy or sell securities to correct any errors in advisory clients’ accounts. We rarely trade for this purpose.

## **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

## **ITEM 13 – REVIEW OF ACCOUNTS**

---

We review our investment advisory accounts and managed portfolios periodically throughout the year. The types of reviews we do are described below.

### ***TYPES OF REVIEWS***

#### **A. Managed Account Program Reviews**

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 Review Department reviews initial account applications and approves or rejects them. TFA's Suitability Review Department also 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 Manager of Compliance Monitoring & Surveillance, or designee, 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 active 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.

#### **B. Financial Planning and Consulting Services Reviews**

Our Suitability Team reviews each financial plan and consulting invoice. This review takes place after your Advisor has delivered a financial plan or consulting invoice to you. Our Suitability Team determines if there is an irregularity in the plan or the invoice, and if any are identified, they will escalate the matter to the RIA Compliance Department for resolution.

#### **C. Third-Party Money Management Program Reviews**

Review of accounts will be done at least on an annual basis and upon client request. Reviews will be conducted by the Advisor. Please refer to your applicable Third-Party Money Manager's Form ADV Part 2A or similar disclosure document for information related to the Third-Party Money Manager's review of its accounts.

#### **D. Additional Advisory Account Reviews**

We may review your advisory account when our auditors visit your Advisor's business location. We will also review your account if we receive a complaint from you

## ***TYPES OF WRITTEN REPORTS***

### **A. Financial Planning and Consulting Services Reports**

After you receive your written financial plan from your Advisor, you will not receive any further reports from us.

You may receive either a written financial plan or verbal recommendations from your Advisor when you participate in our Consulting Program. Your Advisor will continue to provide these written financial plans or verbal recommendations as long as you are in this program.

### **B. Managed Account Program Reports**

In these programs, you may receive performance reports on a quarterly basis. These reports are prepared by your Advisor, Pershing, or other providers. Some of these reports may be available online or electronically. These reports may contain your account activity detail, current asset allocation, advisory fees, analysis of your assets under management, market value of your investments, and current and historical performance.

You will also receive periodic brokerage statements directly from your portfolio or account custodian. These reports detail all cash and asset transactions and positions. If there is activity in your advisory account, you will also receive confirmation statements from your custodian.

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

### **C. Third-Party Money Manager Programs Reports**

If your account is managed by a Third-Party Money Manager, you will generally receive written account statements, transaction confirmations and/or performance reports. Depending upon the Third-Party Money Manager, you may receive these reports quarterly or more frequently. The nature and frequency of client reports will vary by the Third-Party Money Manager. We urge you to carefully review these reports and

compare your custodial statements with your performance reports. The information in your performance reports may vary from your custodial statements due to accounting procedures, reporting dates, or valuation methodologies of certain securities. In the event of any discrepancies, you should rely on the statements you receive from the custodian of your assets.

## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

---

### Registration Arrangements

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 and 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 advisors that may be affiliated or unaffiliated with us. These agreements allow these registered investment advisors 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 offer 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.

## ITEM 15 – 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. TFA also has indirect custody of client accounts in Transamerica I-Series® Program as TFA has the ability to deduct quarterly advisory fees from a client's account. 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.

## ITEM 16 – INVESTMENT DISCRETION

---

We may accept discretionary authority to manage your account in the Premier Wealth Services Program, Signature Wealth Services Program, Capital Account Program, Sterling Program, Transamerica I-Series Program, TFA Flex Program, Advantage Program, TFA One Program, and Essential Wealth Services Program. We also may 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.

## ITEM 17 – VOTING CLIENT SECURITIES (PROXY VOTING)

---

You are responsible for directing the manner in which proxies for the securities held in your account are voted. We do not vote proxies on behalf of our clients in our advisory programs including those managed by Third-Party Money Managers. You should refer to the Third-Party Money Managers' disclosure documents for a complete description of their proxy voting procedures. These documents will explain whether you will receive proxies or other solicitations directly from the custodian or a transfer agent.

## ITEM 18 – 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.