

Item 1 - Cover Page

**TRANSAMERICA RETIREMENT ADVISORS, LLC**  
***Managed Advice® and Today's Advice®* Brochure**

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This brochure provides information about the qualifications and business practices of Transamerica Retirement Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (844) 622-2133. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

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

March 31, 2021

## Item 2 - Summary of Material Changes

*Each year, by the end of March, Transamerica Retirement Advisors, LLC ("TRA") is required to prepare an annual update of its Form ADV. In conjunction with this annual update, TRA is required to prepare a summary of the specific material changes, if any, that have been made to each of its Form ADV brochures. TRA has no material changes to this brochure since filing its last annual update on March 30, 2020.*

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## Item 4 - **Advisory Business**

### **Our Firm**

Transamerica Retirement Advisors, LLC ("TRA") is a registered investment advisory firm that, with its predecessors, has been in business since 1992. TRA is part of the AEGON family of companies, a global leader in pensions. TRA is a wholly owned subsidiary of Transamerica Retirement Solutions, LLC ("TRS"), a firm dedicated to providing services to retirement plans. TRS is a direct wholly owned subsidiary of AUSA Holding, LLC, a financial service holding company. AUSA Holding, LLC is owned by Transamerica Corporation. Transamerica Corporation is owned by AEGON International B.V., which is owned by AEGON N.V., a Netherlands corporation, and a publicly traded international insurance group ("AEGON").

As of December 31, 2020, TRA has the following assets under management: Discretionary: \$3,658,307,163 and Non-discretionary: \$5,106,750,570. Not all these assets are associated with the Managed Advice® service, and the amounts do not include any assets associated with Today's Advice®. These figures are computed in the same fashion as in our Form ADV, Part 1A. Please refer to TRA's other Form ADV brochures for discussions of the other investment advisory services offered by TRA.

### **Advisory Services**

#### ***Managed Advice®***

*Managed Advice®* is an advisory service that creates asset allocation portfolios for retirement plan participants where the plan sponsor has elected to offer this service to its participants. *Managed Advice®* provides participants with holistic recommendations including savings rate advice and retirement age advice based on personal information they provide, such as income, retirement goals, and household assets. As part of the *Managed Advice®* service, a plan participant's account is rebalanced periodically through a series of portfolios personalized to the participant with the objective of meeting his/her retirement goals. TRA has engaged Morningstar Investment Management, LLC ("Morningstar"), which is unaffiliated with TRA, to act as an Independent Financial Expert ("IFE"), as provided within the Department of Labor's Advisory Opinion 2001-09A dated December 14, 2001 (commonly referred to as the "SunAmerica Opinion."). TRA relies exclusively on the proprietary software, systems and investment methodology developed and maintained by Morningstar to create target allocations for participants. Morningstar may use information provided by independent third parties such as mutual fund data providers or index providers in the construction of advice for the program.

For *Managed Advice®*, TRA will act as a discretionary fiduciary under the Employee Retirement Income Security Act of 1974 ("ERISA") and will serve as an "investment manager" as defined in Section 3(38) of ERISA but assumes only the specific and limited fiduciary responsibility and liability attendant to Morningstar's construction of the *Managed Advice®* model portfolios and will not be considered a fiduciary of the Plan for any other purpose. While the portfolios will consider a participant's personal factors, TRA does not purport that the portfolios will meet the objectives or needs of specific individuals or accounts.

Plan participants voluntarily electing to use the *Managed Advice*® service subscribe on-line through the plan's website. During the subscription process the plan participant will have the opportunity to provide detailed information about his or her personal and financial situation (and, if applicable, their spouse or partner). Once this information is provided, the participant can proceed and complete their subscription to the *Managed Advice*® service.

The *Managed Advice*® portfolios are automatically implemented for participants who elect to use the service and/or those participants whose plan sponsors have chosen Managed Advice® as the Qualified Default Investment Alternative ("QDIA") – a default investment used when the plan participant has not made an active investment election for their retirement plan. In the event the sponsor elects to use Managed Advice® as a QDIA, the plan fiduciary shall have fiduciary discretion with respect to the selection and monitoring of the QDIA. TRA is not responsible for selecting and monitoring the investment alternatives and QDIA available under any plan.

TRA Investment Advisor Representatives ("IARs") will meet one-on-one with participants at their request to provide investment support related to the Managed Advice service. IARs may review a participant's Managed Advice® Retirement Profile information, situation and objectives within the context of income and growth needs and expectations. IARs may also help by explaining to participants the fundamentals of asset allocation, and the investments that are available to them. In providing any investment advisory services to participants with respect to the Managed Advice® one-on-one advisory services, TRA will act as a fiduciary under ERISA by reason of the provision of investment advice referred to in section 3(21)(A)(ii) of ERISA.

### ***Today's Advice*®**

If a participant is not yet ready to subscribe to *Managed Advice*®, he or she may still be interested in viewing a proposed asset allocation portfolio that is based upon the data that the participant provided during the subscription process. The participant will have the ability to view the proposed asset allocation portfolio that will include allocations among all, or a portion of, the plan's investment options. This snapshot is called "*Today's Advice*®." *Today's Advice*® is non-discretionary, view-only asset allocation advice. By selecting *Today's Advice*®, a plan participant will receive the ability to view an investment portfolio that includes allocations among all, or a portion of the plan's investment options that is based upon the participant's retirement time frame, retirement account balance, and overall financial status. When constructing the non-discretionary advice for the participant's recommended investment portfolio, *Today's Advice*® will take into consideration any other investments the participant holds inside his or her plan account that are not included in the *Today's Advice*® portfolio and any assets held outside the plan account if the participant elects to provide this information. The investment portfolio recommendation provided by *Today's Advice*® will be the product of a computer program applying portfolio management methodologies developed, maintained and overseen by an IFE retained by TRA. Should the participant determine that the proposed *Today's Advice*® asset allocation is appropriate for his/her account, the participant can implement the proposed allocations by making self-directed transactions through the plan's website. Unlike fully subscribing to *Managed Advice*®, *Today's Advice*® is non-discretionary and will NOT

automatically implement any asset allocation, nor will it automatically rebalance a participant's portfolio. The advice output from *Today's Advice*® expires and is no longer current after the point in time in which the allocation is provided.

TRA does not have, and will not exercise any, fiduciary discretion with respect to the provision of *Today's Advice*®. In providing any investment advice to participants with respect to *Today's Advice*®, TRA will act as a fiduciary of the Plan under ERISA by reason of the provision of investment advice referred to in section 3(21)(A)(ii) of ERISA. TRA will act as a non-discretionary fiduciary under ERISA as defined in Section 3(21) of ERISA and will not be considered a fiduciary of the plan for any other purpose. While the portfolios will consider a participant's personal factors, TRA does not purport that the portfolios will meet the objectives or needs of specific individuals or accounts. As noted above, *Today's Advice*® is non-discretionary and therefore will not automatically implement any asset allocation viewed by the participant and can therefore not be used as the plan's QDIA.

#### ***Additional Information about Managed Advice® and Today's Advice®***

Each portfolio in *Managed Advice*® and *Today's Advice*® is comprised of some, or all the investment options selected for a given retirement plan by the plan sponsor or other appropriate fiduciary and is designed with an intent to provide varying asset allocation mixes of equity, fixed income, and other investments, with varying expected risk levels. Certain investments, such as employer stock, may be excluded, as indicated in the sponsor and participant agreements. Morningstar may (or may not) decide to include within *Managed Advice*® or *Today's Advice*® designated investment options that are Transamerica proprietary investment funds or stable value products offered by Transamerica affiliates, so long as such investment options are already included within the retirement plan's line-up. To the extent *Managed Advice*® allocates, and *Today's Advice*® recommends, assets within a participant's account to an investment option where TRA's affiliates receive administration, distribution, servicing, sub-transfer agency, and/or other fees payable by such investment options, TRA's affiliates will benefit. TRA's affiliates will benefit further if *Managed Advice*® or *Today's Advice*® recommends allocations to a proprietary fund, because TRA's affiliates will receive revenue and advisory fees from such investment options to the extent such assets are allocated. When subscribing to *Managed Advice*®, a portfolio is created for the participant based on the personal information provided by the participant, including, but not limited to the participant's desired retirement income goal, annual compensation, other sources of income, savings rate and retirement age. *Today's Advice*® also bases its proposed asset allocation portfolio on the personal information provided by the participant, but the participant must implement the proposed allocations by making self-directed transactions through the plan's website.

#### **About Morningstar**

Morningstar is an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of Morningstar, Inc., neither of which are affiliates of TRA. Morningstar is acting as a fiduciary as defined in section 3(21)(A)(ii) of ERISA to Transamerica to the extent that it provides investment advice. TRA pays Morningstar a fee for developing and providing the asset allocation portfolios and software and systems used in connection with the *Managed Advice*® service. However,

Morningstar's fee does not depend upon and is not affected in any way by the investment portfolio provided to participants in connection with the *Managed Advice*® service.

#### Item 5 - **Fees and Compensation:**

TRA offers *Managed Advice*® and *Today's Advice*® to retirement plans that are also recordkeeping clients of Transamerica Retirement Solutions ("TRS") and to the participants of such plans. TRA charges an annual fee of up to 0.50% of the average daily net asset value of a participant's account assets for *Managed Advice*®. The *Managed Advice*® fee varies depending upon a combination of several variables, including assets under management, plan demographics, the methodology the plan chooses to enroll its participants into *Managed Advice*®, and other factors. Plan sponsors or plan fiduciaries may negotiate the *Managed Advice*® fee. There is currently no fee for participants who utilize *Today's Advice*®. TRA may charge a fee for this service in the future upon notice to plan sponsors and participants and consent by plan sponsors.

The *Managed Advice*® fee is calculated upon the average daily net asset value of a participant's account assets, accrued daily and in most cases deducted from participants' accounts, in arrears, on a monthly basis. If a participant holds employer stock or has a portion of their account assets invested in a self-directed brokerage account within the plan account, those balances are excluded from the calculation of the *Managed Advice*® fee. TRA begins to assess the *Managed Advice*® fee on the date the participant subscribes to the service or upon the expiration of a free look period. A participant may unsubscribe from the *Managed Advice*® service online or by calling TRA and TRA will, at the end of the billing period, deduct the fee unless the participant elects to close their account, in which case TRA will deduct the fee before such closure. If the Plan sponsor or plan fiduciary terminates the *Managed Advice*® service or the plan is transitioned to a new recordkeeper other than TRS, participants' *Managed Advice*® service will terminate and the fee will be deducted from participant accounts effective upon such termination or transfer date.

When investing through *Managed Advice*® or *Today's Advice*®, participants will bear the fees associated with the underlying funds and investments within the model portfolios, which fees and expenses are described in the prospectuses or other offering materials for such fund investments.

TRA pays certain personnel associated with its affiliated broker-dealer(s) additional compensation for the sale of the *Managed Advice*® service to eligible retirement plans and utilization by plan participants. These personnel therefore have an incentive to refer plan sponsors to the *Managed Advice*® service over other available investment services. TRA personnel can receive incentive compensation based on the number of enrollments in the *Managed Advice*® service, and therefore have an incentive to refer participants to the service. TRA reviews all incentive compensation plans, monitors sales activities and performs ongoing supervision to mitigate these conflicts of interest.

**Item 6 - Performance-Based Fees**

Neither TRA nor any of its advisory personnel charge performance-based fees.

**Item 7 - Types of Clients**

TRA provides the *Managed Advice*® service to retirement plans and their plan participants. There is currently no participant account minimum required for the *Managed Advice*® service.

**Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss**

TRA's decision to select Morningstar as the IFE was made based on an analysis of Morningstar's investment processes and methodologies. TRA does not guarantee the performance of the asset allocation portfolios developed by Morningstar. On an ongoing basis, TRA conducts due diligence on Morningstar as an IFE by collecting and reviewing updated documentation and verifying the results of several test cases.

TRA IARs will only provide the advice administered from the Morningstar engine. IARs can help a participant answer questions, such as how much to save, how to invest within the *Managed Advice*® service, and how to adapt a strategy over time. IARs may discuss with participants their target retirement date, help them sign up for the *Managed Advice*® service, help them obtain a personalized retirement readiness assessment, explain the details of the contribution rate and retirement age, and help them execute contribution updates. IARs may also aid by explaining to participants the fundamentals of asset allocation, and the investments that are available to them. An IAR may advise a client about whether *Managed Advice*® is appropriate. IARs working with participants have an incentive to recommend the *Managed Advice*® service as a result of receiving additional compensation for the recommendation of *Managed Advice*®.

To accompany the discussion above of the methods of analysis and strategies employed by TRA in providing the *Managed Advice*® and *Today's Advice*® program, the discussion below summarizes the methods of analysis, investment strategies, and key risks applicable to the services that Morningstar provides through this program.

Investing in securities involves risk of loss that clients should be prepared to bear.

**Advice Strategies**

Morningstar gathers detailed information about the participants' personal and financial situation (and, if applicable, their spouse or partner) to help them reach their desired retirement income goal through identifying a personalized strategy based on asset allocation, investments, contribution rates and retirement age. Participants must provide this personal financial information in order to receive advice through *Managed Advice*® or *Today's Advice*®. Morningstar forecasts the participants' estimated retirement income vs their retirement income goal. Morningstar will provide economic forecasts and financial information, but it is dependent on the participant to provide an accurate and complete assessment of their financial circumstances and goals to ensure the output is meaningful.



The Morningstar engine provides advice on contribution rate, asset allocation, retirement age, and maximum consumption during retirement based on the participant's retirement goals using a 70% probability of success. Since each advice output is dependent on other factors, changing a single factor may alter the participant's advice strategy in other areas. For example, by reducing retirement need, the contribution rate, retirement age, and asset allocation may be impacted.

One of the challenges of providing prudent advice to an individual is to find a balance among portfolio risk, contribution rate and retirement age. Solving for retirement with only the portfolio choice tends to put most participants in a riskier option than they would prefer; conversely, solving using only the contribution rate produces a result that most participants cannot afford. Morningstar provides the advice strategy based on the participant's overall financial circumstances to help the participant meet their retirement goal. The service can solve for the combination of contribution rate, retirement age, and asset allocation to target the participant's desired retirement income goal. The output may alter retirement age and increase savings to help the participant meet their goals. Another aspect of prudent advice requires examining all assets of a participant and not just financial assets alone. Most methods of providing advice take only financial assets ("Financial Capital") into account. Morningstar has developed a methodology that uses a concept called "Human Capital" to help determine an appropriate portfolio risk level that integrates all accounts even though advice may only be for a portion of those accounts. Human Capital is defined as the total economic value of a person's set of skills and talents and include future earnings, potential future retirement plan savings, and Social Security payments.

Morningstar also provides advice that is designed to promote sustainable income at the participant's desired retirement age. To help the participant achieve this goal, Morningstar may recommend an optimal retirement age, which may extend beyond a participant's desired retirement age.

When a participant is retired and taking disbursements from the retirement account, Morningstar can calculate an estimate of the maximum sustainable consumption rate for the participant and their spouse or partner (if applicable), even if there is a significant difference in retirement years. This spend-down advice is focused on building a systematic withdrawal strategy where the retirement income every year is funded either by the investor's financial assets or from other income sources (such as defined benefit assets, Social Security, etc.) Spend-down will illustrate how long the participant's desired income should last in retirement. Spend-down also solves for how much sustainable income a participant can draw throughout their retirement years based on their wealth, their spouses' or partner's wealth and their respective retirement horizons.

Morningstar recommends asset allocation and investment strategies in retirement plans based on the following methodology:

Step 1: Selecting Asset Classes

Step 2: Developing Expected Returns, Standard Deviations, and Correlations

Step 3: Building Strategic Model Asset Allocations

Step 4: Selecting Fund Specific Portfolios

Step 5: Review Process

**Personalized Portfolios**

Once Morningstar determines the most appropriate equity exposure for the participant as well as the construction of the fund specific portfolios as described above, Morningstar further optimizes the portfolio to address inflation risk. Participants who are closer to retirement generally need more inflation protection than those who are younger and just starting to save. That's because the latter have access to future earnings, which generally will keep pace with inflation. Participants closer to retirement don't have that luxury, and thus need to overweight their portfolios to sub-asset classes that are more highly correlated to inflation. This helps hedge against the shortfall risk that rises along with inflation. Without such a hedge, a participant runs the risk that their spending power will diminish over time.

Morningstar's asset allocation advice process begins with six different portfolios—three that are focused on accumulation and three on decumulation—each of which has different sub-asset class weightings. The accumulation portfolios generally have higher exposure to asset classes with little correlations to inflation, which in many cases are more volatile equities (such as emerging markets). In the decumulation portfolios Morningstar increases the target to those asset classes, when available in plan, which provide inflation protection.

Using the appropriate equity exposure, number of years the participant has until retirement and portfolios constructed as described above, the service determines a personalized portfolio for the participant by blending the accumulation and decumulation portfolios. The shorter the participant's horizon to retirement, the greater the weight placed on the decumulation portfolio

The portfolio provided by *Managed Advice*® and *Today's Advice*® will be the product of a computer program applying portfolio management methodologies developed, maintained and overseen by Morningstar, as the IFE. Morningstar's model asset allocation portfolios and computer software and systems are based on generally accepted principles of modern investment theory. However, like all models, algorithms and/or calculations ("Models"), Morningstar's tools have inherent risks. Models may incorrectly forecast future behavior or produce unexpected results, including losses. The success of using Models depends on numerous factors, including the validity, accuracy and completeness of the Model's development, implementation and maintenance, the Model's assumptions, factors, algorithms and methodologies, and the accuracy and reliability of the supplied historical or other data. If incorrect data is entered into even a well-founded Model, the resulting information will be incorrect. Investments selected with the use of Models may perform differently than expected as a result of the design of the Model, inputs into the Model, or other factors. In addition, changes to a Model, although subject to compliance controls and testing, may not have the desired effect with respect to an investor's account. While this risk increases if changes to a Model are insufficiently tested prior to implementation, even extensively tested changes may not produce the desired effect over time. The advice generated from *Managed Advice*® and *Today's Advice*® is partly dependent upon information received from plan participants, as well as from other third parties and external sources, meaning that the service could be impacted depending on the accuracy of the information provided. The principal value of the portfolio is never guaranteed. Investment return and principal value will fluctuate with market conditions, and you may lose money.

Morningstar is not owned or controlled by TRA or its affiliates. Morningstar, as the IFE, has sole control over the development and maintenance of its model asset allocation portfolios, the computer software and systems used to provide participants' investment portfolios, and the portfolio management methodologies used to construct and maintain its model asset allocation portfolios and its software and systems. TRA may not change the IFE's model portfolios or its software or systems or modify the investment portfolio established for a participant using the software and systems developed and maintained by Morningstar for *Managed Advice®* or *Today's Advice®*.

#### Item 9 - **Disciplinary Information**

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

#### Item 10 - **Other Financial Industry Activities and Affiliations**

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

##### **Aegon USA Investment Management, LLC.**

Aegon USA Investment Management, LLC ("Aegon AM US") is a wholly owned subsidiary of Aegon USA Asset Management Holding, LLC and an indirect wholly owned subsidiary of Aegon NV, a Netherlands-based financial services organization. TRA has entered into compensation arrangements to act as an introducer for Aegon AM US. This agreement will at all times be maintained in compliance with Rule 206(4)-3 under the Act. Aegon AM US compensates TAM out of its own resources based on a percentage of the management fee it earns from the account a solicitor has introduced. This arrangement does not increase the fees charged by Aegon AM US to any client.

##### **Massachusetts Fidelity Trust Company**

Massachusetts Fidelity Trust Company ("MFTC") is an indirect, wholly owned subsidiary of AEGON, as is TRA. MFTC sponsors collective trust funds for retirement plans. If selected by the plan sponsor, MFTC collective trust funds may be held by pension plan clients and invested in by plan participants in *Managed Advice®* and *Today's Advice®*. This will provide additional revenue to MFTC and its affiliates.

##### **Transamerica Asset Management, Inc.**

Transamerica Asset Management, Inc. ("TAM") is an indirect wholly owned subsidiary of AEGON, as is TRA. TAM serves as an investment adviser to a family of mutual funds known as the Transamerica Funds. TRA's affiliates may receive payments from TAM, which TAM pays out of its own resources, for provision of retirement plan recordkeeping and other retirement plan administrative services that TRA's affiliates provide to retirement plan clients that hold investments in the Transamerica Funds. If selected by the plan sponsor, Transamerica mutual funds may be held

by pension plan clients and invested in by plan participants in *Managed Advice*® and *Today's Advice*®. This will provide additional revenue to TAM and its affiliates.

**Transamerica Capital Inc.**

Transamerica Capital, Inc. ("TCI") is an indirect wholly owned subsidiary of AEGON, as is TRA. TCI is a wholesaler and underwriter for various Transamerica products, including mutual funds and variable annuities. These TCI wholesaled and underwritten products may be used as retirement plan options and may be held by pension plan clients. TCI and its employees may receive compensation from the sale of such products based on the amount of sales and/or assets under management.

**Transamerica Financial Life Insurance Company**

Transamerica Financial Life Insurance Company ("TFLIC") is an indirect wholly owned subsidiary of AEGON, as is TRA. TFLIC is actively engaged in selling group annuities to be used as funding vehicles for retirement and pension plans and variable and fixed annuities to individuals. TFLIC products may be held by pension plan clients and invested in by their participants in the *Managed Advice*® service. In order to market these products, TRA employees and agents are licensed insurance agents of TFLIC as necessary. These individuals will receive incentive compensation for the sale of these annuity products to advisory clients.

**Transamerica Investors Securities Corporation**

Transamerica Investors Securities Corporation ("TISC") is a registered broker-dealer and a wholly owned subsidiary of TRS. While providing a full range of investment options to its pension management clients, registered investment products may be sold through TISC. Accordingly, TRA's employees and agents will be licensed registered representatives of TISC as necessary.

**Transamerica Life Insurance Company**

Transamerica Life Insurance Company ("TLIC") is an indirect wholly owned subsidiary of AEGON, as is TRA. TLIC is engaged in selling group annuities to be used as funding vehicles for retirement and pension plans and variable and fixed annuities to individuals. TLIC products may be held by pension plan clients and invested in by their participants in the *Managed Advice*® service. In order to market these products, TRA employees and agents are licensed insurance agents of TLIC as necessary. These individuals will receive incentive compensation for the sale of these annuity products to advisory clients.

**Transamerica Retirement Insurance Agency, LLC**

Transamerica Retirement Insurance Agency, LLC ("TRIA") is a registered insurance agency and wholly owned subsidiary of TRS. In certain cases, some of our officers and IARs may be personally affiliated with our affiliated insurance companies/agencies. When you purchase insurance products through an IAR that is acting in his or her capacity as an insurance agent, TRIA will receive commission compensation. However, our IARs do not receive commissions for sales of insurance products. On approximately September 1, 2019, Oncor Insurance Services, LLC merged into TRIA whereby TRIA assumed all assets and liabilities of Oncor.

**Transamerica Retirement Solutions, LLC**

Transamerica Retirement Solutions, LLC ("TRS") is a retirement services firm offering a range of products and services, including recordkeeping, plan participant education and communications, plan design, plan testing, general ERISA and IRS compliance, as well as investment products to fund these plans.

TRA's affiliates benefit from additional revenue if proprietary funds are chosen by plan sponsors or third-party funds that pay fund revenue to TRA's affiliates. However, because the investment options offered within a given retirement plan and investment allocations (which are both then utilized within *Managed Advice*® and *Today's Advice*®) are not selected or determined by TRA, TRA and its affiliates believe that potential conflicts of interest are generally minimized for *Managed Advice*® and *Today's Advice*®. However, IARs working with participants have an incentive to recommend the *Managed Advice*® service because they receive additional compensation for the sale of the *Managed Advice*® Service.

**Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

TRA has adopted a code of ethics (the "Code") under Rule 204A-1 under the Investment Advisers Act of 1940, which sets forth certain restrictions and standards of conduct for TRA's advisory personnel. While the Code permits such employees to invest in securities that may be held or acquired by TRA's advisory clients, it prohibits specific types of personal securities transactions that may give rise to substantial conflicts of interest. It also establishes reporting requirements through which certain employees provide information to TRA on their personal securities transactions. More generally, the Code prohibits any employees from taking inappropriate advantage of his or her position with TRA and provides that TRA may sanction employees who violate the Code. Any client or prospective client may obtain a copy of the Code without charge by calling (508) 903-6001 or writing to us at Transamerica Retirement Advisors, LLC, 440 Mamaroneck Avenue, Harrison, NY 10528.

TRA or its advisory personnel may invest in the same collective investment funds that are held in client accounts. As this may present a conflict of interest, TRA maintains procedures in order to ensure compliance with its fiduciary responsibilities. TRA advisory personnel shall not buy or sell collective investment funds for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. TRA advisory personnel may not prefer their own interest to that of the advisory client. TRA receives reports of all securities transactions of advisory personnel. These transactions and holdings are reviewed on a regular basis by the Compliance Department personnel.

**Item 12 - Brokerage Practices**

Transactions in investment funds are executed either directly with the applicable fund family or through a broker-dealer that is a member of the National Securities Clearing Corporation. In either case, no commissions are payable from client accounts to broker-dealers utilized in effecting fund

transactions. TRA does not receive research or other soft dollar benefits from broker-dealers that place mutual fund transactions.

#### Item 13 - **Review of Accounts**

Accounts in the Managed Advice® service are systematically monitored and rebalanced on a periodic basis (approximately quarterly). Participants will receive a notification of subscription to Managed Advice® at least annually. Upon receipt, they are encouraged to log onto the plan's website to review personal information to ensure that it is still accurate and consistent with their goals, as changes to this information could impact the service's asset allocation. Additionally, you are welcome to contact us at any time to review your account. Because Today's Advice® provides non-discretionary advice that a participant implements on his/her own volition without TRA's knowledge, TRA will not monitor accounts that have utilized Today's Advice®.

#### Item 14 - **Client Referrals and Other Compensation**

TRA pays certain personnel of its affiliated broker-dealer, TISC, additional compensation to refer plan sponsor clients to the *Managed Advice*® service. TRA also pays certain IARs additional compensation for the sale of the *Managed Advice*® service to plan participants. TISC and TRA personnel therefore have an incentive to refer plan sponsors and plan participants to the *Managed Advice*® service over other available investment services. TRA reviews all incentive compensation plans to try to mitigate this conflict of interest.

From time to time, TRA may offer incentive to IARs based on overall productivity. While qualification does not depend on the sale of any specific advisory product, there may be an incentive for IARs to sell advisory products. TRA manages this conflict by training and monitoring IARs regarding their fiduciary obligations.

#### Item 15 - **Custody**

TRA will deduct any advisory fee directly from a participant's account through its recordkeeping affiliate, TRS. As a result, TRA is deemed to have limited custody over funds held in client accounts, but we do not hold physical custody of any of these funds. Funds are held with the plan trustee, which is a bank trust company, broker-dealer, or other independent qualified custodian. Participants will receive account statements at least quarterly. Clients should carefully review account statements for accuracy.

#### Item 16 - **Investment Discretion**

As described herein, TRA relies on Morningstar as an Independent Financial Expert for *Managed Advice*® and *Today's Advice*®. TRA is deemed to have limited discretionary investment authority to provide *Managed Advice*® and *Today's Advice*® in that TRA does not have discretionary authority regarding a plan's overall investment line-up and TRA only implements (within the context of *Managed*

*Advice*®) the recommendations of the IFE. TRA has discretionary authority as it relates to affecting any transactions associated with composing or rebalancing a client's account in connection with the portfolio recommendations of the IFE. TRA does not have discretionary authority with the one-on-one participant advisory services or with *Today's Advice*®. Upon specific request to TRA, sponsors and participants maintain the ability to impose reasonable restrictions on the *Managed Advice*® service.

#### Item 17 - **Voting Client Securities**

TRA does not accept authority to vote proxies on investment funds held in client accounts.

#### Item 18 - **Financial Information**

We are not subject to any financial condition that is reasonably likely to impair our ability to meet our commitments to clients and have not been the subject of a bankruptcy petition.